Welcome to this week's presentation and conversation
hosted by the
Canadian Association for the Club of Rome,
a Club dedicated to intelligent debate and action on global issues.

Degrowth Toward a Steady-State Economy.

Our speaker today is Dr. Brian Czech, executive director of the Center for the Advancement of the Steady State Economy. From 1999-2017, he served in the headquarters of the US Fish & Wildlife Service. During most of that time (2001-2015), he was also a visiting professor at Virginia Tech. He has written three books, including *Supply Shock: Economic Growth at the Crossroads and the Steady State Solution*. He is a regular contributor at the *Steady State Herald*. Today he will define & describe degrowth & the steady state economy as the sustainable solution to our overshoot of planetary limits. Some over-developed countries will need a reasonable period of degrowth toward a steady state economy. Countries with widespread poverty should be encouraged & assisted to develop in peace & security, free of the forced debt & environmental destruction of corporate exploitation. In other words, moving away from unsustainable, destructive growth will require a tremendous level of "steady statesmanship" in international diplomacy—the greatest challenge of the 21st century.

The presentation will be followed by a conversation, questions, and observations from the participants.

CACOR acknowledges that we all benefit from sharing the traditional territories of local Indigenous peoples (First Nations, Métis, and Inuit in Canada) and their descendants.

Website: canadiancor.com
Twitter: @cacor1968
YouTube: Canadian Association for the Club of Rome

2023 Jan 11 Zoom #129

Goals

- Define key terms.
- Introduce some (still newish) concepts.
- Provide a rhetorical framework conducive to moving toward a steady state economy.
- Suggest steps from tiny to huge.

Economic Growth

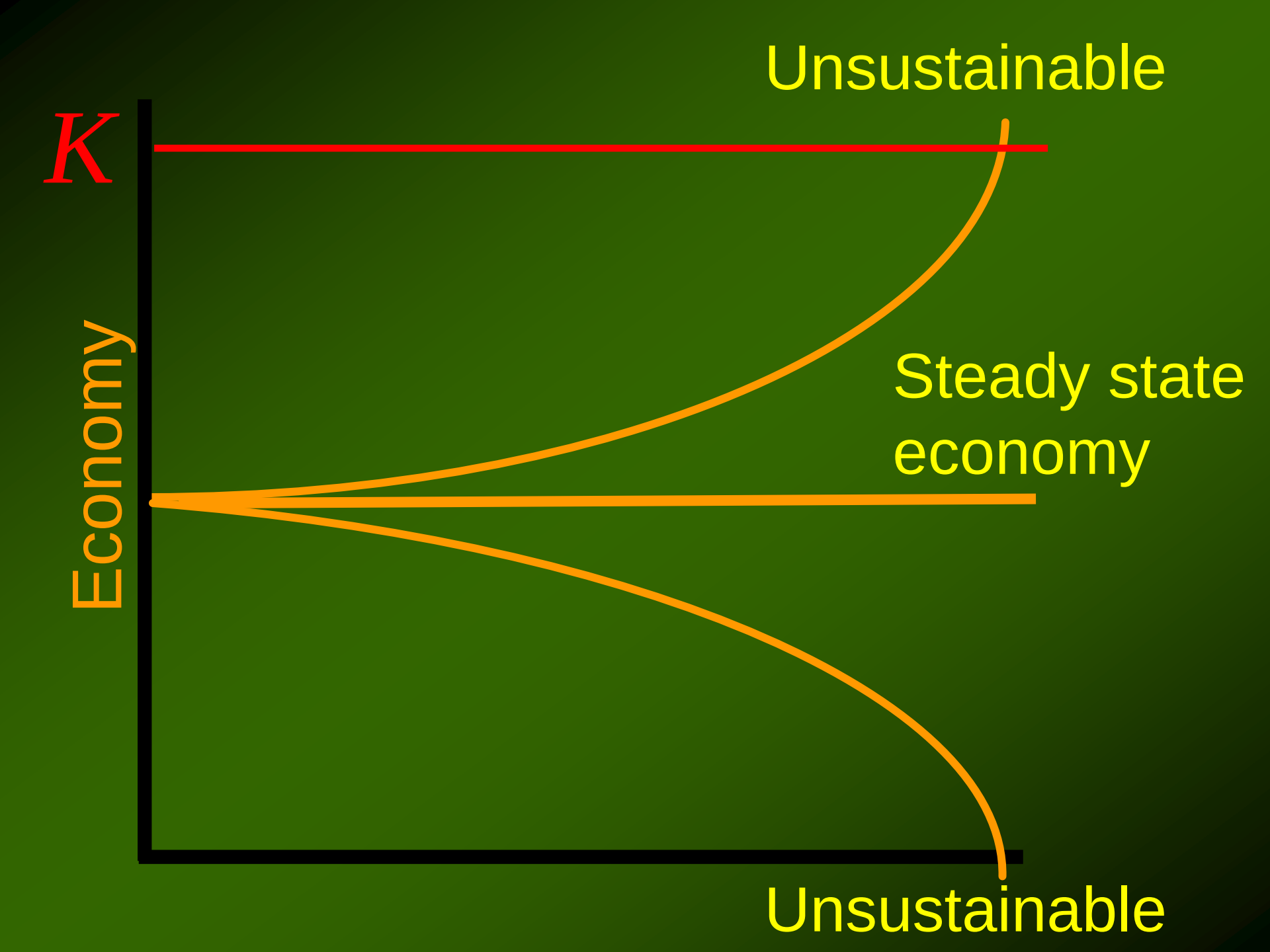
- Increase in the production and consumption of goods and services in the aggregate
- Typically expressed in terms of GDP
- Entails increasing population and/or per capita consumption

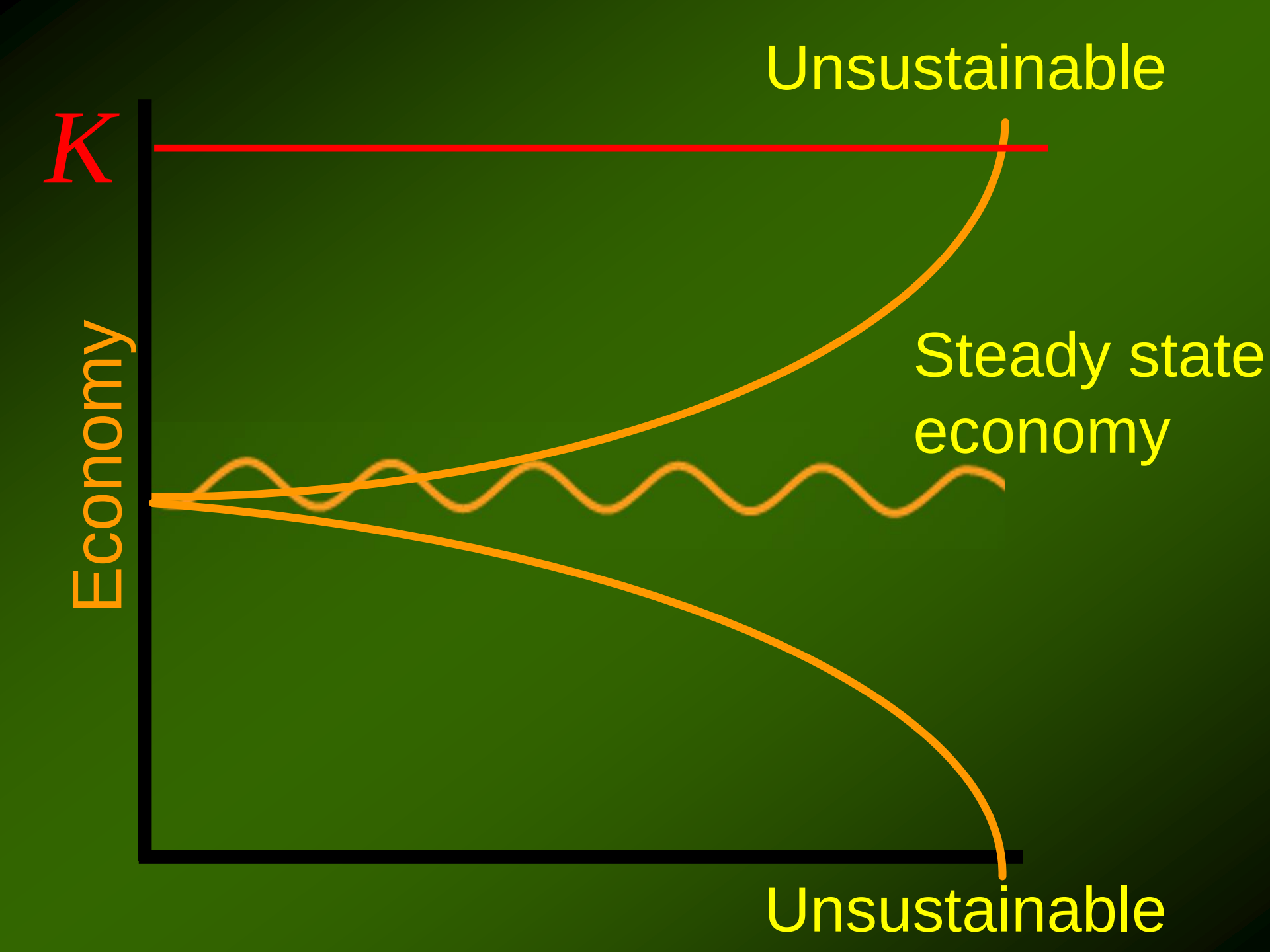
Degrowth

- Decrease in the production and consumption of goods and services in the aggregate
- Typically expressed in terms of GDP
- Entails decreasing population and/or per capita consumption

