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## Degrowth between normativism and reality\*

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## ABSTRACT

This article addresses the increasing debates over the limitations of high-growth models that have contributed to environmental degradation and polycrises. Based on a comprehensive literature review, we look into the basic characteristics and differences between the alternative degrowth and similar new development models; examine the paradigm through the lens of its critics; and look into its viability. The analysis highlights that while degrowth presents a theoretically compelling alternative to traditional growth models, it faces significant practical challenges in implementation, particularly due to its reliance on deep systemic changes and shifts in public values. In the empirical section, we test the hypothesis that countries with better sustainable development progress are more successful than those prioritizing economic outcomes. To do this, we show graphically and analyze the correlation between the average GDP growth and changes in the sustainable development measure using Pearson's correlation coefficient. We rank countries based on their sustainable development and economic performance, averaging these rankings to identify potential degrowth leaders over the past 20 years. Our findings indicate that, while theoretically appealing, the degrowth model faces significant challenges in practice, with no statistical evidence supporting a negative correlation between degrowth and sustainable development progress.

## **KEYWORDS**

degrowth, zero growth, sustainable development, system, capitalism

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### 1 INTRODUCTION AND METHODOLOGY

We are obsessed with growth believing that it has dominated entire humankind history. In fact it has not. Most of the time the life was stagnant. Most classical economists would have found it unimaginable to actively pursue growth as a policy priority, claims Susskind (2024: 46). The limitations of the current high-growth paradigm in developmental models, or perhaps more accurately, ideology, have also become increasingly evident. As Priewe (2022: 19) states, "climate neutrality can be considered the most important global economic and ecological goal for the twenty-first century, with the decade until 2050." This recognition has sparked debates guestioning the anthropocentric, consumerist-focused growth mania that not only fails to resolve crises, but in fact actively fuels them. The catastrophic deterioration of our environment and biosphere highlights the unsustainability—social, ethical, and ecological—of our current model. French philosopher and environmentalist J.P. Dupuy (2014) aptly described the market as a "monster stalking the earth." We find ourselves at a civilization crossroads, with calls for transformative change growing louder (Daugul 2020). Our present trajectory, marked by consumption levels akin to the U.S., would require the resources of five planets (Global Footprint Network 2024), a clear indication that our current lifestyle is unsustainable.

This critical juncture necessitates a reevaluation not only of the growth model, but also of the entire global system, the concept of capitalism, which has proven effective in "nice weather" but falters in crises, ultimately relying

on national governments for rescue. Kallis (2018) is clear: "To prosper without growth we have to establish a radically different economic system and way of living". The public awareness is growing that societies must undergo systemic transformation to save the planet. The "degrowth" movement proposes a radical response: if growth is the problem, then less growth—or even no growth or negative growth—is the solution. "Degrowthers get one thing right: we cannot continue on our current growth path" (Susskind 2024: 46). Despite accusations of naivety and utopianism, addressing the degrowth and some other similar models, history shows that many initially utopian ideas have later become feasible. Mahatma Gandhi's sentiment that "First They Ignore You, Then They Laugh At You, Then They Fight You, Then You Win" (Gandhi 2012–2013) remains relevant.

The degrowth model, originated in 1972 by A. Gorz<sup>1</sup> criticizes the traditional growth paradigm, advocating for the inclusion of social criteria, population well-being, and harmonious development over environmentally unsustainable GDP growth. As Huwe and Rehm (2022: 408) argue, "our current economic system remains structured around a growth imperative for capital rather than the provisioning of human needs," often ignoring environmental, climate, and biodiversity boundaries, and undermining social justice.

The urgency of seeking new development models in the wake of the Great Recession, COVID-19, and concurrent polycrises (environmen-

<sup>1</sup> He talked about décroisance. The debate started in France in 2002 with special issue of Silence (Kallis et al. 2015: 2) while the English term 'degrowth' was 'officially' used for the first time at the Paris Conference in 2008. tal, climate, social, and political) has intensified public and expert debates. Models like green growth, degrowth, zero growth, a-growth (Van den Bergh 2011, 2017), and the doughnut economy (Raworth 2017) are now central to discussions among economists, anthropologists, philosophers, and activists. These approaches, while sometimes contradictory, are complementary to sustainable or green growth concepts.<sup>2</sup> The entire capitalist system is seen as incompatible with the many objectives of new development models, particularly negative growth.

This article will critically evaluate the degrowth model's viability through an interdisciplinary lens, qualitatively comparing its benefits and costs with similar models (green growth, zero growth, a-growth) going beyond normative approaches by testing empirically the results of such models in real life. In such a way it would be possible to argue that such models are at par, or even better than other, more economic arowth centered models. However, the complexity and interdisciplinary nature of such new models make it difficult to test all such new models empirically in all dimensions. For one, there is no sinale indicator to measure the achievements of such new models. like GDP in traditional growth model. Secondly, the economics of degrowth or zero growth has not been applied much practically. The limited space for our article poses an additional limitation.

In the first conceptual part, we are therefore addressing, based on the literature review, the following research questions:

- 1 What are the basic characteristics and differences between degrowth and similar new development models?
- 2 Can degrowth concept resolve current development problems in general, and in different groups of countries, from the perspective of its critics?
- 3 Is degrowth concept viable within the existing system, globally and locally?

In the second part, the following research question and hypothesis are tested empirically:

A) Are countries whose non-economic outcomes of development are considerably stronger than the economic ones, more successful than countries whose economic outcomes outweigh their non-economic outcomes' performance?
 B) Hypotheses:

Null Hypothesis (H<sub>0</sub>): There is no correlation between degrowth and sustainable development progress (i.e., the correlation coefficient, r, is zero). H0: r = 0Alternative Hypothesis (H<sub>1</sub>): There is a negative correlation between degrowth and sustainable development progress (i.e., the correlation coefficient, r, is less than zero). H1: r < 0

A part of the research question is also the hypothesis, that if zero, or degrowth, or a close comparator to the concept is also beneficial for sustainable development outcomes, we should be seeing some face value negative statistical scatter plot depictions and correlation in the data.

<sup>&</sup>lt;sup>2</sup> Green growth first became a buzz phrase at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012 (Hickel 2018).

After defining and situating the degrowth model within the global economy, this article will outline its main characteristics compared to other alternative development models. A clear definition is necessary due to the widespread misunderstanding and confusion regarding the model, ranging from zero to negative economic growth. Kallis and colleagues metaphorically describe the goal of degrowth as turning an elephant into a snail, emphasizing that degrowth represents a fundamental shift, rather than a mere reduction (Kallis, Demaria and D'Alisa 2015: 4).

