

# Elephants in the room of climate-related research

## Growth, post-growth, and capitalism

**Milena Buchs interviewed by Anita Engels**

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*I was interested in her experiences in working at the intersection of sociology and economics, with a specific focus on capitalism and the welfare state. How does economic sociology help to ask some of the really big research questions?*

**You are at home in the worlds of sociology and economics. What makes this connection interesting for you?**

After my PhD, I switched from broader social sciences to environmental social sciences, but within that I very much needed to understand ecological economics. I had to speedily read a lot from ecological economics and the issues that are highlighted in this field.

When I studied at the Free University Berlin, sociology was my main subject, but economics and political science were my minor subjects. That helped a lot. I was always very interested in the role of inequality, social structure – and economics gave me an additional perspective on that, to understand how social structures of inequality relate to the distribution of resources. Economics is highly relevant for several aspects of my current work on sustainable welfare, to which I come very much from a post-growth perspective. First of all, to understand questions around economic growth: Where does economic growth come from, what are the drivers of growth and surplus value or profit? What do different schools of economic thought say about theories of growth? To understand what are possible implications of post-growth for society, I need to understand the relationship between growth and the welfare state, well-being, and how social groups behave. These are links I and others working in this field need to make, they are not provided by just one discipline, but I need the knowledge from

economics and ecological economics in particular to understand these things.

**Often, economics and sociology are institutionally separate worlds in research and higher education. How is this managed or overcome in your current research environment?**

In many universities, these two fields are typically very divided and don't interact much. That's perhaps not even because they are organized in different departments, but because universities are still very dominated by mainstream, neoclassical economic teaching and research, and there is just not much overlap there with sociology, its concerns, theories, and methodological approaches. I'm currently lucky in the sense that our department is very interdisciplinary, we have several ecological and environmental economists in our department, alongside sociologists, political scientists, sustainable business and development scholars, and we regularly interact in various research groups and in teaching. The department itself, the Sustainability Research Institute, is part of the School of Earth and Environment, so we are the social scientists in a School of geoscientists and atmospheric climate scientists and so on. I think this setup also encourages academics from very different disciplines to interact more. That does help. It is extremely important to have interdisciplinarity supported by institutional arrange-

ments so that you can get people with very different perspectives to start constructive conversations. Having said that, our School is separate from the whole Faculty of Social Sciences and from Leeds University Business School (LUBS) where the other economists sit. Leeds is perhaps unusual in that LUBS has several heterodox economists there who are interested in environmental issues. We interact with them regularly; e.g., we share courses on some of our programs, co-supervise PhD students together, etc. I don't know how these relationships were established, as they already existed when I started here in 2016, but I strongly suspect that it was based on personal initiative, i.e., heterodox economists who sought each other out to collaborate.

### Do you experience difficulties getting interdisciplinary research projects funded, or work published?

My experience here relates to the broader environmental social sciences rather than economic sociology specifically. I'd say that there are now quite a few journals in this field that are very open to interdisciplinary perspectives, where it doesn't matter whether you come from a sociological, economic, environmental, or other background. I'd be interested to know how interdisciplinary the readership of these journals is, however; for instance, it can still be a tricky question where it's best to submit your paper, let's say on post-growth, if you want to target a more mainstream economics audience. With funding it's sometimes trickier, I find. Many of the funding programs and councils invite interdisciplinary proposals, but it's not guaranteed that it will be sent to a suitable selection of reviewers who can really cover these different perspectives. I also find the challenge with interdisciplinary publishing and funding proposals is perhaps less a lack of support for interdisciplinarity per se and more a lack of openness to non-mainstream approaches. So as soon as you take a more heterodox economics approach or if you talk about post-growth, it can be more of a struggle to publish or get funding, because these positions are dismissed as unrealistic or irrelevant. For funding especially, it is often a bonus here if you can write government partners or business partners into your proposal, but it can be hard to find partners for projects that criticize economic growth – how can you get government buy-in for a topic which is very far off the government's agenda?

