

Facing up to the crisis: growth or temperance?

Thomas Friedman, a journalist who cannot be accused of "*alter-globalism*" or wanting to reduce growth, wrote in the Herald Tribune of the 17 June 2011 under the heading "*The earth, an exhausted planet*": '*At this time, world growth is consuming about one and a half times the Earth (according to the ecological footprint) ... This is such an enormous problem that our only response is denial.*'

In a way, that says everything about the dead-end involved in the nature of the growth that we have, both in the North and in the South, and about the great difficulty we experience in trying to envisage something else.

Thus, the question is to know whether, in order to have a different form of growth – or even a decline in growth – we should call on the virtue of temperance, or not.

I think we should, and also that this is not bad news, even if for the moment many of us have no desire to change! Paul Ricoeur, the French philosopher, at the end of his work *Philosophie de la volonté* wrote about the basic human attitude to be cultivated: '*the Joy of saying Yes in the sadness of what is finite.*'¹ This involves **acceptance** (of the fact of being finite, something which at the present time presupposes determined action to avoid a global disaster), and **hope** (our world is the home of salvation and we can contribute to bringing about this promise).

With regard to changing our ways of life: rather than waiting for the day when we have our back to the wall, forced to do so by catastrophes, it is a matter of preparing the future by saying good-bye, from today, to the world that we have known: this infinite world, with an indefinite quantity of resources, notably, one with abundant and apparently unlimited energy. The question of energy is at the heart of the present problem: it is thanks to abundant and cheap energy that we were able to build our consumer societies and considerably improve the material conditions of existence for the majority of the population of the rich countries and for part of the population of the poor countries. The imminent arrival of scarce and increasingly expensive energy, as well as the threat of climate change and its effects², impel us to invent something else, integrating these constraints. To limit the increase in the global temperature to 2°C – the goal that was agreed on at Copenhagen and later at Cancun – , we must decrease threefold our global emissions by 2050. We must limit the concentration of CO₂ in the atmosphere to 400 parts per million - ppm; if it is at 500 ppm the increase in temperature would doubtless be 4°C. However, we are already at the level of 390 ppm. We have also reached – or almost – the peak point for oil and gas, that is, the maximum global production of oil and gas. This increases the problems concerning the transformation of the heavily polluting coal-burning power plants so as to contain the CO₂.

It is not simply a matter of individual choices but is also a problem of collective action. To avoid simply enduring the changes, how can we become active in them? For that, we must have an idea of what we are seeking, of the horizon we are heading for. This presupposes both an individual and social quest and a specified institutional, political and economic transformation.

¹ Paul Ricoeur, *Philosophie de la volonté*. T2, *Finitude et culpabilité* (1967) – Conclusion, Poche, 2009

² Jean-Marc Jancovici, *Changer le monde*, Calmann Lévy, 2011, pg. 73

The question is on two levels, based on the diagnosis of the end of a world:

- It is above all that of modifying our representations of the desirable life, of living well, of living well together.
- Then, it is the capacity to find the social, economic and political paths that make it possible to bring about a rapid implementation of these necessary and desirable transformations.

So, I propose to look successively at the two aspects: the spiritual and socio-cultural aspect and then the political and economic aspect.

At the heart of this project there is a "transforming utopia"³ (and not just an "enlightened catastrophism"⁴), that is, the development – which begins with the emergence from extreme poverty – of all the inhabitants of the planet, the passing on of a planet that is viable and fit to live in⁵ to future generations. It is our "relational capabilities"⁶, the quality of relations between human beings and with creation that must be promoted in every way possible way.

This involves:

- New representations
- New indicators
- New public policies
- New forms of governance

1 – New collective representations, for new "ways of life": temperance, cheerful frugality, frugal abundance, etc.

- **taking stock of our individual and collective experiences of happiness and of justice:**
To start with, a double question: what makes us happy? And, on the contrary, what does not satisfy us and seems to us to be unjust or badly adjusted in our ways of life, and our rhythms, at individual and collective levels? How can we cultivate a capacity to stand back, to develop a critical awareness, one that is lucid and capable of drawing on the source of what makes us live?
- **spiritual openness.** The dialogue with our religious traditions can be a way of looking at how a particular representation of the human being in Creation is proposed, one from which attitudes flow. In the Christian tradition, it is a matter of: combining receptivity,

³ Cécile Renouard, *"Un monde possible. Les acteurs privés face à l'injustice"*, Seuil, 2008.

⁴ Jean-Pierre Dupuy, *"Le catastrophisme éclairé"*, Seuil, 2002.