The viability and feasibility of implementing these models will be assessed within different national, regional, and international contexts, especially across various economic groups (developed, developing, and emerging economies).<sup>3</sup> We will confront the degrowth model with its critics from multiple disciplines and examine real-world examples to illustrate the degrowth concept. It focuses on the countries that have made significant strides in selected non-economic dimensions of development without corresponding increases in real GDP growth, juxtaposing these with the nations that achieved economic growth but did not see comparable improvements in other non-economic sectors. This comparative analysis aims to empirically identify what we can learn from the cases where there is progress in human well-being which does not align with traditional economic growth metrics, highlighting the practical implications and challenges of implementing the degrowth model in varying global

contexts. In conclusion, we will evaluate the degrowth model against real-world outcomes, discussing its benefits and costs, and offer policy suggestions for potential implementation in diverse socio-political contexts.

## 2 BASIC CHARACTERISTICS OF THE DEGROWTH CONCEPT

Describing comprehensively the degrowth model is challenging due to its complexity and diversity, encompassing economic theory, social theory, and political movements. Priewe (2022: 36) notes that "a thorough macroeconomic analysis of zero growth, and even more of degrowth, which includes biophysical issues, is rare or missing in standard macroeconomics". To avoid confusion, it is essential to differentiate degrowth from similar concepts like zero growth, a-growth and green growth. Definitions, objectives, major suggested polices to achieve the goals and a critique of all such concept are briefly explained in Table 1. The purpose is to help the reader to place the degrowth concept in the right perspective compared to the traditional growth model. The central idea of all such models is that GDP growth is not a good indicator of social wellbeing, that this anthropocentric model has created the environmental/ climate crises that stretch planetary boundaries. Degrowth consequently aims to maintain stable economic output to balance resource consumption, environmental impact, and population growth at sustainable levels, while allowing for technological progress and improvements in living standards.

As presented in Table 1 green growth and A-growth are not departing so much from the growth model. Green growth seeks to reconcile the growth model

<sup>&</sup>lt;sup>3</sup> Binary approach, concentrating on Global North and Global South is, according Pungas et. al. 2024, insufficient because not taking into account specifics of Central and Eastern European countries as a special category.

Type of "growth"	Definition	Objectives	Policies	Criticism
Growth	Increase of wealth over time measured by GDP.	Maximizing growth of GDP to improve living standards, em- ployment rates, and income levels and maintaining economic and political stability.	Maximizing growth is cure for everything despite the wide- spread consensus that GDP is a poor measure of progress (Stiglitz 2009).	GDP growth is not an indicator of social wellbeing. If GDP flatlines or con- tracts, the economy tends to topple into crises of unemploy- ment, debt, inequali- ty, and hardship.
Green growth	Efficient, clean and resilient, environ- mentally sustainable growth, ensuring that natural resources are used efficiently and ecosystems are pro- tected, mostly within the prevailing capi- talist development models.	Reconciling economic growth and environmental sustainability.	Gradual reduction of negative effects of growth on the envi- ronment by adjusting market failures, tax instruments, technol- ogy advances, green industrial policy, envi- ronmentally friendly policies.	Technology cannot prevent climate change, ecosystem destruction and resource depletion (Lancaster University 2020; Van den Bergh and Kallis 2012: 912). Appropriate mainly for advanced coun- tries and not for the least developed countries (LDCs). Underestimation of the underlying economic systems change.
Degrowth	A deliberate and equitable reduction of production and consumption to achieve sustainability, social equity, and well-being (Priewe 2022: 36) should make it consistent with biophysical bound- aries, emphasizing localized production and self-sufficiency, sometimes referred to as eco-socialism (Hickel 2018).	A sustainable, equita- ble, and ecologically balanced human development, social equity and well-being: over material wealth by overproduction and overconsumption, moving beyond GDP as the main indicator of progress.	Downsizing produc- tion and consumption, reducing it by de- coupling <sup>4</sup> (to reduce the environmental impact), promoting work-sharing (La- touche 2009) and increase of taxes. Precondition is a change in public val- ues.	Unrealistic and naïve, impossible to be realized within the existing political sys- tem without political problems, instabilities etc. Based on misunder- standing that "infinite growth is not possible on a finite planet," al- though it is, according to Susskind (2024: 48) lacking a single meas- ure of progress. Degrowth is socially unstable and poten- tially catastrophic (Jackson 2009). Its advocates there- fore introduced term sustainable degrowth (Kallis 2011).

Table 1 Comparison between growth, green growth, a-growth, zero growth and degrowth models

<sup>4</sup> Environmental Kuznetc curve shows that that decoupling does not hold in general (Stern 2004).

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Type of "growth"	Definition	Objectives	Policies	Criticism
Zero growth	Economy stabilizes at a constant size, neither growing nor shrinking maintaining a balance between human needs and ecological constraints without necessarily de- creasing GDP. Steady- state economics is less radical than degrowth.	To maintain the bal- ance with ecological limits and long-term well-being quality of life, social equity, and environmental health are the priority (Van den Bergh and Kallis 2012).	Improving produc- tivity through invest- ments in education, R&D to enhance effi- ciency, social equity by enhancing public services and infra- structure to maintain social stability within ecological limits.	Can lead to stagna- tion, unemployment and budgetary con- straints due to stagna- tion of GDP growth. Lack of innovation and investment in new technologies damp- ens future growth prospects.
nomic growth, neither advocating for nor against it (growth is		Maximization of social welfare giving up some GDP growth and reducing environ- mental impacts, more leisure and improved public services (Van den Bergh and Kallis 2012: 912).	The first policy pri- ority is a large-scale transition from fossil fuel to renewable energy sources and the second achieving full employment in an economy, which is not always, growing.	Most of the criticisms to other alternative models also apply here.

*Sources:* Prepared based on: Kallis 2011; Van den Bergh and Kallis 2012; Haberl et al. 2020; Priewe 2022; Stratford 2020; Steinberger et al. 2013; World Bank 2012.

with environmental sustainability; it is, in a way, complementary, but also contradictory to degrowth or zero-growth models. One among major problems is that it is not applicable for all countries, because of their different starting points. A-growth is in fact neutral regarding GDP growth, focusing on the transition to renewable energy sources in an economy, which is not always, growing.

Zero growth, or steady-state economics (Daly 1996), is less radical than degrowth, aiming at stabilizing the economy at a constant size, neither growing nor shrinking. It focuses on maintaining a balance between human needs and ecological constraints without necessarily decreasing GDP. It is less radical than degrowth, but not necessarily sufficient for ecological sustainability (Priewe 2022: 36). The major critique is that it can lead to stagnation with all social problems by not stimulating technological progress.

