

Resolution on contraction by Chiche!

I Why infinite growth is a myth

A simple increase of production is impossible in a finite world, so an exponential increase in production is even more fanciful. Nevertheless, governments do not even consider a slow decrease in the growth rate as an option.

The answer, it is said, lies in the unlimited resources: renewable energy, in particular solar energy is touted as the answer to all our energy problems.

Practically speaking, things are a little different: the space to accommodate wind turbines or solar panels, for example, is limited, and as for hydroelectric power, most of the possibilities in France have now been exhausted, even for small-scale developments.

What's more, even if we had an unlimited amount of energy, to what use could we put it without an unlimited supply of natural resources? Only for organic resources we can increase the return, but agricultural land is precious and certainly not unlimited. Furthermore, the intensive mode of production in agriculture is wholly unsustainable: so either the volume produced will decline, or we will have to increase the amount of land set aside for agriculture. Already, though, our agricultural practices have exhausted millions of hectares of land and many have become utterly infertile as a result.

Some might now say that since economic growth is not only achieved by way of increased industrial production, and that services are a large part of the gross national product. Surely they are not subject to the constraints of natural resources? Well, the majority of services do use a considerable amount of material goods (computers, vehicles etc.) and energy (electricity, fuel...). Increasing the services sector leads to higher usage of these resources at the very least.

II Why economic growth is not a desirable policy goal

In order to "do growth", we need to increase the production of material goods or the services already included in our markets... or enlarge the reach of markets!

Frustration and acculturation

The first option implies either the conquest of existing markets or the creation of new desires. The latter is a recipe for frustration, and results in such absurdities as selling fridges to the Inuit (see French edition of the Ecologist, no. 15). Advertising is one of the chief motors of the creation of new desires. But when it sets out to conquer new markets it often brings Western values and ideas into completely different environments, forcing an acculturation that entails cultural homogeneity at a very high cost.

The expansion of markets

The other mechanism to generate growth consists of enlarging the sphere of markets in our societies. Not only is there a limit to the extension of the market economy, we argue, there is an important ethical point of view in this debate.

Is it not perverse when markets dictate the use of living organisms? This is well underway with the patenting of genes though. The firms producing GMOs claim the right to all organisms with the gene they patented. But genes of plants stray freely via cross-pollination and may settle without asking in a farmer's crop. In Canada, Monsanto did not stop short of prosecuting a farmer who was victim of Monsanto's own genetic pollution. As for humans, the industry has already obtained a patent on a gene involved in the treatment of breast cancer (later revoked).

In a particularly cheeky attempt of commercialisation, the multinational Bechtel even attempted to privatise rain water (yes – the stuff that falls from the sky) in the famous case of Cochabamba in Bolivia. As part of one of the infamous “Structural Adjustment” (fiscal cutback) plans of the international finance institutions, the privatisation of water supply was agreed by the government and sold to a consortium. The agreement did not last long however. A public outcry and massive protests (that claimed several lives) chased away Bechtel.

Waste and unnecessary pollution

Economic growth creates enormous waste. In order to solve the problem of saturated consumers, industrialists have come up with the idea that all durable goods need to be replaced every 5 years! Not only does this lead to a huge waste of resources in production, the processing of the heaps of waste is also somewhat daunting (the Chinese town of Guiyu should be visited by all consumer electronics freaks).

II What about “zero” growth as advocated by the club of Rome in 1972?

Zero growth implies the production of an equal amount of value added every year. But aren't we already producing far too much in our so-called industrialised countries? Too many gadgets, too many “must-have” fashion accessories, too many durable goods that aren't durable, too many products that could be repaired but aren't, too many goods that could be polished, washed, painted but are thrown away and replaced and too many products that are underused (how many cars would we need to produce if we organised transport a little more intelligently and didn't leave 4 seats empty all the time)?

Not only are we producing too much GDP, but the so-called “value added” is often no value at all – one need only think about the huge amount of energy wasted to feed shop windows at night, computers left on in offices overnight, excessive heating and open

windows in winter - to cite but a few examples. The consequences of this “value added” are serious: climate change, nuclear waste, destruction of landscape and habitat.