Steady State Economy

- Stabilized production and consumption of goods and services in the aggregate
- Typically expressed in terms of GDP
- Entails stabilized population and/or per capita consumption


Unsustainable
K
Economy
Steady state
economy
Unsustainable


Unsustainable
K
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Steady state
economy
Unsustainable

Center for the Advancement of the

Steady State Economy

casse

www.steadystate.org

Center for the Advancement of Degrowth Toward a Steady State Economy? (CADTSSE)


Either
Way

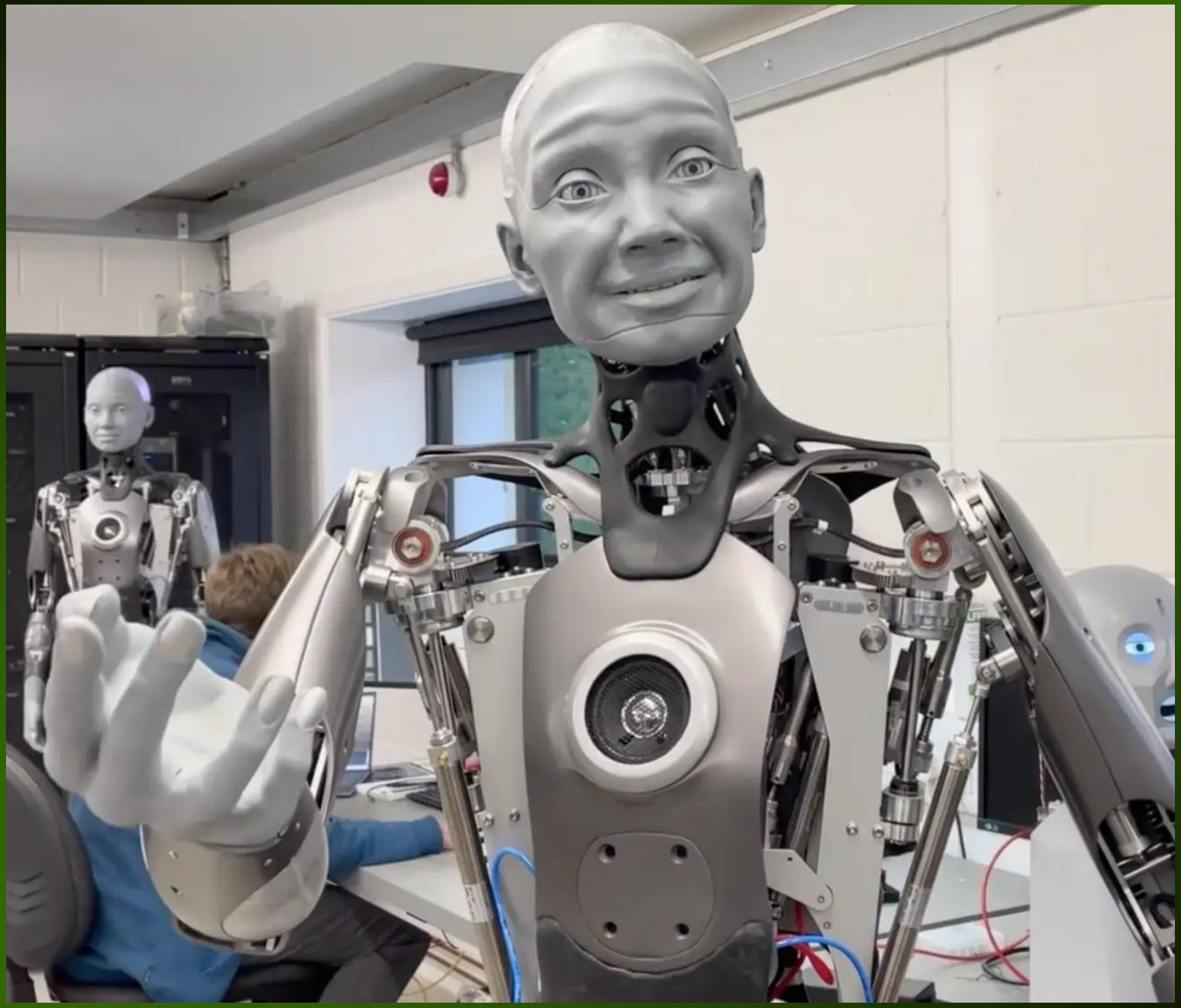
Scenes from the Economy


N
1 km


USDA

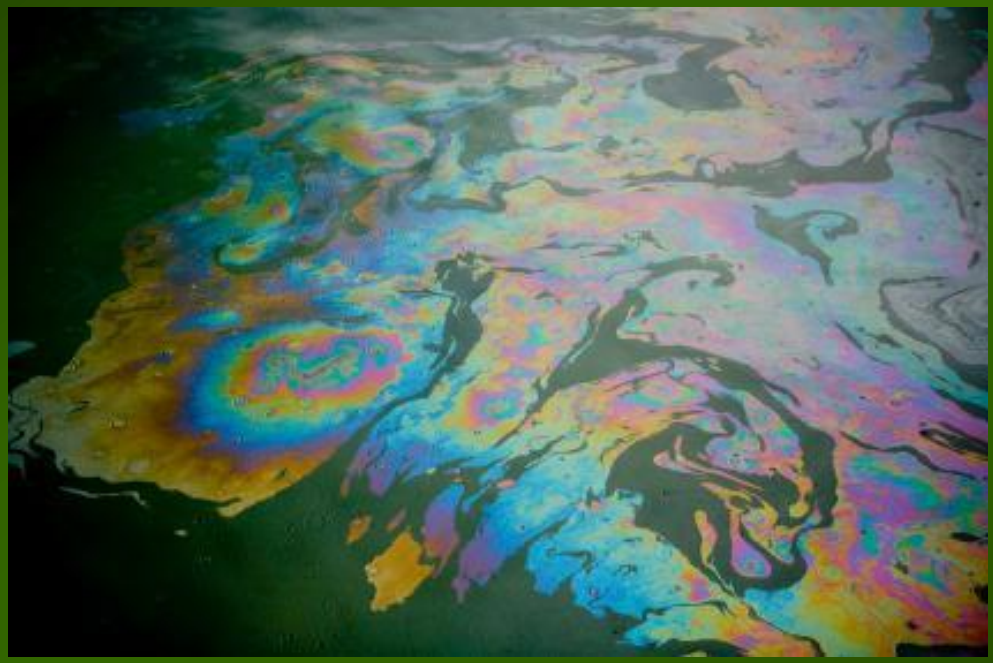

T20R
26
49


INVENTOR




XWing
04
Do Not
Remove
from Jacket


7.62MM PACKING
LINKER LINE #4
7.62mm
Ammunition
TRASH

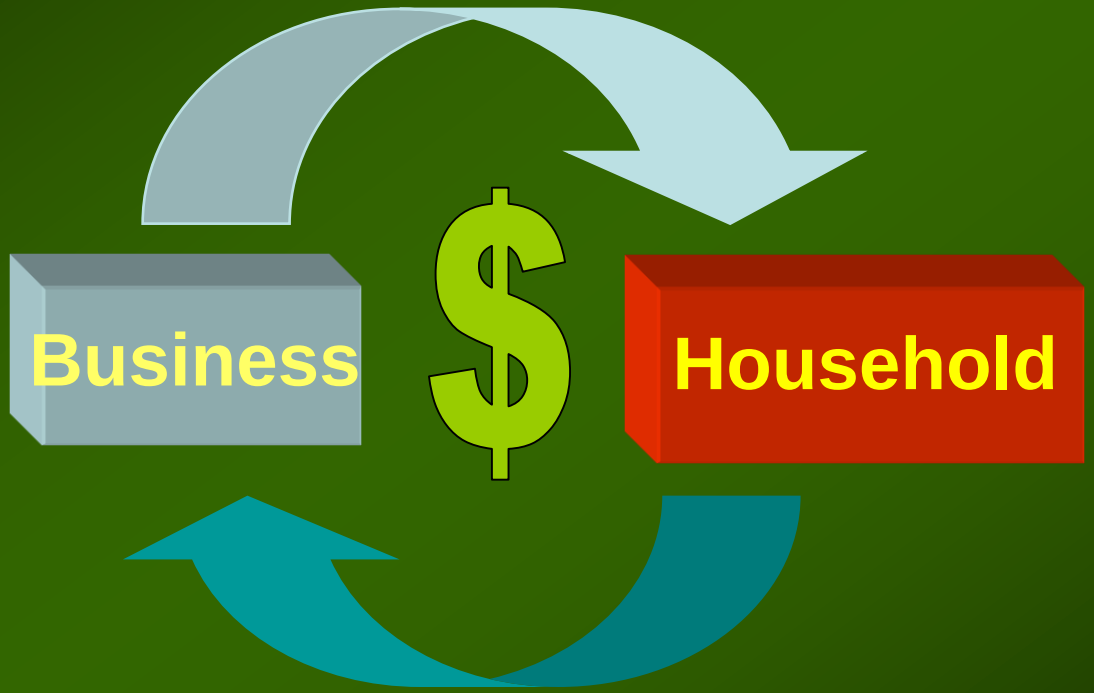


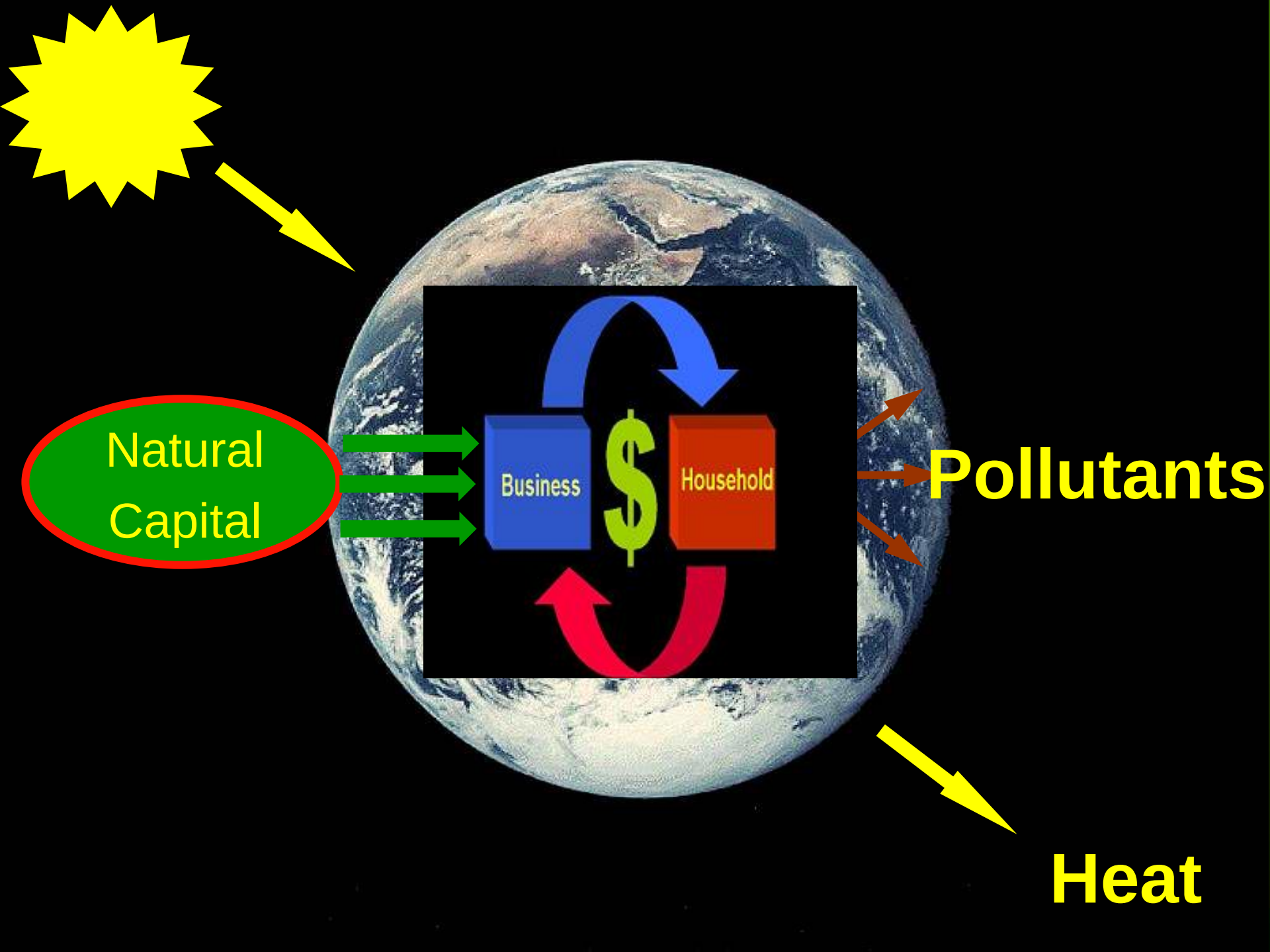
Economic Growth Theory

- Solow model
- Lucas model
- Romer model

$$Y = f(K, L)$$

Circular Flow of Money