Degrowth challenges the conventional belief that continuous economic growth solves societal problems by creating employment, encouraging innovation, and addressing environmental and climate challenges. However, innovations alone cannot guarantee this transformation. Nobel laureate for economics, A. Deaton (2024: 21) argues that the direction of technical change depends on who has the power to decide. highlighting the limitations of relying solely on technological advancements. If we succeed in redirecting technological progress toward the other ends we care about, it can be achieved. Measures like taxes and subsidies, rules and regulations, social norms—for instance created a strong incentive for people to develop clean rather than dirty technologies (Susskind 2024: 48).

The degrowth model emerged as a response to the unsustainability of existing economic growth models, which overexploit natural resources and exacerbate social inequalities. It promotes ecological sustainability by reducing the ecological footprint and aiming for equitable resource distribution without compromising future generations' needs. This approach involves shifting away from perpetual economic growth, reducing resource depletion and environmental damage, and including social criteria to balance human well-being and nature.

Ecological economists define degrowth as "an equitable downscaling of production and consumption that will reduce societies' throughput of energy and raw materials" (Schneider Kallis, and Martinez-Alier 2010: 511). Hickel (2018) elaborates that degrowth means aligning civilization with the planetary boundaries and liberating it from economic growth dependency, particularly in rich nations. It implies maintaining current levels of production and consumption, or shrinking the sectors harmful to ecology and unnecessary for human flourishing.

Kallis, Demaria, and D'Alisa (2015: 4–5) explain that degrowth is not merely negative GDP growth, but a paradigm shift to something entirely new. Van den Bergh's (2011, 2017) concept of A-growth distinguishes five targets for degrowth: GDP, consumption, work time, physical throughput, and 'radical degrowth,' which includes anti-capitalist and grassroots movements. The model also aims to address the uneconomic costs of growth, such as poor psychological health, long working hours, congestion, and pollution (Mishan 1967). Ghosh (2024: 20) emphasizes the need to focus on well-being rather than equating it

with money or consumption. Degrowth proposes reorganizing society to prioritize social well-being, ecological sustainability, and equitable resource distribution, substituting individualism and consumerism with solidarity, conviviality, and respect for nature. It aligns closely with Amartya Sen's concept of development, which focuses on advancing human well-being and human freedom and expanding people's abilities and opportunities rather than aggregating economic growth. For him, "the process of economic growth is a rather poor basis for judging the progress of a country; it is not, of course, irrelevant but it is only one factor among many" (Shaikh 2004). He argues for a paradigm where progress is measured by enhancing individual and collective capabilities, including access to basic needs and opportunities for personal and societal contributions (see Shaikh 2004). This perspective underscores the need to rethink economic models, focusing on qualitative growth and enriching human lives over quantitative economic expansion.

The concept is flexible, considering the local situations of different countries, their development stages, environmental and climate conditions, and social needs. It does not prescribe a onesize-fits-all solution but adapts to the specific contexts of individual countries. This adaptability is crucial for evaluating the impact of the degrowth model on different groups of countries and the international system. Namely, environmental degradation and climate conditions vary, affecting the potential impact of the degrowth model. Industrial countries can emphasize a faster transition to green development, while less developed countries prioritize development and well-being, lifting vast populations out of poverty. The green transition is not seen as a priority for developing countries, particularly if they are still in the resource or investment-driven development stages. However, the degrowth model could facilitate transition to sustainable and environmentally friendly development, provided there are substantial changes in the international division of labor and significant assistance from industrial countries, compensating for past exploitation and addressing global inequalities.<sup>5</sup>

Implementing globally the degrowth model presents several scenarios: only industrial countries, only developing countries (including emerging economies), or all countries adopting the model. If only industrial countries opt for degrowth, capitalists may relocate production to growing economies in the Global South, aiding capital accumulation's survival. Conversely, implementing degrowth in the Global North would likely lead to a phase of zero growth, avoiding a downward spiral of shrinkage and ensuring compensation for job, income, and capital losses. However, this scenario is unprecedented and highly unlikely in democratic societies (Priewe 2022: 36–37). In any case, implementing any degrowth model requires international cooperation and solidarity to address interconnected alobal problems. It necessitates concerted efforts at local. national, and global levels to transform existing systems and paradigms.

# 3 CRITIQUES OF THE DEGROWTH MODEL

The degrowth concept has faced criticism from various academic disciplines, including economics, anthropology, and philosophy, as well as from social activists. This is not surprising given it's a highly normative and idealistic approach, and it involves significant methodological shortcomings, especially in the macroeconomic analysis, which is rare in ecological economics, as well as problems in its practical implementation within the existing political systems without causing political problems, instabilities, and potentially even catastrophes (Jackson 2009). Traditional development theories view the approach as lacking a single measure of progress, being too radical and politically doomed, as it cannot resolve the existing problems, but only freeze them, preserving global inequalities such as poverty in the developing countries. The most radical critics argue that degrowth is incompatible with capitalism,<sup>6</sup> as it challenges its inherent imperative of perpetual capital accumulation and economic growth (Etzioni 2021: 11). Critics suggest that transitioning to degrowth would require fundamental changes to the economic system, likely facing resistance from powerful stakeholders, and could lead to social unrest due to decreased living standards. One of the responses to critiques was introduction of the sustainable degrowth concept (Kallis 2011).

<sup>&</sup>lt;sup>5</sup> "Any fair climate treaty should be 'nonreciprocal', with binding responsibilities (in this case, concerning emissions reduction mandates) applying only to the North. Likewise, just as it did in the 1970s, the G-77 insists that the North should transfer technology and provide aid as reparations for the damage caused by historic wrongs—now referring to historic greenhouse gas emissions" (Gilman 2015: 10).

<sup>&</sup>lt;sup>6</sup> Trainer (2012: 593) has elaborated on the organic connection between growth and capitalism that the degrowth model would challenge. Eliminating profit concepts and the financial system would necessitate alternative systems for stimulating innovation, elimination of market mechanisms, and cultural change.

Economists argue that economic growth and technological development are essential for reducing poverty and improving living standards, especially in the developing countries. Degrowth, they argue, may lead to economic stagnation or recession, while hindering innovation and technological progress, causing unemployment, and lowering living standards. This could disproportionately impact marginalized groups, exacerbating existing disparities and potentially leading to job losses, reduced income, increased poverty and consequently increased political/social instability. It might also impede the development of the technologies that could address environment.