### Please tell me more about your own research, and how your topics are related to carbon or climate change.

My current work focuses on two related areas: sustainable welfare, and climate change and inequality. The

first starts from the assumption that we will need very rapid and radical reductions in emissions if we want a chance of avoiding dangerous climate change, and that it will in all likelihood not be feasible to achieve this while we keep growing our economies in the Global North. So it starts from the assumption that we need new post-growth economic models in the Global North, to stay within planetary boundaries. But, of course, that has massive implications for welfare states and well-being, and that's one of my primary research interests: How can we design welfare states such that they do not contribute to climate change but still satisfy everyone's needs, reduce social inequality, etc.?

Very related are questions around climate change and inequality, and especially climate policy and inequality. This is actually where my interest in this field initially started from: with the question of how social inequalities are reflected in the environmental sphere; for instance, how unequal are carbon footprints and which factors are driving high emissions? Carbon inequality is so closely related to income inequality and other factors of disadvantage, like low education, poor health, precarious work, etc.; the link is really evident. So what does that mean for distributional impacts of climate policy? If you have climate policies that have cost implications like carbon taxes, or rising energy prices, then obviously there will be highly unequal distributional effects from these policies and you can talk about how justice and fairness relate to these policies. I have done a fair amount of work in these areas; for instance, we examined the distribution of carbon footprints in the UK but also more recently across the EU, using household expenditure surveys combined with environmentally extended input-output analysis where you plug in data about the environmental footprints of different production and consumption categories, and you can then map these onto people's household expenditures and examine the distribution across income groups, and other social groups, to see how unequal they are. And they are very unequal, so high income and privilege in society tend to translate into high carbon footprints, while the lack of resources and disadvantage can be linked to a lack of needs satisfaction, evident in fuel or transport poverty.

More recently I have worked a bit more on the policy implications, thinking about how you can compensate groups that are disadvantaged by taxes or rising energy prices, and I am very interested in comparing compensating people with cash and with in-kind green living options, like giving them free electricity vouchers or free public transport vouchers. We found that giving people these vouchers, rather than just tax rebates, pulls more people out of fuel poverty and transport poverty, and is better for the environment

because it very directly reduces emissions. Whereas if you redistribute tax rebates to people, this just creates new consumption and you don't have any reduction in carbon emissions unless you radically decarbonize production. So all of this links back to sustainable welfare. I think more research needs to be done on how you can combine social equity with climate policies. From a fairness perspective, but also from an environmental perspective, we need to think about how can we ensure that climate policies are effective in actually reducing emissions, while also being fair. Hopefully that would support greater public acceptability of radical climate policies too, which is essential for policy makers to move forward.

**I would like to talk about your perspective on post-growth and degrowth – how did you come to these topics?**

For me the starting point was this realization that growth is the big elephant in the room in the sustainability debate, and also the question that really divides the field into two major fields, into pro-growth people who think growth and technological development is the solution, and people who think growth is actually the bit that is problematic because we haven't yet found ways to sufficiently decouple material and energy throughput from economic growth at the global level in absolute terms. I wanted to better understand questions like what is growth? what causes growth? But then immediately other questions came to my mind, like if we had to think seriously about moving away from growth, what would that mean for society, social inequality, well-being and needs satisfaction, the welfare state? I still don't have answers to quite a few of the questions that have emerged for me in this field, because growth is ingrained so fundamentally in our institutions, in how the economy works, how the welfare state is organized, that it is almost unimaginable for many people to have a system without growth. Of course, under current conditions, the moment that growth disappears, we see big problems. It would increase unemployment, it very often increases inequality, and it may also decrease well-being, although there is some debate about how beneficial growth is for well-being at the higher end of the income distribution. This is how I came to these questions.

On degrowth and post-growth more generally: what these terms refer to or imply can sometimes be a bit confusing because people use them in different ways. There is still no consensus on this. Some people distinguish the two terms based on political positions, others just based on what phase of the transition you are talking about. So, for some, the term *degrowth* rep-

resents the more radical end of things, where it is connected to demands for radical systems change away from capitalism. In contrast, post-growth is often seen as the camp that says all we need to do is change the indicators we use to measure the performance of our economies, i.e., not just have GDP but also social and environmental indicators and targets, and that we can simply be growth-agnostic. Then we don't necessarily have to talk about the economic system underneath. There is that perception in the literature. In the book I have published with Max Koch, we use the term *post-growth*, but we defined it differently. We said degrowth is the term that refers to the phase in which economies in the Global North contract until they reach a sustainable level of material and energy throughput, and the term post-growth is an overarching term that includes both degrowth and a sustainable steady state. By steady state, ecological economists do not mean a static economy, just an economy that is not growing in terms of its material and energy throughput; and some sectors of the economy could expand while others shrink, technologies could still develop, etc.