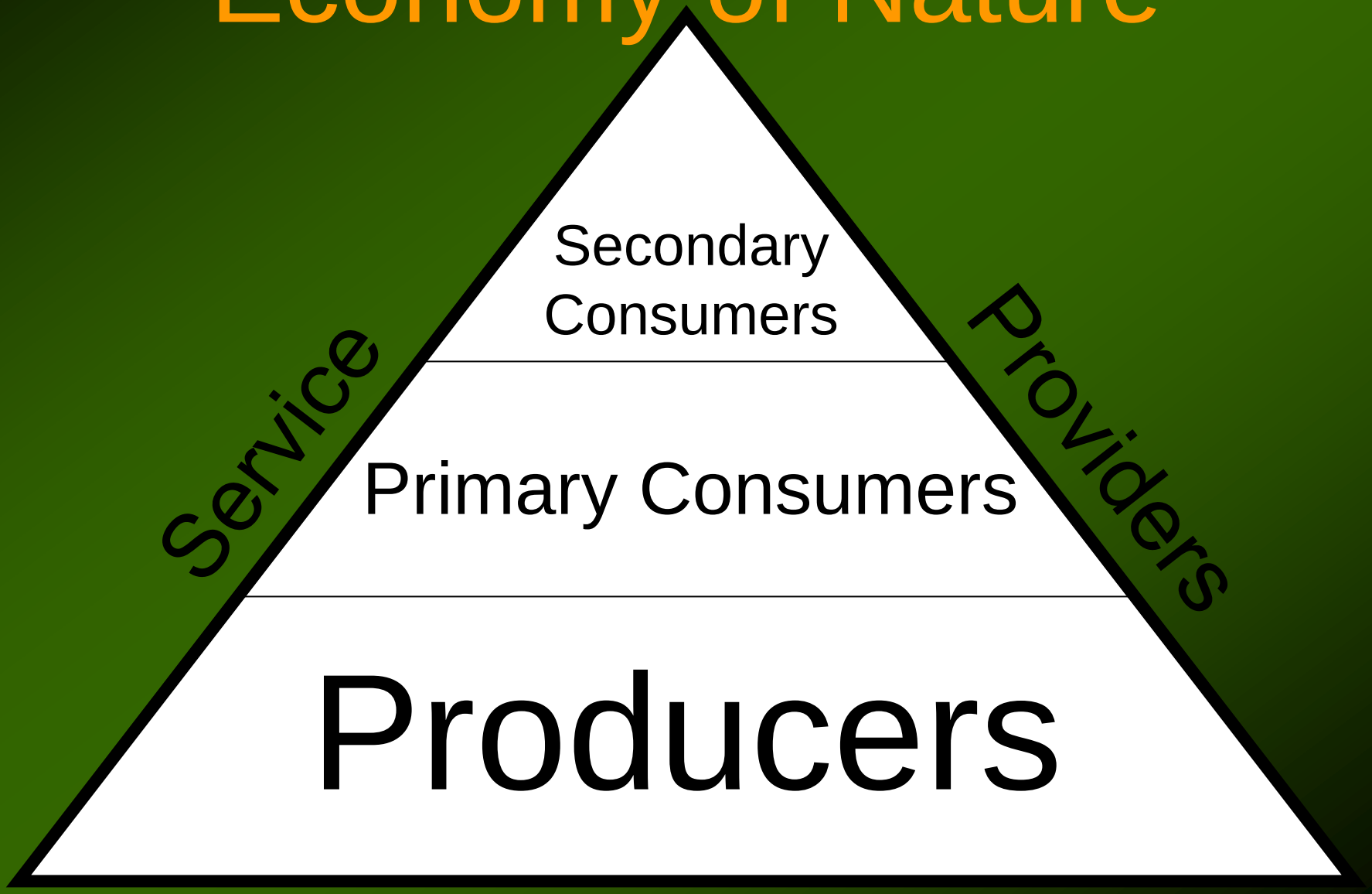



Natural
Capital
Business
$
Household
Pollutants
Heat

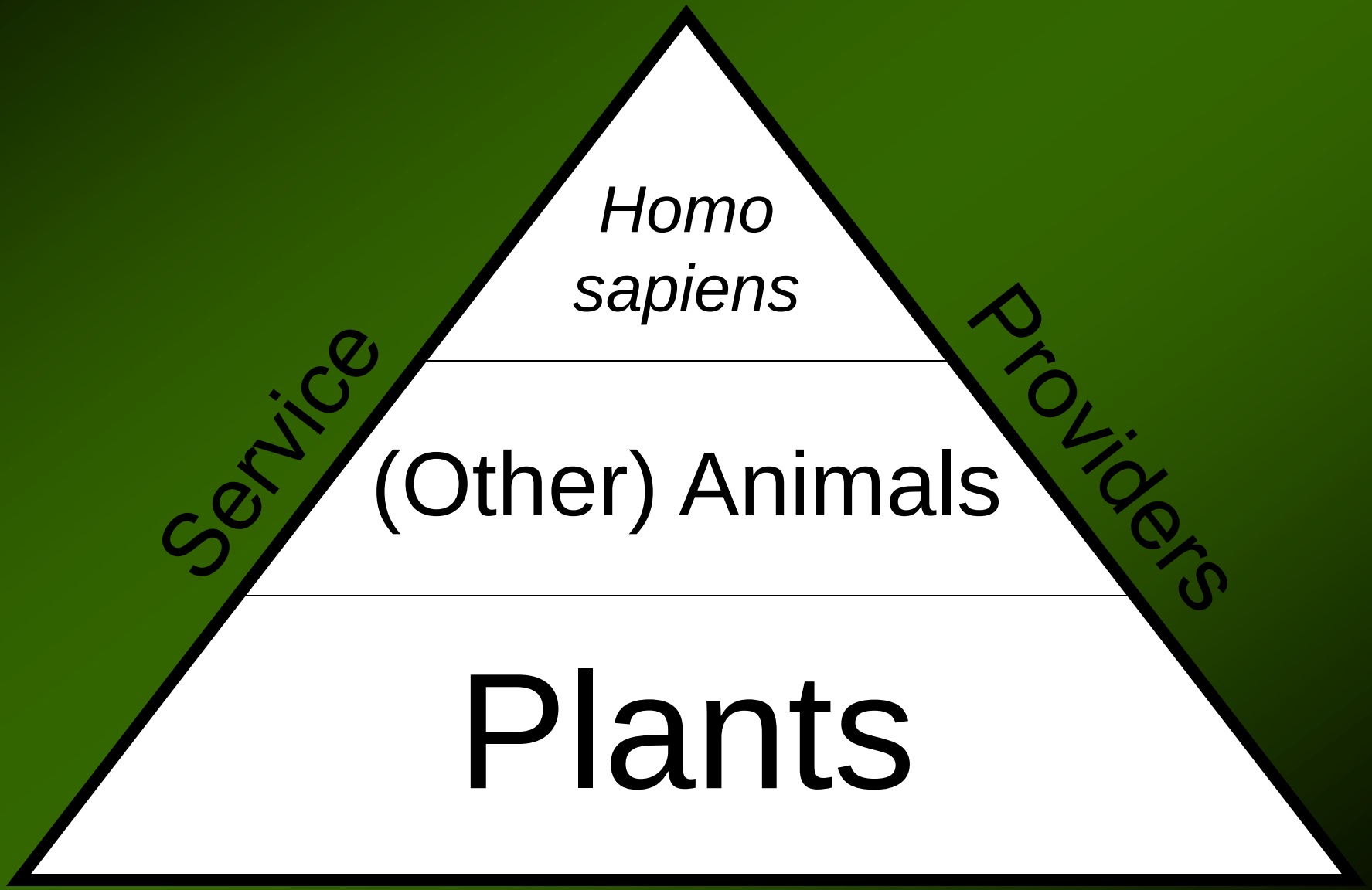

Economy

Trophic Theory of Money

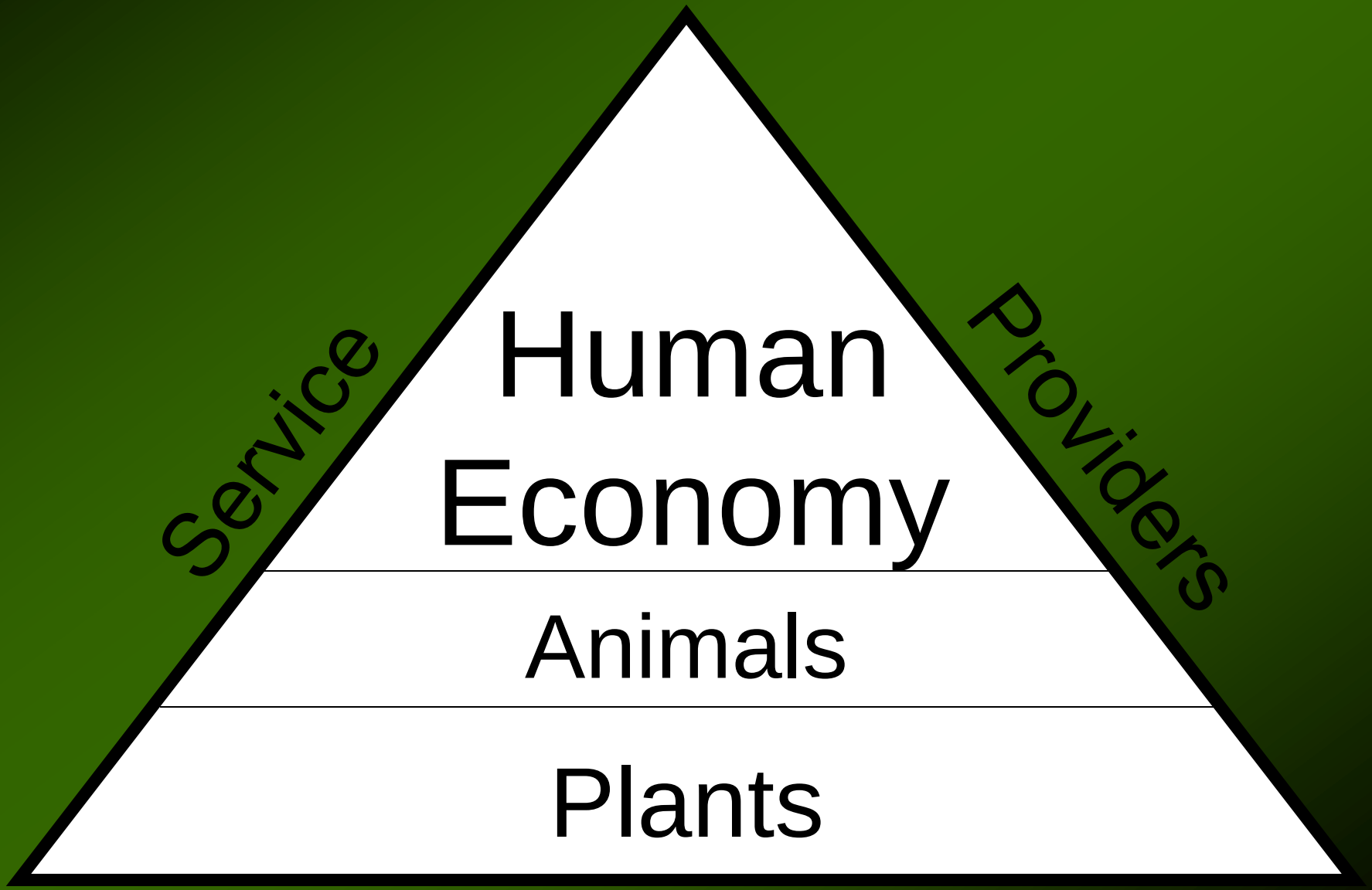
Trophic Levels in the Economy of Nature



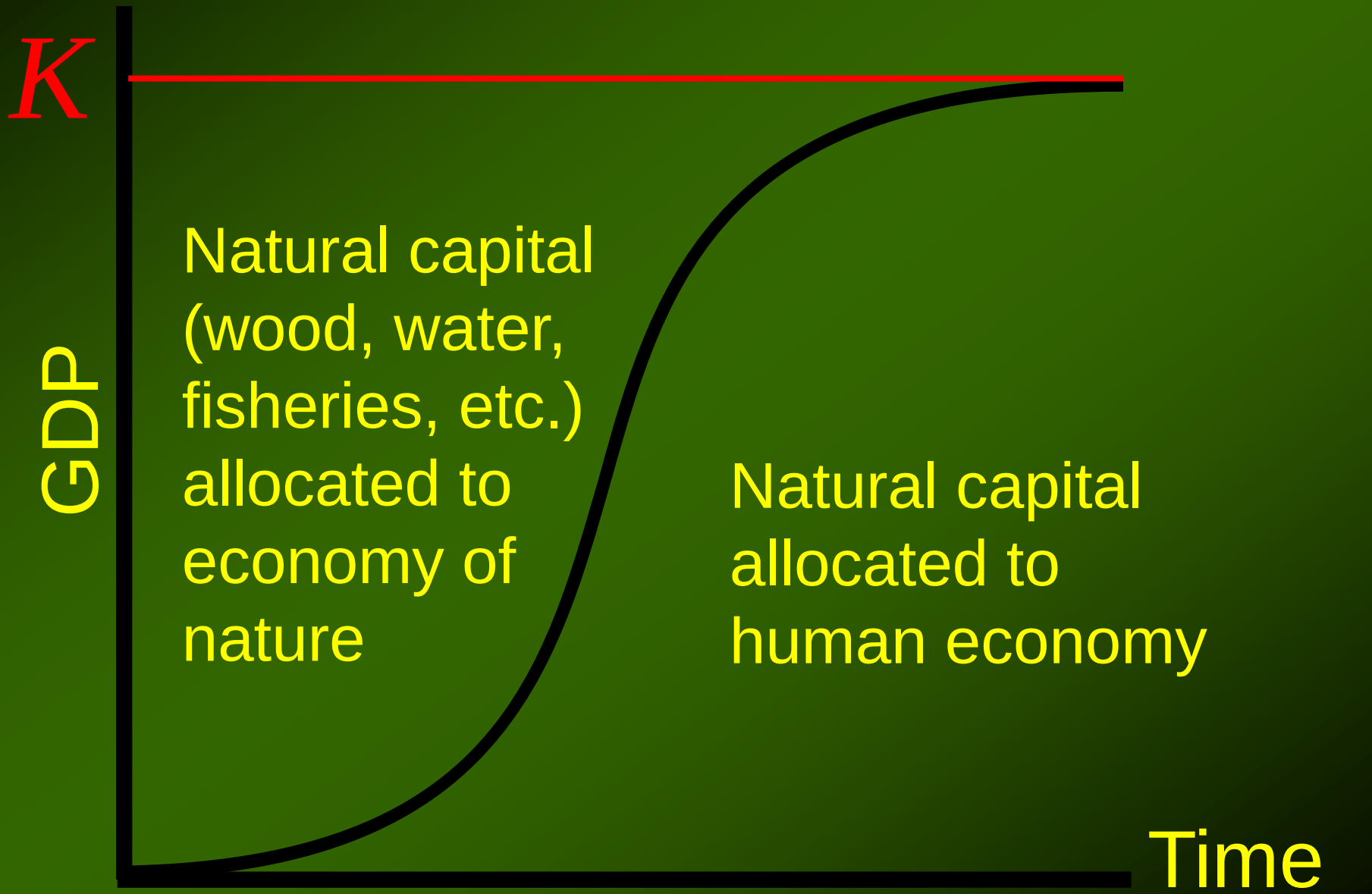
Humans Included

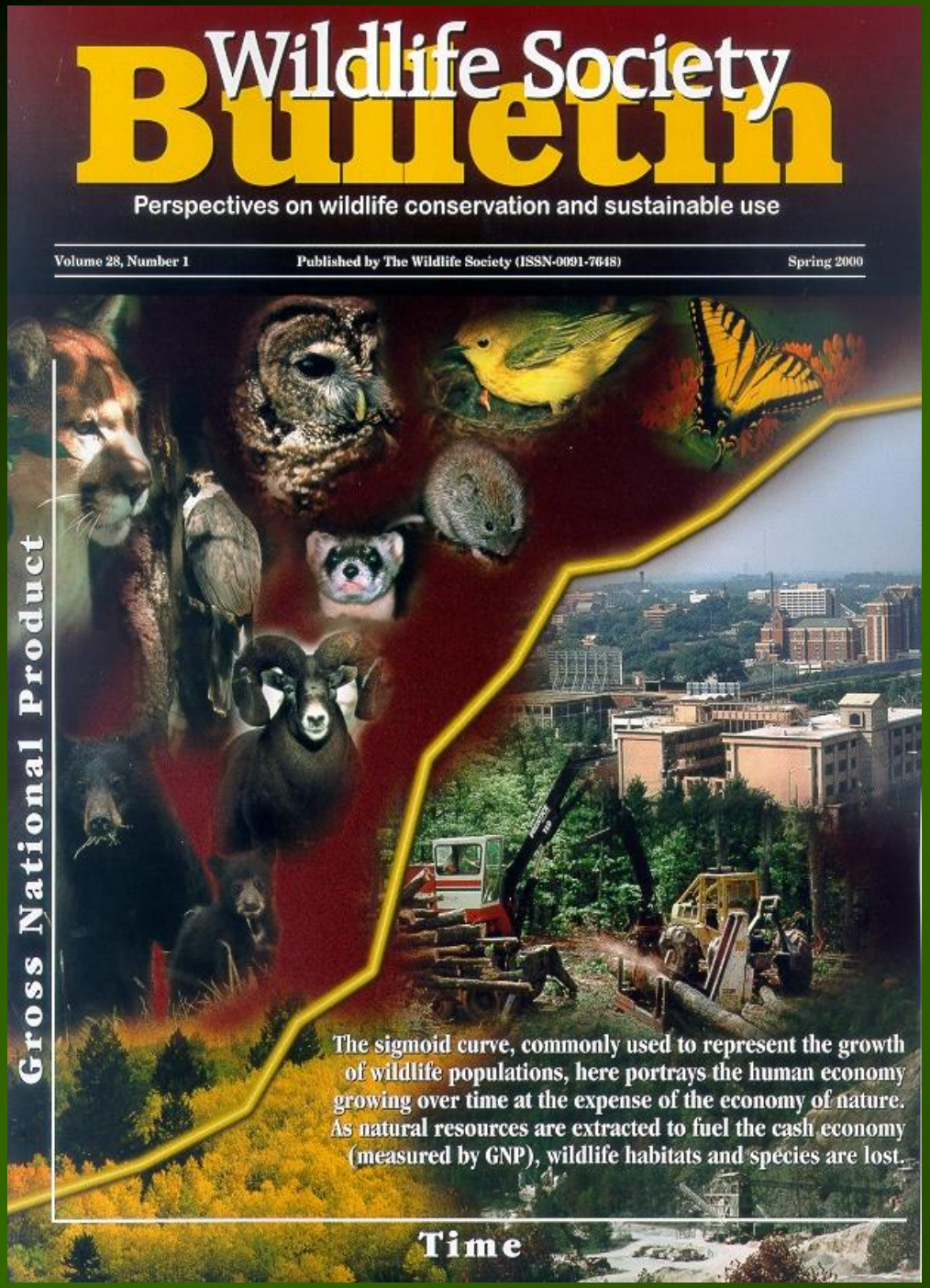


Economic Growth



Natural Capital Allocation





Fisheries

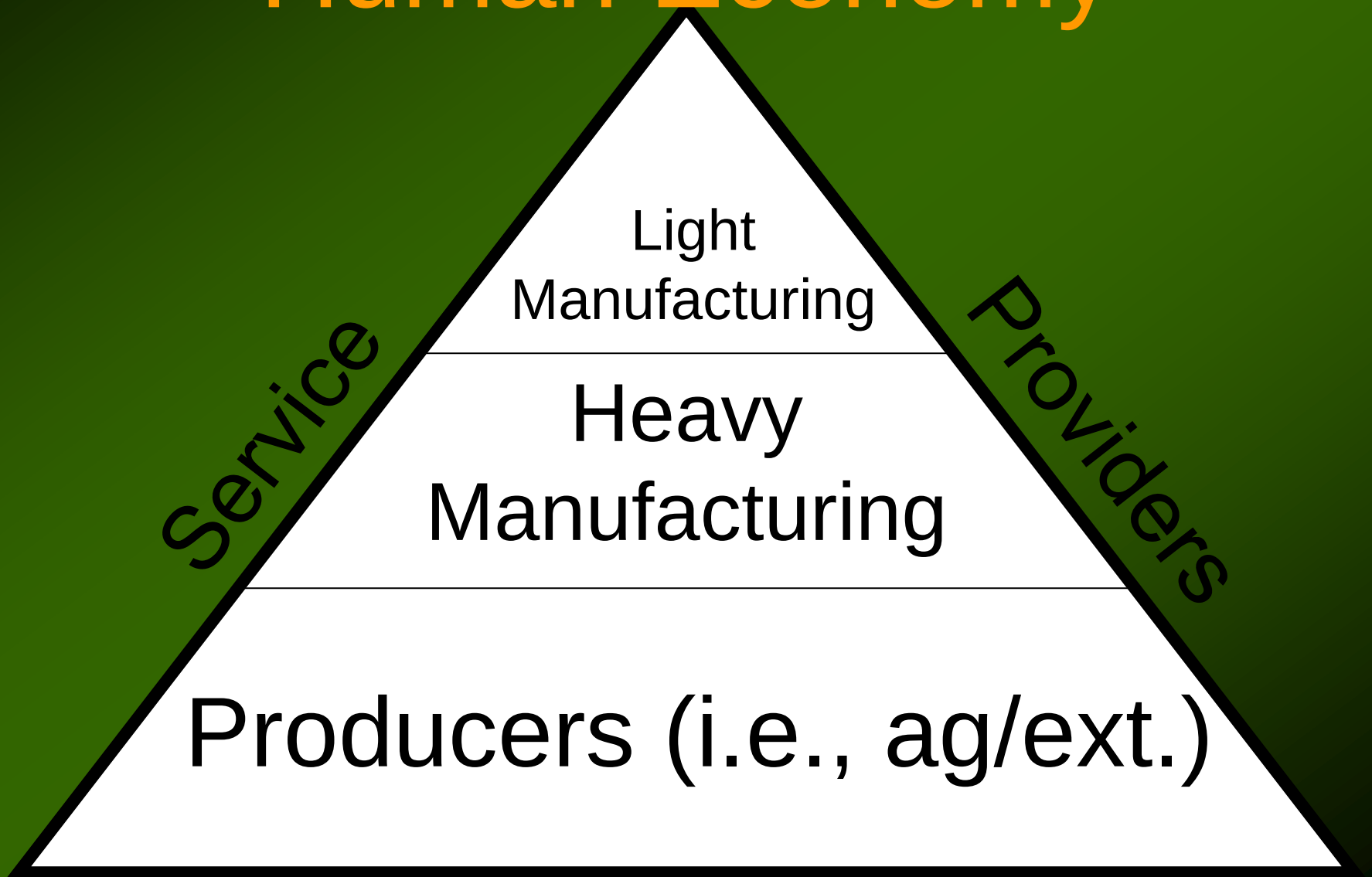
Volume 30 Series Logo

Biodiversity Conservation

IS

a Steady State Economy

Trophic Levels in the Human Economy



“The trophic theory of money is that money originates via the agricultural surplus that frees the hands for the division of labor into manufacturing and service sectors.”

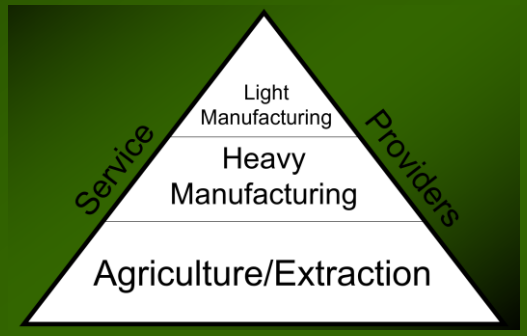
“The trophic theory of money is that money originates via the agricultural surplus that frees the hands for the division of labor into manufacturing and service sectors.”