Some argue that technological innovation and market-based approaches are more effective in addressing environmental challenges than degrowth. The environmental Kuznets curve posits that as GDP per capita rises, environmental damage initially increases, but eventually decreases as affluence continues to grow (Mcafee 2020). Business managers claim that degrowth could negatively affect profitability and expansion, while political conservatives view it as a threat to free-market principles and individual liberties. Even critics from emerging economies argue that degrowth policies advocated by affluent nations could hinder their economic development aspirations. K. Raworth, the author of doughnut economics, acknowledges that significant GDP growth is needed for low- and middle-income countries to meet social goals within the ecological limits (Nugent 2021).

Environmentalists criticize degrowth for not going far enough to address urgent environmental challenges, arguing that more radical measures like carbon pricing or ecological taxation are needed. Technological optimists believe in the potential of technological innovation to solve environmental problems, suggesting that advancements in clean energy and resource efficiency can enable continued economic growth without exceeding the planetary boundaries.<sup>7</sup>

Cultural critics argue that degrowth threatens the established consumerist lifestyles and cultural norms, potentially leading to social unrest or dissatisfaction among those accustomed to high living standards. Critics also guestion the political feasibility of implementing degrowth policies, suggesting that significant political and institutional reforms are needed, which may be difficult to achieve within the existing frameworks. Acemoglu (2023) criticizes degrowth from a political economy perspective, arguing that institutions supporting property rights, market competition, and innovation are essential for sustainable economic growth, and degrowth policies could undermine these institutions.

Degrowth requires a strong government role to correct market imperfections and provide appropriate redistribution. Contrary to neoclassical economics thinking that governments should just fix market failures while it should otherwise get out of the way, Mazzucato (2020) argues that governments should actively shape markets. She views ecological crisis as a negative externality, while neoliberal economics regards economic activity as taking place in a kind of environmental and climate vacuum in which market forces lead to optimal outcomes. Governments have

<sup>&</sup>lt;sup>7</sup> The argument being that dematerialization can do the trick, that "resources cost money that companies would rather not spend, and tech progress keeps opening up new ways to produce more output (like crops) while spending less on material inputs, like fertilizers)" (Mcafee 2020).

now in fact become a solution to many crises; they are no longer a problem but, in many ways, the only effective instrument in the times of crisis. Fontana and Sawyer (2022: 99) posit that market forces and government policies invoked to align growth rates are not operable under zero growth conditions, necessitating alternative policies. Supporters of degrowth model claim that some of such changes are already under way.<sup>8</sup> Evidence, however, demonstrates that this was not enough to stop environmental degradation and climate change.

Although degrowth proponents emphasize global cooperation to address shared environmental challenges and promote social equity, social justice and solidarity, they may underestimate the limitations of implementing the model within the existing global system. Degrowth could negatively impact global trade networks<sup>9</sup> (global supply chains), hindering the development of developing countries, and exacerbate poverty and inequality by limiting technological progress and innovation, leading to economic instability and geopolitical tensions that require messy political

<sup>9</sup> Concerns about negative impacts of trade on growth were put forward already by some neomercantilists like American political economist Carey. He "combined neomercantilist goals with a concern for environmental protection, drawing on the ideas of the German scientist Justus von Liebig, who blamed free trade for exhausting local soils through its promotion of unsustainable monocrop agriculture that served export markets" (Helleiner 2023). bargains domestically<sup>10</sup> and globally. "A frequent criticism of the degrowth proposal is that it is applicable only to the overdeveloped economies of the Global North. Since the Global South has to reduce emissions as much as the Global North, the resource-rich countries in the South face the gravest challenges" (Priewe 2022: 19). The poorer countries of the Global South still need to grow to satisfy their basic needs. Indeed, degrowth in the North would liberate ecological space for growth in the South (Kallis, Demaria, and D'Alisa 2015: 5).

The costs of new policies namely imply shifting of the costs to other countries. Concentrating on degrowth may also divert attention and resources away from addressing their critical needs like access to basic services (healthcare, education, infrastructure) and hinder efforts to improve living standards. It may also hinder and limit technological progress and innovation, as well as the ability of developing countries to address pressing challenges such as climate change, food security, and healthcare. It could disrupt global supply chains and trade networks, potentially leading to economic instability and geopolitical tensions, and potentially harm the interests of developing countries.

Perhaps the most radical critique comes from economist R. Spruk, who claims that "degrowth is a development in reverse, one of the most intellectually flawed and dangerous ideas. A world of zero growth entails massive hunger, environmental and moral hazard, soaring public and private indebtedness, and

<sup>10</sup> It would be very difficult, if not impossible, to convince poor people in the South, struggling every day to satisfy their basic needs, to give up energy intensive or polluting industries for the benefits of the mankind, seen in their eyes more as benefits of the rich countries.

<sup>&</sup>lt;sup>8</sup> Rich countries have reduced their air pollution not by embracing degrowth or offshoring, but instead by enacting and enforcing smart regulation. As economists, J. Shapiro and R. Walker concluded in a 2018 study about the US, "changes in environmental regulation, rather than changes in productivity and trade, account for most of the emissions reductions" (Shapiro and Walker 2018: 3814).

deteriorating environmental quality with higher pollution. As our societies become richer, technology-driven solutions for climate change become more affordable and feasible" (Damijan 2022). Susskind also believes (2024: 48) that "freezing GDP per capita at current levas it do

els would, as others have noted, require either abandoning 800 million people to extreme poverty or slashing the income of the other 7.1 billion—to say nothing of forgoing all the other benefits of higher living standards".

However, most such technological solutions are wrongly based on technology as neutral instrument, not seeing and problematizing "almost complete lack of a comprehensive critical reflection on the fundamental mutually constitutive and co-dependent relationship between capitalism and its central technologies"<sup>11</sup> (Vrečko Ilc 2024: 336). Such thinking "implicitly promotes a 'better' sustainable capitalism that is quite impossible given the centrality of the specific technologies developed and employed according to capitalist imperatives and logics" (Vrečko Ilc 2024: 315).

## 4 DEGROWTH BETWEEN NORMATIVISM AND EMPIRICAL REALITY

In spite of the superficially attractive ideas proposed by degrowth and similar models, there are several obstacles and limitations on the way to potential implementation of such new development models in practice. The first is political, social and economic feasibility of the model, because the degrowth model implies significant political challenges due to its radical departure from conventional economic growth models. The implementation would require substantial changes in policy frameworks, institutional structures, and cultural norms.