⁵ Gilles Clément talks of our "planetary garden". Gilles Clément, *"Où en est l'herbe? Réflexions sur le jardin planétaire"*, actes sud, 2006

⁶ A notion on which Gaël Giraud and I are working, seeking to propose an understanding of human development in terms of the quality of interpersonal relations and of the social fabric. See Gaël Giraud and Cécile Renouard, "Relational Capability: an indicator of collective empowerment", *ESSEC Working Paper*, DR-09012, Dec. 2009; Cécile Renouard, "CSR, Utilitarianism and the Capabilities Approach", *Journal of Business Ethics*, 2011, vol. 98(1), p. 85-97.

detachment and responsibility⁷, controlling one's control of techniques (temperance)⁸, promoting frugal abundance – that is, limiting material over-consumption so as to develop aesthetic, relational and spiritual resources⁹ and to share with others the riches that are created.

- **inventiveness with a view to new ways of life.** As an example, I mention an experience that took place this summer in the Creuse area (France). It was the encounter with farmers and different persons from the area (doctors, entrepreneurs, and others involved in the local society) and also with "new" country people. They were witnesses to the quest for new rhythms and forms of life that are satisfying for them, like a co-operative business called *Ambiance Bois* which promotes combining professional activity with contributing to a collective project. Here, it is not a matter of settling down in a remote area, renouncing all modernity, but simply of going out of "one's own place" to see somewhere else and to see in a different way, to let oneself be questioned and displaced. These marginal experiences can be considered as little laboratories, something like what was done by Illich in Mexico in the 1970s. The criticism of our ways of life is not directed against the sciences and techniques, but is aimed at moving from autonomy to heteronomy¹⁰, from what alienates us and makes us lose the experience of conviviality. A challenge that I believe to be a major one for today is: to link up being rooted, re-localisation and participation in networks.

This opening up to "something else" goes hand in hand with the recognition of the dead ends of capitalism: monopolising resources, competition that generates exclusion, the acceptance – even the legitimisation – of inequalities, the "short-termism" that is a brake on durability, the "financisation" which disconnects the economy from what is real.

It is not a matter of idealising the return to the land or of promoting a unique model of living together – one that would be very far removed from what the majority experience in the urban setting – but of experiencing something else so as to become more open to the possibility of transforming our ways of life, to discern what can make us live better together, and make us capable of inventing new economic models and of transforming our consumer habits and our ways of being.

- **The formation of the future elites** is crucial: the acquisition of a critical awareness requires the integration of ethical and political training in the courses in the business and engineering schools, the integration of the energy constraint and its consequences in all technical training (including finance, marketing and communications), and being immersed in other contexts – the re-introduction, for example, of placements (internships) in industrial settings: all that would make it possible for the rich, the "best", to see things differently, to develop "an ecological¹¹ and social¹² outlook".

⁷ Simone Weil, *Quelques Réflexions autour de la notion de valeur*, (Œuvres, Quarto Gallimard; Simone Weil, *L'enracinement*, Œuvres, Quarto Gallimard.

⁸ Jean Bastaire, *Eloge de la sobriété*, in *Approche franciscaine de l'écologie*, Editions franciscaines, 2007.

⁹ Jean-Baptiste de Foucauld, *Les trois cultures du développement humain*, Paris, Odile Jacob, 2002.

¹⁰ Ivan Illich, *Tools for conviviality*, 1973 A conviviality tool increases autonomy, frees up space and broadens out the range of personal action, and does not create relations of domination.

¹¹ Bernard Perret, *Pour une raison écologique*, Flammarion, 2011.

¹² Among the liberal thinkers who greatly stressed the importance of education in altruism, the thought of John Stuart Mill is particularly interesting today. He states that the utilitarianism he proposes is linked intrinsically to the golden rule of the Gospel and to a concern for the development of the other. John Stuart Mill, *Utilitarianism*, 1859.