(Czech 2019)

Before Any of This…

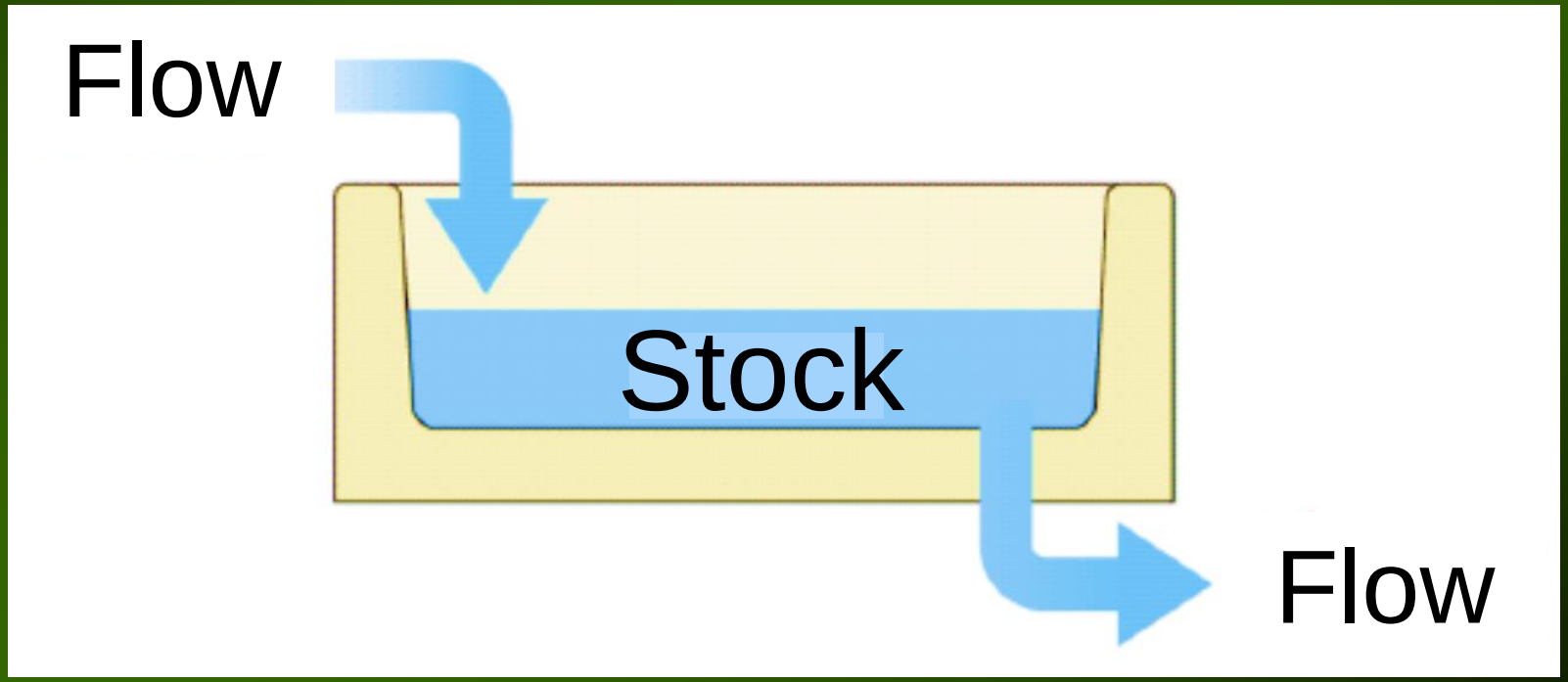
Is Plenty of This…

The primary corollary is that the quantity of money – and GDP – indicates the amount of agricultural surplus and related activity at the trophic base of the economy and, therefore, the environmental impact of the economy.



Environmental Impact

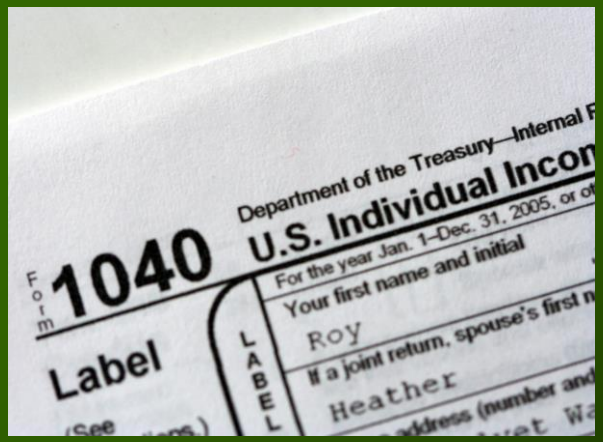
Stock and Flow



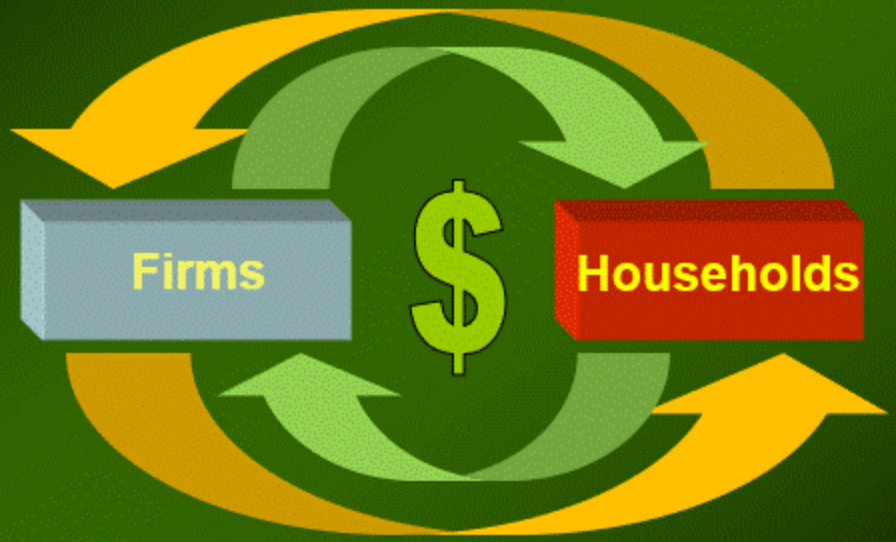
GDP is the monetary value of all final goods and services produced annually within a country's borders.