Zero growth may be more politically and socially acceptable than degrowth, as it does not necessarily require a contraction of the economy, or significant changes in the consumption patterns. However, achieving zero growth still requires overcoming political and institutional barriers to implementing sustainable policies. Green transition would be much easier and more feasible for the developed countries, while being less so for the developing ones.

Challenges in empirically researching our final research question are manyfold. Firstly, there are, to the best of our knowledge, in fact no countries declaring to follow degrowth or similar alternative to the growth model of development intentionally.<sup>12</sup> In order to overcome this limitation we have chosen the only available approach to evaluating countries' development performance by their growth rates and SDG indicators, which demonstrate to what extent the

<sup>12</sup> A not quite identical, but close enough initiative is the Wellbeing Economy Governments (WEGo), which involves a collaboration of national and regional governments committed to promoting and implementing policies that prioritize wellbeing over traditional economic growth metrics like GDP. The partnership was established in 2018 and includes the governments of Scotland, Iceland, New Zealand, Wales, and Finland, with Canada also actively participating in the initiative. These governments share expertise and policy practices to advance their common goal of creating Wellbeing Economies. This approach involves integrating wellbeing into policy-making, focusing on sustainable development, and addressing economic, social, and environmental challenges in a holistic manner. The partnership aims to support the United Nations Sustainable Development Goals and encourages collaboration to foster innovative policy approaches that prioritize the wellbeing of people and the planet.

<sup>&</sup>lt;sup>11</sup> See the critique of digital capitalism by Varoufakis 2024; Zuboff 2020.

countries are following the sustainable development model,<sup>13</sup> while also demonstrating elements of degrowth strategy. It is possible to assume that those with slow, zero growth, or even negative growth rates and those with highly positive social, environmental and other SDG indicators are following the sustainable or other alternative developmental models. Since many of the SDG goals are interconnected, such indicators have also limitations. Namely, the pursuit of one goal may negatively impact another SDGs goal (see table 1 in Jaklič 2024).

The second limitation of such an approach is that the assessment of countries' development/growth performance is ex post not ex ante. Countries with different categories of growth have not decided ex ante to achieve such results as a part of their development strategy. Resulting degrowth, zero growth or negative growth are ex post results of, most often, a growth model of development that just failed due to bad policies or negative external context conditions such as conflicts or different kind of crises. This is important to note as policies can have a significant impact on any developmental model results, and even more so on the degrowth types of development models which involve a much more important role of noneconomic elements.

Since the level of economic development itself is one of the key enablers or frameworks that determine what kind of policy options are available, we start our empirical exploration, i.e. the search for the degrowth model countries, by firstly looking at each economic GDP per capita group classification separately: low, lower-middle, upper-middle, and high income per capita according to the World Bank definition. Within each group, we then search for the model degrowth performers, by utilizing Sachs. Lafortune and Fuller historical Sustainable Development Goals (SDG) Index (Sachs, Lafortune and Fuller 2024). The SDG Index, covering economic, social, and environmental, as well as governance, peace and partnership dimensions and levers, is the most holistic sustainable development measure that exists today, while it was also agreed to be pursued jointly by all the states through the United Nation General Assembly Resolution on Agenda 2023 in 2015. We use the change in index 2000–2023 as our measure of quality and quantity of advancement in Sustainable Development. Generally, the progress in the realization of SDG goals was modest since only 17 % of the goals have been realized, 18 % modestly and 30% with minimal progress (UN 2024). This is not surprising, since many crises, particularly the COVID-19 pandemic, the war in Ukraine, the crises in the Middle East, have changed the national development priorities and thus caused delays in the implementation of the SDGs. Resources and efforts have been diverted to crisis response rather than sustainable development initiatives and in such a way delayed progress in achieving such goals (Chevenko 2024).

Finally, apart from the World Bank's (WB) income per capita category, which splits the countries into 4 groups, and the SDG Index change in the last 23 years, we also added the real GDP per capita growth variable in the form of the growth rate of GDP adjusted to income

<sup>&</sup>lt;sup>13</sup> "Transforming Our World: The 2030 Agenda for Sustainable Development" was adopted by all 193 member states of the United Nations in September 2015. Such an adoption does not mean that the signatories are in fact implementing the Agenda in their development.

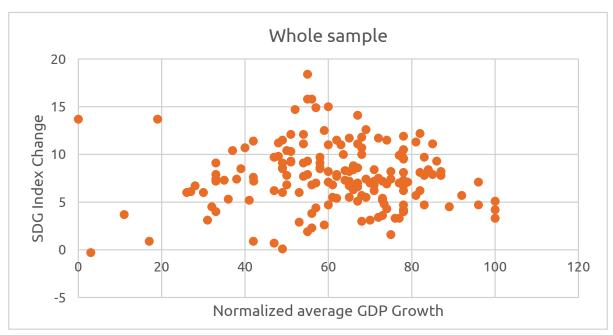
levels,<sup>14</sup> and took its average over the same period.

We proceed in 3 steps. First, we show the scatter plot of the SDG Index Change and average growth rate of GDP adjusted to income levels, to see if there is any clear relationship seen from the graph. Second, we check for the significance of Pearson correlation coefficient against our hypotheses. And third, we rank the countries according the top preferred characteristics of the degrowth model, the two main ones being progress in sustainable development dimensions (increase in SDG Index) – the bigger the jump the higher the rank; and progress on the traditionally collected real economic growth (normalized average growth rate of GDP adjusted to income levels) – the lower the growth, the higher the rank. We then proceed to average the two separate rankings, and produce a ranking of the model degrowth countries of the last 20+ years. We perform all three steps for both the entire sample, and within each income per capita category.

In checking for the significance level of the Pearson correlation coefficient, we compare the P-value (calculated exact significance level) with the established significance levels in the literature of  $\alpha$ =0.05 and  $\alpha$ =0.10, which represent the threshold below which we can decide to reject the null hypothesis of zero correlation (or in other words, we are accepting a 5% or 10% chance of finding a correlation where none actually exists (Type I error) at those significance levels).

<sup>14</sup> See Sachs, Lafortune and Fuller (2024) for how the authors adjust the growth rate of GDP to income levels (where rich countries are expected to grow less) and how it is expressed relative to the average growth rate of the high-income countries.