2 – New indicators: which measurement for what value creation

- Temperance has to do with the **quest for a measuring rod** to orientate human passions and appetites and put them in order. This involves evaluating according to certain criteria. To make it possible to express these collective representations concerning temperance/joyful frugality in economic terms, let us try to measure in different way, according to alternative criteria.
- Today there is a **multiplication of indicators** that provide an alternative to GDP and the maximisation of profit: for example there is the ecological footprint, the ECO2Climat for measuring the carbon imprint, or the green GDP and the quality of life indicators proposed by the Sen-Stiglitz-Fitoussi report. Hans Diefenbacher has drawn up, within the framework of a Federal German Environmental Agency programme, an indicator of national well-being composed of 21 variables. These concern distribution of income, the value of domestic work and voluntary work, and data relating to consumption, to the costs linked with negative external effects on the environment, to the cost of social problems (crime, illnesses due to alcohol, road accidents etc.). This index provides a basis for discussion at national and international level concerning the conditions for a socially sustainable development. The Human Development Index (calculated by the United Nations Development Programme) is already a way of showing that living well is not linked to the increase of GDP per inhabitant: some countries have a higher rate of schooling for children and life expectancy at birth than countries that are richer than they are (in terms of GDP per inhabitant)¹³.
- **Ascribing a value to social and environmental performance** is at the heart of the quest for new measuring instruments in businesses. Thus, for example, it would be possible to encourage businesses to place relational capabilities¹⁴ and social/societal objectives at the centre in the evaluation of the performances of persons and teams¹⁵. The question is also to integrate extra-financial dimensions into the finance of the enterprise – the French Association of Chartered Accountants is working on that point.
- The quest for a measuring tool does not consist only in the definition of thresholds which indicate that beyond a certain point there is excess (at the ecological level) and that below a certain point we cannot talk about a decent life (at the social level). It is also necessary to recognise the question of inequalities and the role of comparison in the construction of harmonious societies. It is comparison that creates the condition of disadvantage and not merely the norm of the needs to be satisfied. Consequently, **criteria of distributive justice** are necessary: we would have to be able to debate collectively about putting into effect the principle of the *maximim* – maximise the share of the most disadvantaged (Rawls¹⁶) and about the conditions of complex equality proposed by the American political philosopher Michael Walzer: prevent dominance in one sphere of existence – like that of the market – from having repercussions on all the other spheres, creating hierarchies in all domains and thus inequalities of condition and status that generate exclusion¹⁷.

¹³ See Florence Jany-Catrice and Jean Gadrey, *De nouveaux indicateurs de richesse*, La découverte, 2004.

¹⁴ Gaël Giraud and Cécile Renouard, "Mesurer la contribution des entreprises au développement local: le cas des pétroliers au Nigeria", *Revue française de gestion*, 2010, vol. 36, no. 208-209-p.101-115.

¹⁵ For example, the Danone group has set up a system of remuneration for all managers in which a third of the variable part depends on the carrying out of social objectives by the subsidiary or the service in which the manager works.

¹⁶ John Rawls, *Theory of Justice*, 1971, *Théorie de la justice*, Seuil, 1987.

¹⁷ Michaël Walzer, *Spheres of Justice*, 1983, *Sphères de justice*, Seuil, 1997.

3 – New public policies: paths towards different growth

- **"Green" growth is not the solution:** we will continue to increase the quantity of energy used because what is gained by energy efficiency is lost by volume: it is the rebound effect¹⁸. So, we must limit the growth of the quantities produced so as to promote a different type of growth, that of the quality and durability of products. To give just one figure, Jean Gadrey shows how a computer weighs 1.3 ton of CO₂ whereas emissions ought to be limited to 1.8 ton per inhabitant per year¹⁹.

- We should understand clearly what **decreasing** consumption involves: it is never a matter of advocating a brutal recession (a drop in GDP accompanied by an increase of inequality). We can distinguish two varieties: that of the Greens and the association Attac who advocate a gradual reduction of GDP – as it is calculated today – and that of Serge Latouche who suggests an abandonment of productivity and of the consumer society. I think that while both in reality are in agreement about the diagnosis, they differ in their insistence on the more or less short term: supporters of a decrease in growth like Serge Latouche²⁰ criticise capitalism more radically and describe a society such as we might dream of without being very precise about the ways to attain it. The perspective envisaged by the Greens concentrates more on the strategies that are practicable in the short term. We will see that it is no less radical with regard to the options to be taken.

- I stress first the aim of **reducing inequalities:** economic and social. Recent studies by the British epidemiological researchers Kate Pickett and Richard Wilkinson, have given rise to the construction of an index of health and social problems that incorporates²¹: life expectancy, the rate of early pregnancies, obesity, mental illness, the infant mortality rate, homicides, the level of imprisonment, distrust, social mobility, the level of education. The studies comparing the 25 richest countries of the planet show that the countries where the inequalities of income are greatest are also those which are less well off in health and social provision; moreover, the richest are also those who pollute most. To promote the reduction of inequalities is thus to work for a society that is greener and where life is better.

- **The policy can be to choose to invest massively in green energy and this with a view to the decarbonisation of the economy.** This presupposes:

- **Increasing the productivity of resources and decreasing the productivity of persons;** it involves creating jobs in the fields of durability, of services to persons, care of people (the handicapped, the sick, the aged), and promoting the growth of the monetary value that is added and the quality of the services that are given²².
- **Capturing and containing CO₂** in the coal-burning power stations (as a priority in the 8 countries which possess 90% of the world reserves: USA, Russia, China, Australia, India, South Africa, Kazakhstan and the Ukraine) and in highly concentrated industrial sites.

¹⁸ Tim Jackson, *Prosperité sans croissance*, De Boeck, 2010.