At the same time, we made it quite explicit in the book that we assume that any type of degrowth/post-growth/steady-state system would be incompatible with capitalism because growth is at the very heart of the definition of capitalism. This is because of the profit imperative and the imperative that as a capital owner you have to constantly reinvest profit to innovate technology, increase efficiency, be competitive, and hence grow your business and capital. Assuming that growth is an inherent part of capitalism, any system that doesn't grow in material terms would need to be quite different to capitalism, because otherwise you just have a massive economic crisis. We would need to organize public services and public provision, as well as redistribution, in new ways, and economic organizations would need to be constituted such that social and environmental goals are their main priority, not profit.

In the book, we write about how post-growth is connected to welfare and well-being. The first half of the book is more concerned with the welfare state: we have one chapter that explains the connection between growth and capitalism, then a chapter on growth and the welfare state where we go through the dependency of the welfare state on growth and the problems that a no-growth economy would bring for the welfare state. The second part engages more with debates around well-being; for instance, we criticize the literature that says growth is no longer important for well-being. Yes, you can see that happiness is not related to economic growth over time, and even if you look at life expectancy in countries that are quite rich, you don't see a strong relationship between national income and life

expectancy. But we argue that a lot of that comes from how the data is presented. Even the use of log scales or non-log scales makes a massive difference to how these graphs look, and you do still see quite close relationships between things like life expectancy and GDP if you use log scales. There are also problems with happiness or subjective well-being data, as they often come from bounded scales where people are asked the question: “On a scale from one to five, how happy are you?” Of course, you don’t see much movement in people’s happiness over time based on a measure like this because it is a bounded scale, so the people who have ticked a five on the scale in 1980 can’t go any higher on the scale in 2000 even if they are now even more satisfied with their lives. Even if we look at the proportion of people who say they are “very happy” in society, we should not necessarily expect this to change drastically over time if social inequality is fairly stable, because perceptions of happiness are likely to be strongly related to how you assess your relative position in society.

And then we talk about this theory of loss aversion which comes from behavioral economics. The loss aversion hypothesis questions whether the idea that expectations easily adapt upwards really applies in the same way to situations where things get worse. People are thought to easily adapt their expectations upwards: when things are getting better, we quickly get used to higher living standards, and then we expect even further improvements in the future. So this is another explanation of why we don’t see much of a relationship between economic growth and subjective well-being. But loss aversion theory argues that things are different if circumstances deteriorate, if your living standards decline: then we do get negative reactions, because people don’t like to lose things or give things up that they have become accustomed to. So Max and I asked, if there was something to loss aversion theory, what would that mean at the social level, and what would that mean for economies that have to de-grow over time, and over quite a sustained period over time. This would cause massive upheaval, protests, and so on, if the right measures aren’t in place and if we are not actively re-distributing resources and opportunities. So we think that we highly likely do need to de-grow and reach a sustainable steady state, but it’s not as easy as it is often presented in the post-growth and degrowth literature that claims that growth is not important for well-being. In the book, we bring practice theory into this discussion to explain the social and psychological mechanisms that are behind these responses, including in periods of rapidly changing societies. The book is also about the scale and the speed of the change that needs to happen if we want to hit all the carbon reduction targets. It would mean very rap-

id change, and from history we can see that rapid change often goes hand in hand with social upheaval and quite big losses in well-being. So that is a big concern that needs to be addressed.

### How was the book received by the public?

There were different responses, of course. We put ourselves in between different camps, quite deliberately, so we probably have not made any friends among the degrowth thinkers who don’t really want to discuss the problems, and pro-growthers would disregard the discussion anyway. But we have also received a lot of interest and supportive responses, and our paper that is based on the book in *Futures* received the Elsevier Atlas Award. I got quite a few invitations to talk about the book to various audiences, mainly from civil society type groups and from within academia, which suggests that yes, there is interest in discussing these points even though we might not have the immediate answers yet. But at least we have to put these questions on the table and talk about them.