Figures 1 – 5 and Table 2 – 6 represent the three empirical steps, first performed on the whole sample, and then on the four income categories subsamples. The graphs represent the visual display of the relationship between SDG Index change and Normalized average growth, which is then tested against the null hypothesis of the zero correlation between the two variables with a Pearson correlation coefficient. Lastly, the tables show the combined ranking of the countries as explained above, combining (averaging) the ranks of the lowest average normalized growth and biggest SDG Index jumps, both for the period 2000–2023, and based on that average rank, identifying the 5 top and 5 bottom countries in terms of the degrowth paradigm. Figure 1 and Table 2 show the global results. Figure 1 does not imply an obvious relationship between the variables, and the Pearson correlation coefficient of -0.023 is insignificant at 0.77 P-value (far from the needed threshold level of significance of 0.10), implying we cannot reject our null hypothesis. The top 5 degrowth countries are mostly characterized by poor economic performance, largely due to their violent past and conflicts. Countries like Afghanistan and Myanmar, despite their significant challenges, have still made some progress in the sustainable development dimensions. However, these nations are not typically seen as role models for development, given their ongoing struggles with instability and low economic growth. On the other hand, the bottom 5 countries in the global ranking, such as Ireland and Denmark, have achieved substantial economic success, but have not progressed as much in other sustainable development dimensions over the past two decades. These countries already enjoy high levels of development and

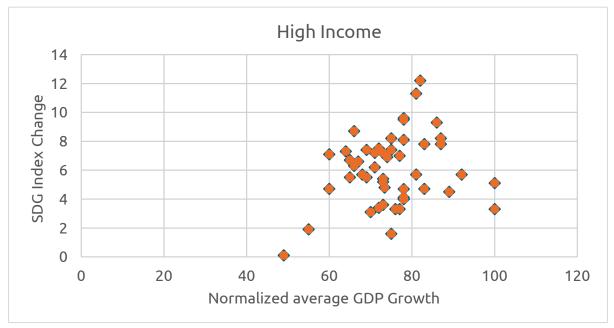


**Figure 1** Scatter plot of the whole sample *Source:* Sachs, Lafortune and Fuller 2024 and authors' own calculations.

Top 5 Degrowth Countries								
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank		
Afghanistan	13.7	0	Low-income	9	1	5		
Myanmar	13.7	19	Low-income	8	5	6.5		
Sierra Leone	11.4	42	Low-income	22	26	24		
Mali	10.7	40	Low-income	30	22	26		
Mauritania	14.7	52	Low-income	6	46	26		

 Table 2 Model degrowth countries 2000–2023 globally

Bottom 5 D	egrowth Coun	tries				
Country	SDG Index increase	Average normalized growth 2000–2023	WB Income Group	Rank on SDG Index Increase 2000–2023	Rank on Nor- malized Aver- age Growth 2000–2023	Combined (mean) Rank
Ireland	5.1	100	High-income	135	168	151.5
Denmark	4.5	89	High-income	141	164	152.5
Türkiye	4.7	96	Upper-mid- dle-income	140	167	153.5
Guyana	4.2	100	Lower-mid- dle-income	146	170	158
Norway	3.3	100	High-income	157	169	163



**Figure 2** Scatter plot of the High-Income countries *Source:* Sachs, Lafortune and Fuller 2024 and authors' own calculations.

Top 5 Degrov	Top 5 Degrowth Countries 2000–2023						
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank	
Portugal	8.70	66	High-income	55	94	74.5	
Saudi Arabia	12.20	82	High-income	12	151	81.5	
Spain	7.10	60	High-income	96	75	85.5	
United Arab Emirates	11.30	81	High-income	23	149	86	
Brunei Darussalam	7.30	64	High-income	89	85	87	

	Table 3 Mode	l degrowth countries	2000-2023	globally, High Income
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Bottom 5 Degrowth Countries 2000–2023							
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank	
Australia	4.70	83	High-income	137	155	146	
Sweden	1.60	75	High-income	165	128	146.5	
Ireland	5.10	100	High-income	135	168	151.5	
Denmark	4.50	89	High-income	141	164	152.5	
Norway	3.30	100	High-income	157	169	163	

quality of life, making them more desirable models despite their lower SDG Index increases, which is to be expected at higher levels of development.

The empirical exercise in identifying the countries that may fit the degrowth model, does not demonstrate its practical benefits from the global perspective. The bottom 5 countries, with their higher quality of life and economic stability, are more likely to be chosen as models over the top 5 countries. This suggests that the theoretical framework for degrowth, when applied globally, does not produce results that would be considered successful or desirable in practice.

Figure 2 and Table 3 show the results for High Income countries only, according to the WB Income classification. The scatter plot hints at a positive relationship between the variables, although the Pearson correlation coefficient of 0.22 is still insignificant at 0.13 P-value, but approaching the acceptable threshold level of significance of 0.10. However, since the coefficient is positive, even if it is indeed somewhat close to statistical significance, it is of the wrong sign, so we cannot reject our null hypotheses in favor of the alternative.

Among the high-income countries, the combined ranking methodology shows Portugal and Saudi Arabia standing out as top performers in terms of sustainable development despite moderate economic growth rates – model degrowth countries. Notably, the United Arab Emirates also demonstrate substantial progress in sustainable development, suggesting that even high-income nations can pursue holistic development without high economic growth. Conversely, countries like Ireland, Denmark, and Norway rank low on the degrowth model paradigm, indicating that their high economic growth rates have not

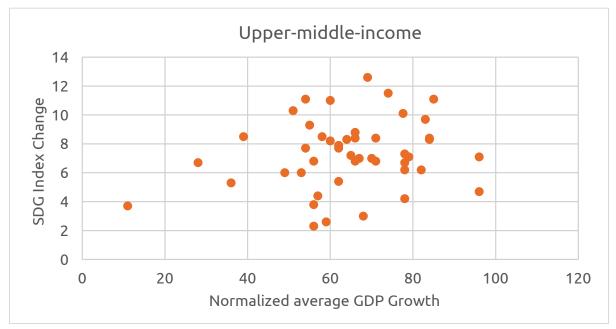
translated into comparable improvements in sustainable development in the period in question.

Table 4 and Figure 3 show the results for Upper-middle-income countries only. The scatter plot again hints at a positive relationship between the variables, but the Pearson correlation coefficient of 0.20 is insignificant at 0.19 P-value, implying no rejection of the null hypothesis.

In the combined ranking of the countries, Namibia and Ecuador lead the upper-middle-income category, showcasing significant advancements in sustainable development with moderate to low economic growth, topping the degrowth best performing countries. Iraq's notable ranking also reflects its substantial progress despite political and economic challenges. In contrast, poorest degrowth performers are countries like Bulgaria and Belize, which exhibit lower sustainable development performance at higher average growth rates.

Table 5 and Figure 4 show the results for Lower-middle-income countries only. The scatter plot implies a very weak relationship between the variables, and the Pearson correlation coefficient of 0.14 is insignificant at 0.41 P-value (not close to the needed threshold level of significance of 0.10), again not leading to rejection of the null hypothesis.