Fundamental Identity of National Income Accounting

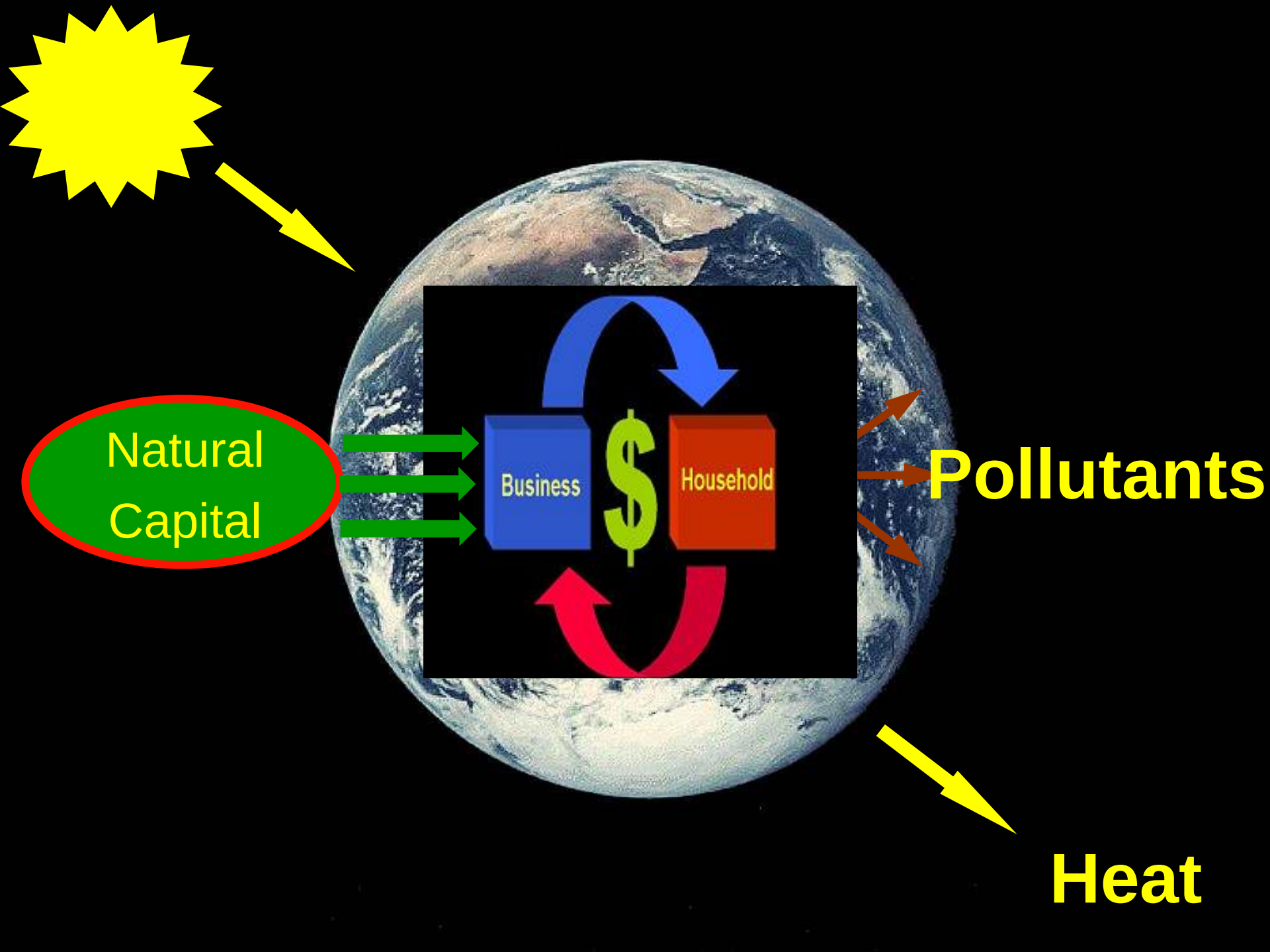
Production = Income = Expenditure



Classic Inflation



· Real sector · Monetary sector


Natural
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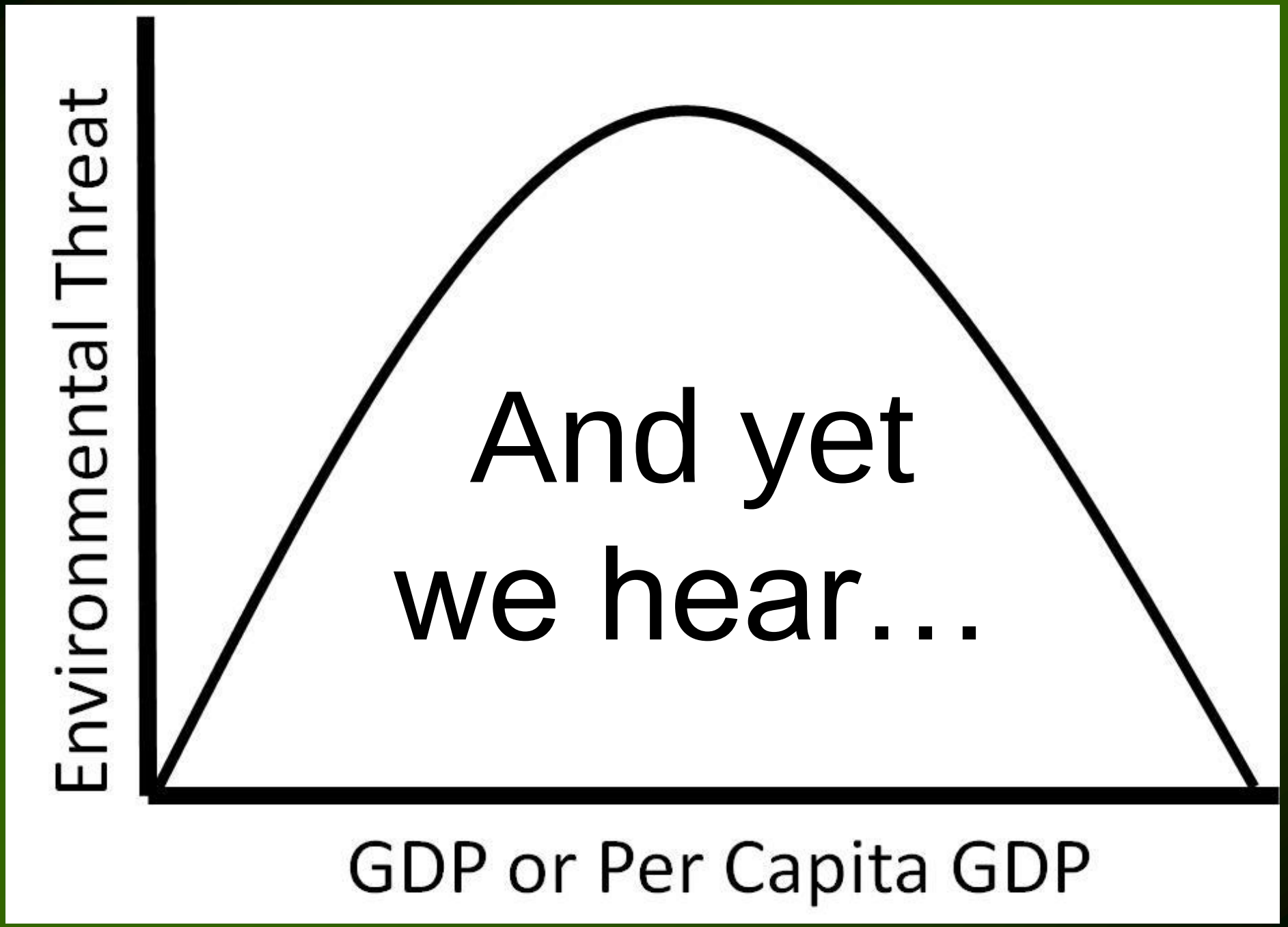
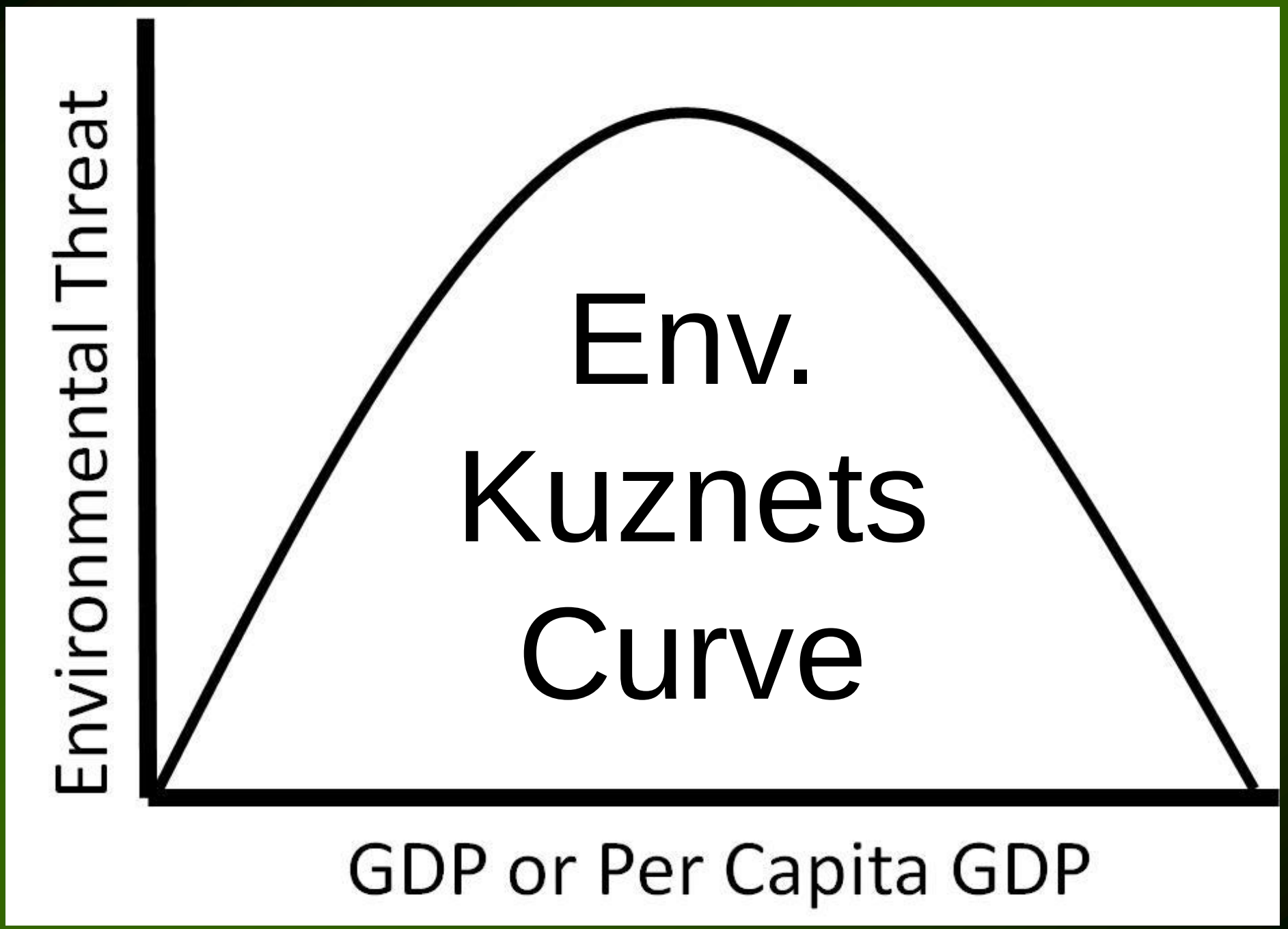
Household
Pollutants
Heat


Economy


Environmental Threat
And yet
we hear…
GDP or Per Capita GDP

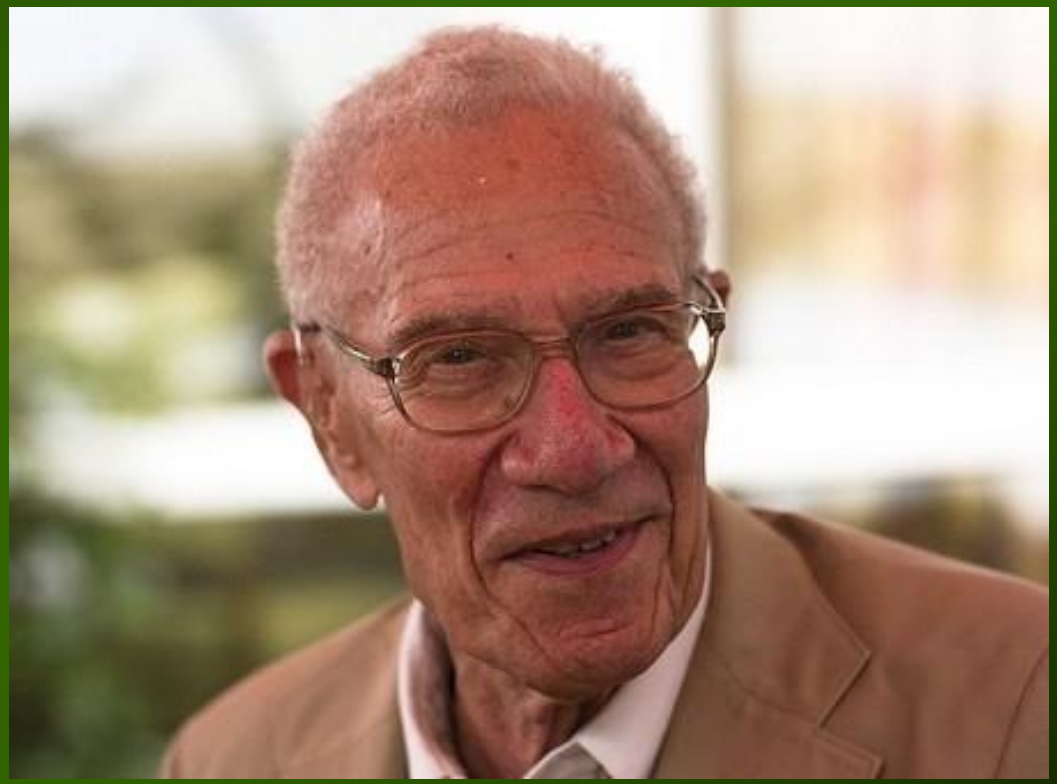

Environmental Threat
Env.
Kuznets
Curve
GDP or Per Capita GDP

Technological Progress

- New technology, generally
- Increasing production or efficiency resulting from invention and innovation

“The world can, in effect, get along without natural resources.”

