

THE ECONOMIC MODEL OF DEGROWTH

Kravchenko M. O., student

Scientific supervisor – Pusiankova H. A., senior lecturer
Belarusian State University
Minsk, Republic of Belarus

In order to examine the future development of production we should examine how these resources are used. The growth in production that comes as a result of our system of incentives and values, is often unnecessary and wasteful, meanwhile the environment suffers, and the productive capacity and raw materials could be used for more essential goods. It is due to this inefficiency it may be more fruitful to work on restructuring the way we manage resources before we move onto methods of sustainably increasing production.

A method of solving the issue of overproduction and the resulting overconsumption is a model called degrowth. Degrowth is the antithesis of our modern consumerist economic system. Professor of human geography Mark Whitehead defines degrowth as “A downscaling of production and consumption that increases human well-being and enhances ecological conditions and equity on the planet.”

In practice, this model calls for a planned contraction of GDP and focus on producing goods for real needs like housing, health, education, transportation. Policy wise, the government would have to subsidize housing retrofits, shut down companies responsible for excess pollution, improve food distribution logistics, expand public transport while reducing private transport, minimize advertising.

It doesn't mean that quality of life would have to get worse. According to the Easterlin paradox, at a point in time happiness varies directly with income both among and within nations, but over time happiness does not trend upward as income continues to grow. In other words, after our basic material needs are met, additional consumption does not contribute to well-being. It is now necessary to begin implementing such policy. Already it takes the planet 1 year and 8 months to regenerate a year's worth of consumption. With a growing population, this becomes even more unsustainable.