The rankings show Cabo Verde and Bolivia emerging as model degrowth countries in the lower-middle-income group, excelling in sustainable development, while maintaining moderate economic growth. Bhutan's exceptional SDG Index increase further underscores the potential for holistic development in this category. On the other hand, countries like Armenia and Guyana have higher average economic growth without the comparatively large improvements in sustainable development.



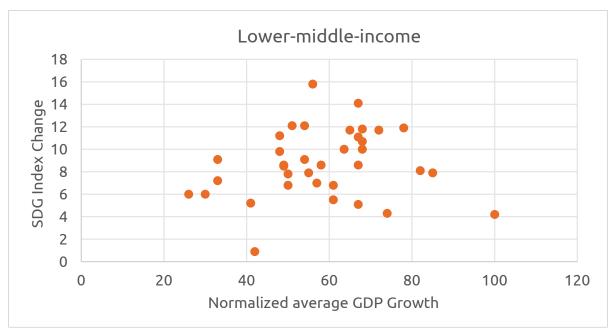
**Figure 3** Scatter plot of the Upper-middle-income countries *Source:* Sachs, Lafortune and Fuller 2024 and authors' own calculations.

Top 5 Degrowth Countries 2000–2023							
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Normalized Average Growth	Combined (mean) Rank	
Namibia	11.1	54	Upper-middle-income	27	50	38.5	
Ecuador	10.3	51	Upper-middle-income	35	45	40	
Iraq	8.5	39	Upper-middle-income	61	21	41	
Gabon	9.3	55	Upper-middle-income	46	53	49.5	
Реги	11.0	60	Upper-middle-income	29	73	51	

Table 4 Model	degrowth countries 2000–2	-2023 globally, Upper-middle-income	

#### Bottom 5 Degrowth Countries 2000–2023

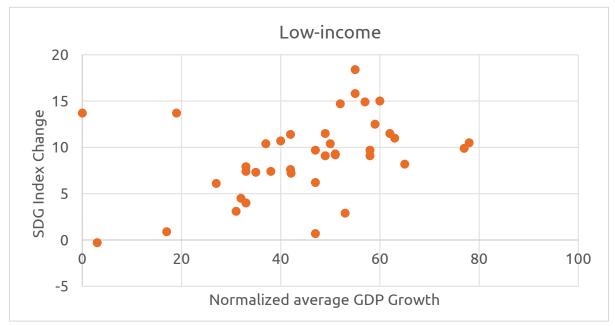
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Normalized Average Growth	Combined (mean) Rank
Bulgaria	7.1	96	Upper-middle-income	97	166	131.5
Belize	3.0	68	Upper-middle-income	160	103	131.5
Lithuania	6.2	82	Upper-middle-income	116	152	134
Bosnia & Herzegovina	4.2	78	Upper-middle-income	145	139	142
Turkey	4.7	96	Upper-middle-income	140	167	153.5



**Figure 4** Scatter plot of the Lower-middle-income countries *Source:* Sachs, Lafortune and Fuller 2024 and authors' own calculations.

Top 5 Degrowth Countries 2000–2023							
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank	
Cabo Verde	11.2	48	Lower-middle-income	24	32	28	
Bolivia	12.1	51	Lower-middle-income	14	42	28	
Bhutan	15.8	56	Lower-middle-income	3	59	31	
Могоссо	12.1	54	Lower-middle-income	13	52	32.5	
Lesotho	9.1	33	Lower-middle-income	52	14	33	

Bottom 5 Degrowth Countries 2000–2023						
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank
Armenia	8.1	82	Lower-middle-income	72	153	112.5
Guatemala	5.1	67	Lower-middle-income	134	96	115
Georgia	7.9	85	Lower-middle-income	74	159	116.5
Egypt, Arab Rep.	4.3	74	Lower-middle-income	144	124	134
Guyana	4.2	100	Lower-middle-income	146	170	158



**Figure 5** Scatter plot of the Low-income countries *Source:* Sachs, Lafortune and Fuller 2024 and authors' own calculations.

Top 5 Degrowth Countries 2000–2023						
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank
Afghanistan	13.7	0	Low-income	9	1	5
Myanmar	13.7	19	Low-income	8	5	6.5
Sierra Leone	11.4	42	Low-income	22	26	24
Mali	10.7	40	Low-income	30	22	26
Mauritania	14.7	52	Low-income	6	46	26

Table 6 Model	dearowth	ountries globally period 2000–2	2003. Low-income

Bottom 5 Degrowth Countries 2000–2023						
Country	SDG Index increase	Average normalized growth	WB Income Group	Rank on SDG Index Increase	Rank on Nor- malized Aver- age Growth	Combined (mean) Rank
Yemen, Rep.	0.9	17	Low-income	166	4	85
Bangladesh	10.5	78	Low-income	32	138	85
South Sudan	-0.3	3	Low-income	170	2	86
Zimbabwe	0.7	47	Low-income	168	28	98
Congo, Dem. Rep.	2.9	53	Low-income	161	47	104

Finally, Table 6 and Figure 5 show the results for Low-income countries only, according to the WB Income classification. The scatter plot clearly shows a positive relationship between the variables, and the Pearson correlation coefficient of 0.39 confirms that, as it is significant at 0.01 P-value (even better than the needed threshold level of significance of 0.10), leading to the rejection of the null hypothesis of zero correlation, but not to the acceptance of the alternative hypotheses of a significant negative correlation, as the correlation, albeit significant, is in fact positive.

Afghanistan and Myanmar are top performers as the model degrowth countries in the low-income category, demonstrating significant progress in sustainable development despite low economic growth. This suggests that even in the low-income settings, substantial improvements in sustainable dimensions are achievable. On the other hand, poor performing degrowth countries like Yemen and South Sudan highlight the difficulties in achieving sustainable development amidst ongoing conflicts and economic instability and also show that periodic economic growth alone is not enough for advancements in sustainable development.

We can make several conclusions on the basis of the scatter plots, correlations and ranking tables. Firstly, we can note that the global sample is the most uninformative one, for the reasons we have already discussed earlier, and that when examined within income levels, the results are better.

For the within-income categories, and in relation to our null hypothesis, which posits no negative correlation between growth and sustainable development, we should expect to observe statistical evidence of a statistically significant and negative relationship between the average growth and sustainable development outcomes, if the degrowth hypotheses were supported. However, all four scatter plots for different income categories display a positive relationship. While not all of these correlations are statistically significant, with one approaching the significance threshold level, and one being significant, all the Pearson correlation coefficients (r) are consistently positive, indicating that we cannot simultaneously reject our null hypothesis of zero correlation in favor of our alternative hypothesis of negative correlation, and thus cannot confirm the degrowth hypothesis which suggests there is a trade-off between growth and sustainable development.