### How useful do you find the term capitalism for analyzing the questions we have been discussing? To what extent is it useful, necessary, meaningful?

This is a good one. I have not had this question before! Let me think about that a bit. I would say in some ways I often find it difficult to talk about capitalism because once you mention the term, many people immediately assume you are a Marxist. Even though there is lots of useful stuff in Marxist theory, I would not consider myself a Marxist as such; for instance, I see quite a few problems in Marx’s value theory of labor: Where does the demand for products that generates a surplus for capital owners come from if workers are not actually being paid enough wages to buy all these goods? There have been many add-ons to the value theory of labor which do make sense, but which in my view suggest that the story is more complicated. For instance, one can see the generation of surplus value as a more gradual process in which technological innovations over time make production cheaper, which then creates more room for workers to buy these surplus goods. And of course we need to consider world trade where producers in rich countries acquire natural resources, and often labor, abroad very cheaply but can sell heavily up-priced products to richer consumers. Plus there is of course the failure to reflect environmental degradation (or other negative externalities) in prices, so from that perspective surplus value partly represents theft from future generations who have to pay for the long-term environmental, health, or other costs. Not

to mention the value contributed by unpaid labor, often provided by women, that supports production, because they cook, clean, and provide moral support, enabling their partners to function in the workplace. Anyhow, I could go on. There are other things in Marxist theory that I don't find very convincing, and in any case I am often suspicious of people who associate themselves too firmly with any kind of theoretical position or ideological persuasion, because I think this often creates a blinkered perspective. Many academics probably think a clear association with a theoretical position gives you a consistent framework for analysis and a profile which makes you easily recognizable as a "Marxist," "institutionalist," "post-growth," or whatever, but I'd like to be able to have a critical relationship with any framework I'm using, even though that probably makes for a less coherent body of work that I'm putting out there.

But back to your question, I think "capitalism" is quite a loaded term and often there isn't sufficient space to explain what theoretical baggage you agree or disagree with if you use that term. Also, sometimes the subtleties between market society and capitalist societies get lost. There is a difference between markets and capitalism. I would never say we don't need markets; we will always have markets, and markets existed long before capitalism. Plus, this is the other big thing, because capitalism has always been put in opposition to the socialism and communism that we have seen in the Cold War era, when you say we need to abandon capitalism, people immediately think you are suggesting we need socialism or communism as we have come to know it instead. Of course, this is highly problematic and not at all what we have in mind when we say we need to move away from growth and from capitalism. This is why Max and I emphasized very much that the post-growth visions we are talking about would need to be democratic by definition.

**You answer more at a strategic level on how to communicate your ideas. But at the level of analysis?**

Absolutely. I would say "capitalism" is still a useful term in the sense I explained earlier – when we focus on the growth imperative, re-investment, profit orientation, and so on, that are at the very heart of capitalism. For instance, I find David Harvey's metaphor of capitalism as a spiral rather than a circular system quite useful. One of our former PhD students in the department, Elke Pirgmaier, has worked extensively on how these insights can be connected more to ecological economics theory, which in large parts still rests on neoclassical concepts of efficient allocation, etc. Capitalism is therefore also really helpful for un-

derstanding the massive technological developments we have seen since the industrial revolution, which opens up a lot of questions that I haven't really had the capacity to engage with yet in more depth. For example, we will still need technological innovation in certain areas to decarbonize energy demand, so can there be such technological innovation without growth and if so how can this be achieved? So yes, in that sense, "capitalism" is a useful term for analysis, and we need a mix of heterodox economics approaches to understand and critique it, and to develop new approaches. With two of my colleagues I've been working on developing the concept of "provisioning systems," which I'm hoping will be useful in this context.

**What would you recommend to students of economic sociology who are interested in climate change?**

I'd say engaging with ecological economics and growth critiques, the literature around planetary boundaries, climate change dynamics, tipping points, irreversibility, fair global carbon budgets as projected by the IPCC reports, and so on, could be eye-opening if someone hasn't yet engaged much with that before. Once one understands the absolutely immense challenge that we have on our hands here in relation to bringing emissions down to net zero, stopping biodiversity and other ecosystem services loss, and the massive ethical implications of our actions now for future generations, it puts other topics and questions from economic sociology into a new perspective.

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