If it were only waste: but car accidents, health problems, legal battles, deaths and divorces – all of these form part of the value added in the GDP figures. If people started to shun the fatty sugary food that the food industry is tempting us with not only the profits of these firms would decline, it would also reduce the amount of obesity, the need for carers and hospital staff and the need for medical research as well – might it mean less growth?

With a “zero growth” we would still be continually extracting huge amounts of resources from the ground. Plainly, zero growth is unsustainable in our world. Of course we could recycle more, waste less and cut emissions – but there are limits to this, and recycling still requires considerable resources.

IV And Jobs? How will we create enough employment?

We have been made to believe that growth brings employment. But between 1980 and 2002 French GDP grew 152%. Unemployment rose from 6.2% to 9,8%. What logic lies behind the argument that a higher level of GDP causes higher employment? What about a better distribution of the wealth we already have?

States have found huge resources to promote industries, enterprises and to bring people back into work – but why should everyone be working? Isn't much of the work senseless? What about the job of distributing unwanted leaflets to people's doors or calling people to sell them unwanted products? Wouldn't society do better to invest its resources in organising a better distribution of the economic wealth we already possess? Couldn't we set up a basic income that would allow people to cover their essential needs without conditionality according to age, willingness to work and health status?

Let us not also forget that governments tend to support industries that are good for growth but employ relatively few people. For example, for every job created in a supermarket chain destroys 3 to 5 jobs in the small retail sector, and the sector of renewable energy is much more labour intensive than the nuclear industry.

V Why not sustainable development?

Development has never been thought without growth. Sustainable development is generally meant to imply sustainable growth. “Development” is a rather ambiguous term, and “sustainable development” has completely lost its meaning. Businesses have destroyed any meaning there was in Sustainable Development by redefining the expression in whatever way suits it, with typically much more emphasis on the development, and much less on sustainability (see the essay “Survivre le

Developpement” by Serge Latouche). There seems less risk of this semantic slide with the word contraction.

VI What kind of society would we like to live in?

Contraction – the reduction of GDP – is not an end in itself. The objectives of a contracting economy are a reduction in the consumption of energy and of the production of material goods, as well as a contraction in the size of the commercial sector. On a societal level, it may translate to a lesser dependence on money since people would consume less, would share more goods, and would engage in free exchange. It would also contribute to a more healthy attitude towards the role of employment in our society.

“Only When the Last Tree Has Died and the Last River Has Been Poisoned and the Last Fish has Been Caught, Will We Realize That We Cannot Eat Money”

Native American saying

Synthesis of Chiche’s position on Contraction.

Economic growth means growth of an index, a quantitative measure that has no meaning if it does not lead to qualitative improvements in the lives of people. However, we are forced to take a position on growth, since it is the stated aim of government policy across the world to increase growth rates. We believe that economic growth is not benefiting our society. On the other hand, growth has a serious impact on the environment, both natural and human.

Theoretically, growth need not increase material consumption or use of electricity. Theoretically, technology and a growth of the services industry could take over as industry contracts. Theoretically, rich countries can continue growing and poor countries can become rich. These points of logic provide very bad arguments for growth.

In reality, no economy has ever grown without increasing the use of electricity and finite resources. In reality, the growth of the services is driven by a never-ending extension of the market system in our societies: privatisation of public services without bounds (education, health, justice etc.), a commercialisation of all aspects of the environment (water, emissions trading, etc.) and an increasing pressure of consumerism (brands targeting ever-younger children, increase in advertising pressure). In reality, increased growth means increased competition for limited resources - we believe that global economic justice cannot be achieved without contraction and convergence – where rich countries contract and poor countries grow.

Our opposition to economic growth is fuelled by environmental concerns. However, our rejection of growth is bound up with a global vision of society that is not limited to environmental concerns. There has never been sustainable growth on this planet, but even if such growth were possible, we do not believe that sustainable growth (or development) is desirable. Economic growth as a policy – environmentally sustainable or not – cannot be separated from the reduction of larger and larger areas of our society to consumerist markets. It is not socially sustainable. Finally, our contraction will make it easier for those who are currently left out by the markets to claim their fair share of resources.