In terms of the ranking tables, the idea of the degrowth model also yields more sensible results within the income classes than in the entire/global sample, indicating that some strides in sustainable development can be made even with moderate economic growth (at lower income subsamples especially). Nevertheless, these are often also countries that are suffering the consequences of conflicts and poor policy mixes of the past, rather than cases of intentionally and adequately executed degrowth policies that also support progress in other dimensions. In addition, within each income level, there are often countries classified within the group of the 5 worst performing according to the degrowth paradigm, that are still considered to have high quality of life and balanced economic, social, and environmental development, and would be much more preferable options to live in (as is shown by the migration flows or cursory quality of life estimation), than those identified as degrowth model countries. This further implies that not only globally, but also within the income level categories, the support for the degrowth paradigm seems weak.

The analysis suggests that while the degrowth model offers an interesting theoretical framework which can benefit from more discussions in the future, its statistical support is weak. Its practical application also remains questionable, as higher-income countries with initially better quality of life and economic stability, continue to be more attractive models, and can deliver better results for the people and the environment.

## **5** CONCLUSION

The existing high-growth model has struggled to resolve multiple development challenges, particularly those stemming from anthropocentric approaches to human progress. Degrowth, along with similar development models, offers an alternative that prioritizes well-being and social dimensions tailored to each country's specific context.

In addressing the first three research guestions through a critical examination of the literature, we started with examining the basic characteristics and differences between degrowth and similar development models. Unlike areen arowth, which aims to reconcile economic growth with environmental sustainability, and zero growth, which stabilizes economic output without reducing GDP, degrowth advocates for a deliberate reduction in production and consumption to achieve ecological sustainability and social well-being. Further, in considering whether the degrowth concept can resolve current development challenges, critics point out that, while the model offers theoretical appeal, its practical implementation faces significant obstacles, such as leading to economic instability, exacerbating inequalities, and hindering technological progress if applied globally. Finally, regarding its viability, degrowth is seen as particularly challenging for developing countries, where economic growth is still necessary to meet the basic needs and reduce poverty.

Our empirical analysis of the fourth research question (and its null and alternative hypotheses), which examined the relationship between average economic growth and sustainable development progress, revealed no statistical support for the degrowth hypothesis. Across income categories, we consistently found positive correlations between economic growth and improvements in sustainable development outcomes. While not all correlations were statistically significant, the results suggest that there is no inherent trade-off between growth and sustainable development progress, challenging the theoretical foundations of the degrowth paradigm. Furthermore, countries identified as model degrowth performers were often those with poor economic performance due to conflict and instability, rather than those achieving balanced progress across economic, social, and environmental dimensions. This indicates that, in practice, the degrowth model struggles to produce favorable outcomes, as economically successful countries generally also perform well in non-economic dimensions. This weak empirical support for degrowth, both globally and within income levels, suggests that its practical application remains limited.

Despite these challenges, it remains important to continue exploring models that go beyond economic growth as the sole measure of progress, and continue this strand of research. There is a clear

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need for better metrics that would capture non-economic dimensions of development, such as social outcomes and environmental sustainability. Future research should explore post-growth or sustainable/green growth alternatives, which focus on achieving environmental and social goals regardless of economic growth, and adjust these models to the specific contexts of individual countries.

#### ACKNOWLEDGEMENTS

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#### **Data Availability Statement**

Data are available in the manuscript.

#### **Coauthor Contributions**

**Aljaž Kunčič:** Methodology, Data Curation, Formal Analysis, Writing – Review & Editing. **Marjan Svetličič**: Conceptualization, Methodology, Formal Analysis, Validation, Writing – Original Draft, Supervision.

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## Odrast između normativizma i stvarnosti

## PROŠIRENI SAŽETAK

Ovaj rad se bavi sve učestalijim raspravama o ograničenjima modela razvoja zasnovanog na visokom rastu i potrošnji, koji su doprineli degradaciji životne sredine i višestrukim krizama. Jedna od alternativa je model odrasta, koji prioritet daje društvenom blagostanju i održivom razvoju umesto rastu baziranom na BDP-u. U radu istražujemo održivost modela odrasta kao alternative. Na osnovu sveobuhvatne analize literature obrađujemo tri istraživačka pitanja: koje su osnovne karakteristike i razlike između odrasta i sličnih novih modela razvoja; da li koncept odrasta može rešiti trenutne razvojne izazove globalno i za različite grupe zemalja iz perspektive kritičara; i da li je model odrasta održiv unutar postojećih globalnih i lokalnih sistema.

Analiza ističe da iako odrast predstavlja teoretski privlačnu alternativu tradicionalnim modelima rasta, suočava se sa značajnim praktičnim izazovima u implementaciji, posebno zbog svoje zavisnosti od dubokih sistemskih promena i promena u javnim vrednostima. Kritičari tvrde da je odrast u velikoj meri nespojiv sa postojećim globalnim ekonomskim sistemom, a njegova primena, posebno u zemljama u razvoju, može pogoršati nejednakosti i otežati osnovni ekonomski razvoj. U empirijskom delu testiramo hipotezu da su zemlje sa jačim neekonomskim razvojnim performansama, poput napretka održivog razvoja prema Indeksu ciljeva održivog razvoja (SDG), uspešnije od onih koje prioritet daju ekonomskim ishodima.

Da bismo to postigli, grafički prikazujemo i analiziramo korelaciju između prosečnog rasta BDP-a i promena u meri održivog razvoja, koristeći Pirsonov koeficijent korelacije. Rangiramo zemlje na osnovu njihovog održivog razvoja i ekonomskih performansi, prosečno izračunavajući te rangove kako bismo identifikovali potencijalne lidere odrasta u poslednjih 20 godina. Naši nalazi ukazuju da, iako je teoretski privlačan, model odrasta se suočava sa značajnim izazovima u praksi, bez statističkih dokaza koji bi podržali negativnu korelaciju između odrasta i napretka u održivom razvoju. Zemlje koje se mogu identifikovati kao one koje prate model odrasta često su one koje ostvaruju loše ekonomske performanse usled sukoba i nestabilnosti, a ne održivog uspeha, što naglašava složenosti i ograničenja implementacije odrasta na širem nivou.

## KLJUČNE REČI

odrast, nulti rast, održivi razvoj, sistem, kapitalizam