¹⁹ Jean Gaudrey, *Adieu à la croissance. Bien vivre dans un monde solidaire*, Alternatives Economiques/Les petits matins, 2010, pg. 55.

²⁰ Serge Latouche, *Vers une société d'abondance frugale*, Mille et une nuits, 2011

²¹ Richard Wilkinson and Kate Pickett, *The Spirit Level. Why equality is better for everyone*, Penguin Books, 2010.

²² Jean Gadrey, op. cit.

- **The progressive increase in the price of energy and the putting into operation of a carbon tax**, with compensations for those who are poorest.
- **The transformation of agriculture:** decrease the production of meat and the consumption of meat and milk products – it requires 10 vegetable calories plus energy to produce 1 animal calorie – ; increase the agricultural techniques that economise energy (to decrease methane and nitrogen) and use human labour. Re-introduce forms of protectionism and re-localise production by diversifying it: polyculture and stock-raising, agro-forestry etc.
- **In relation to transport:** return to a dense railway network, develop public transport rather than the individual car (even the electric car is not the solution²³);
- **In relation to housing and urbanism:** houses that are better insulated, moving towards housing that is energy-positive; the thermal renovation of buildings, the abandonment of housing that is badly situated (on the periphery of cities) and building construction in small towns that are dense and well connected.

- Financing these policies:

- It is impossible to repay State debts (recent calculations have shown that this would cost Germany 3 GDP growth points each year): so, the solution no doubt consists in restructuring these debts, nationalising the big banks while giving support to those on lower incomes (retaining the value of the shares for the small shareholders) and resorting to printing money, to controlled inflation (single digit) – this is what is proposed today by orthodox economists like the chief economist at the IMF, Olivier Blanchard.
- The European Central Bank could create money – credit to the member States – to support the States in their effort to decarbonise the economy; but the Constitutional Court in Karlsruhe recalled in mid-September 2011 that the German government ought not to agree to a mutualisation of the debt, thus excluding the possibility of *Eurobonds*. There is thus the risk of Greece – and possibly other countries– leaving the euro zone, in order to recover its currency, devalue in relation to the euro and regain competitiveness
- The cost, according to Jancovici, would amount to **between 3,000 and 6,000 billion euros** for the coming decades: 500 billion for the renovation of buildings, 400 billion to indemnify the owners, 300 billion to transform the automobile fleet, 500 billion for green industrial investments, 100 billion for agriculture...

4 – New forms of governance

- The learning of new forms of governance in the face of the present insufficiency of policies. In order to promote a collective debate concerning real projects for society directed towards frugal abundance and a different form of growth, we can promote the development of interconnected local public spaces that are concerned about the long term, and a reshaping of the institutions that have responsibility for interdependent problems by their including the persons and groups concerned in their research. On this subject, the

²³ Jancovici, *op.cit.* pg. 99

analyses by the American political philosophers Nancy Fraser²⁴ and Iris Marion Young²⁵ are stimulating; they emphasise *misframing*, the poor centering of the space and the forums for decisions which exclude the persons affected or do not take into account the long-term effects of our actions. The debate concerning the propositions of Dominique Bourg and Kerry Whiteside with a view to a democracy that would be more participatory and more concerned about the future generations²⁶ – the new senate and academy of the future – is decisive in this respect.

- **The development of new entrepreneurial forms** can make it possible to struggle against the maximisation of profit for the shareholder, to redefine the aim of the business (and to inscribe this in law), to integrate the sustainable development aspects in business finance and in commercial choices (raise the social and environmental standards: avoid the low cost). This involves simultaneously the quest for new forms of governance (which would honour the political dimension of economic activity). It would involve maximising relational capacity under the constraint of minimal profit (no losses) and integrating renewable forms of energy.

To conclude, the post-war mass consumption model supported by an indefinite growth of GDP is coming to an end: it is quite simply not sustainable, neither in the North nor in the South. For the moment our societies and our rulers are incapable of formulating exactly the collective projects that will make us enthusiastic to seek out new forms of life in order to live better together. Hence the urgency of creating new forms of governance that would make it possible to bring together the strengths of those who are active in civil society, private persons and public bodies, in order to set out resolutely the terms of the debate: temperance is still an option but if we do not choose it, it is famine and scarcity that will descend on us – and above all on the most vulnerable people in our societies. Temperance, freely assumed, can become the lever for new forms of solidarity, and the space from which we will ‘re-enchant’ our finite world.

²⁴ Nancy Fraser, *Scales of justice. Re-imagining Political Space in a globalizing world*, New York, Columbia University Press, 2009.

²⁵ Iris Marion Young, *Inclusion and Democracy*, Oxford University Press, 2000.

²⁶ Dominique Bourg et Kerry Whiteside, *Vers une démocratie écologique. Le citoyen, le savant et le politique*, Seuil, 2010.