Robert Solow



“Natural resources originate from the mind, not the ground, and therefore are not depletable.”

Robert L. Bradley, Jr., 2002

Types of Technological Progress

Explorative

Extractive

End-Use

Tracking the Sources

R&D

? ? ?

Consider the Sources

(i.e., after consumption, investment)

Consider the Sources

Catch-22?

Consider the Sources

Consider the Sources

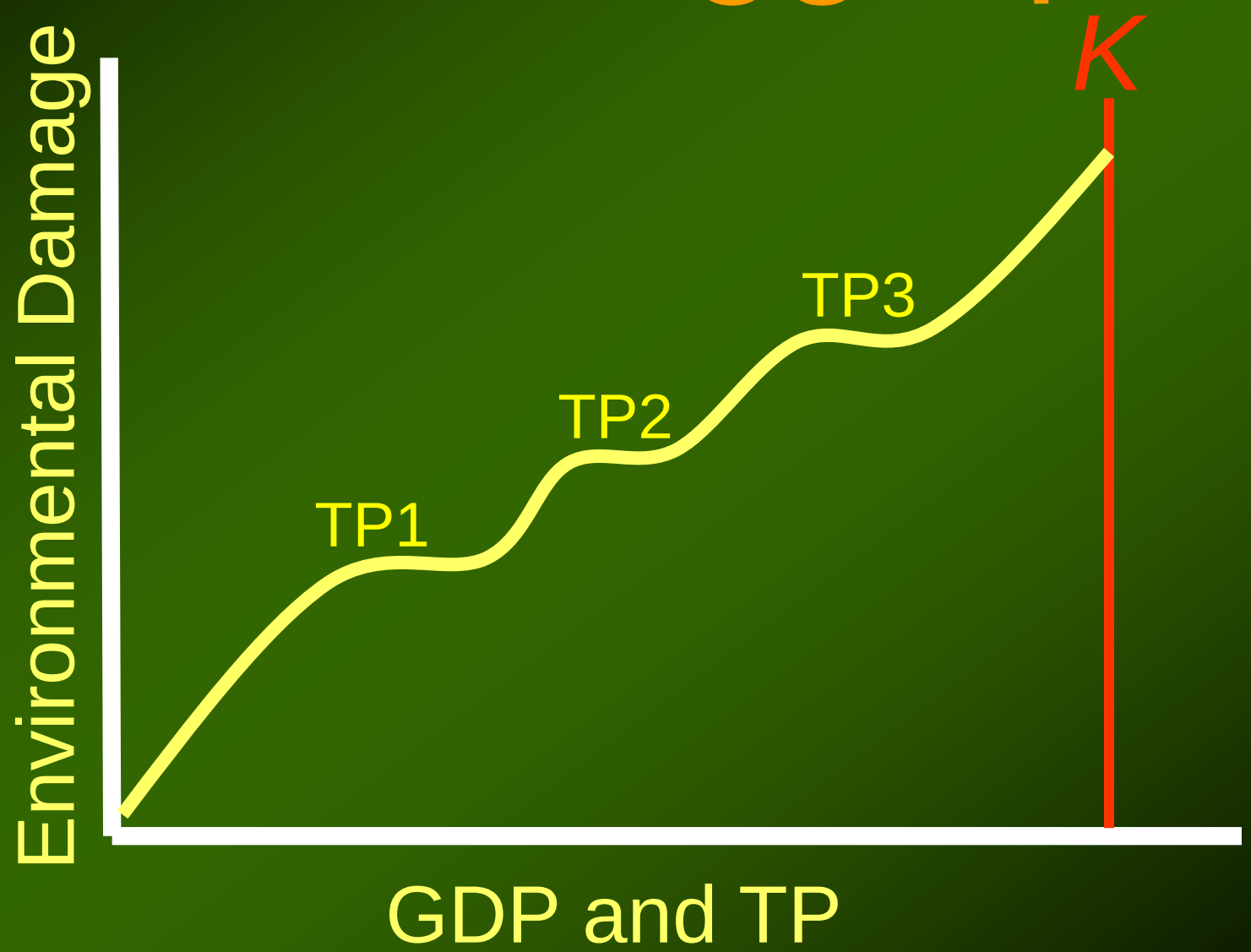
Economies of Scale

- Reductions in average cost of product resulting from increased level of output
- Economies of scale operate:
  - Internally (e.g., Weyerhauser)
  - Externally (e.g., timber industry)
  - Macroeconomically ("total factor productivity")

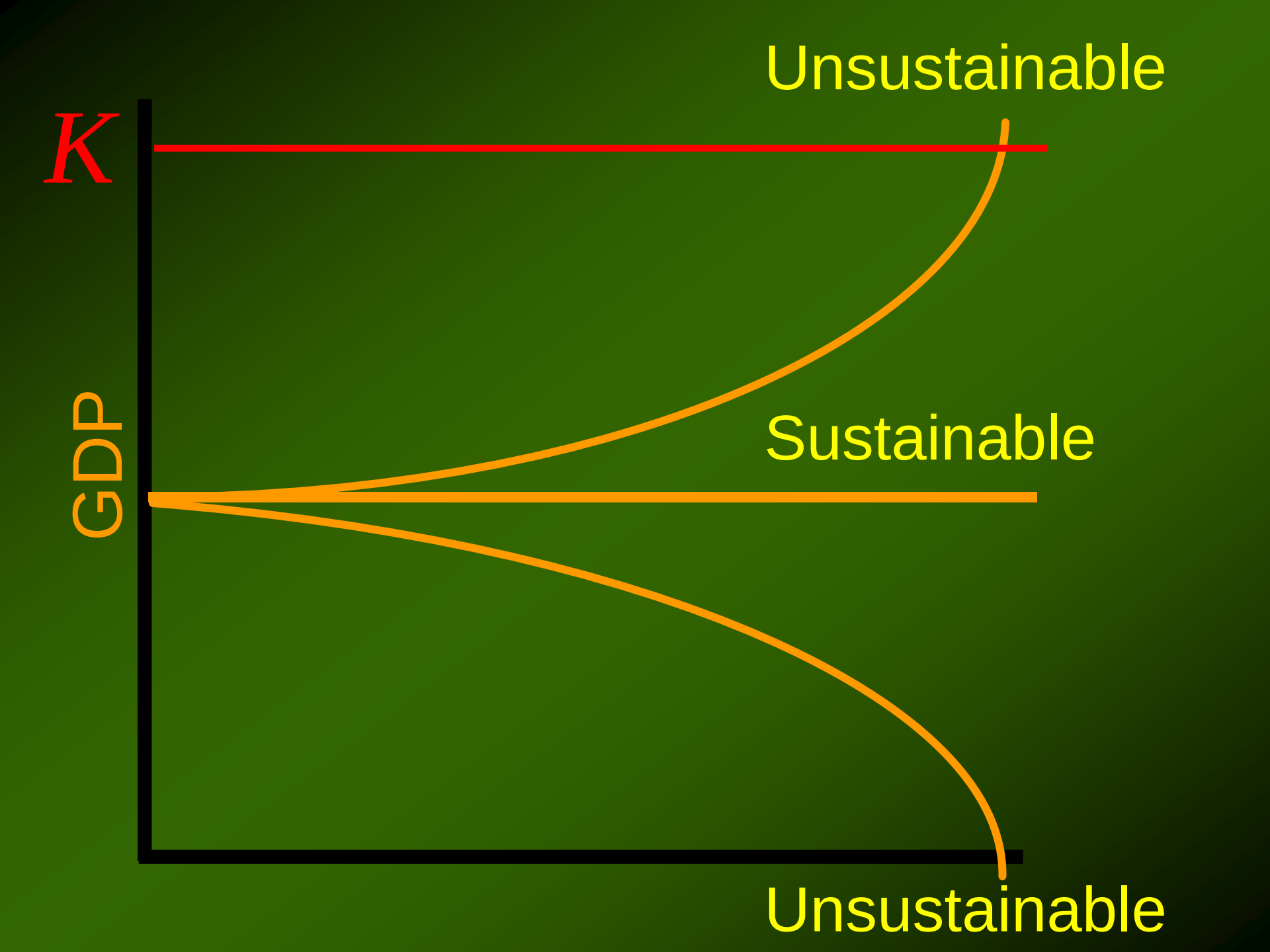
} (Ruttan 2001)

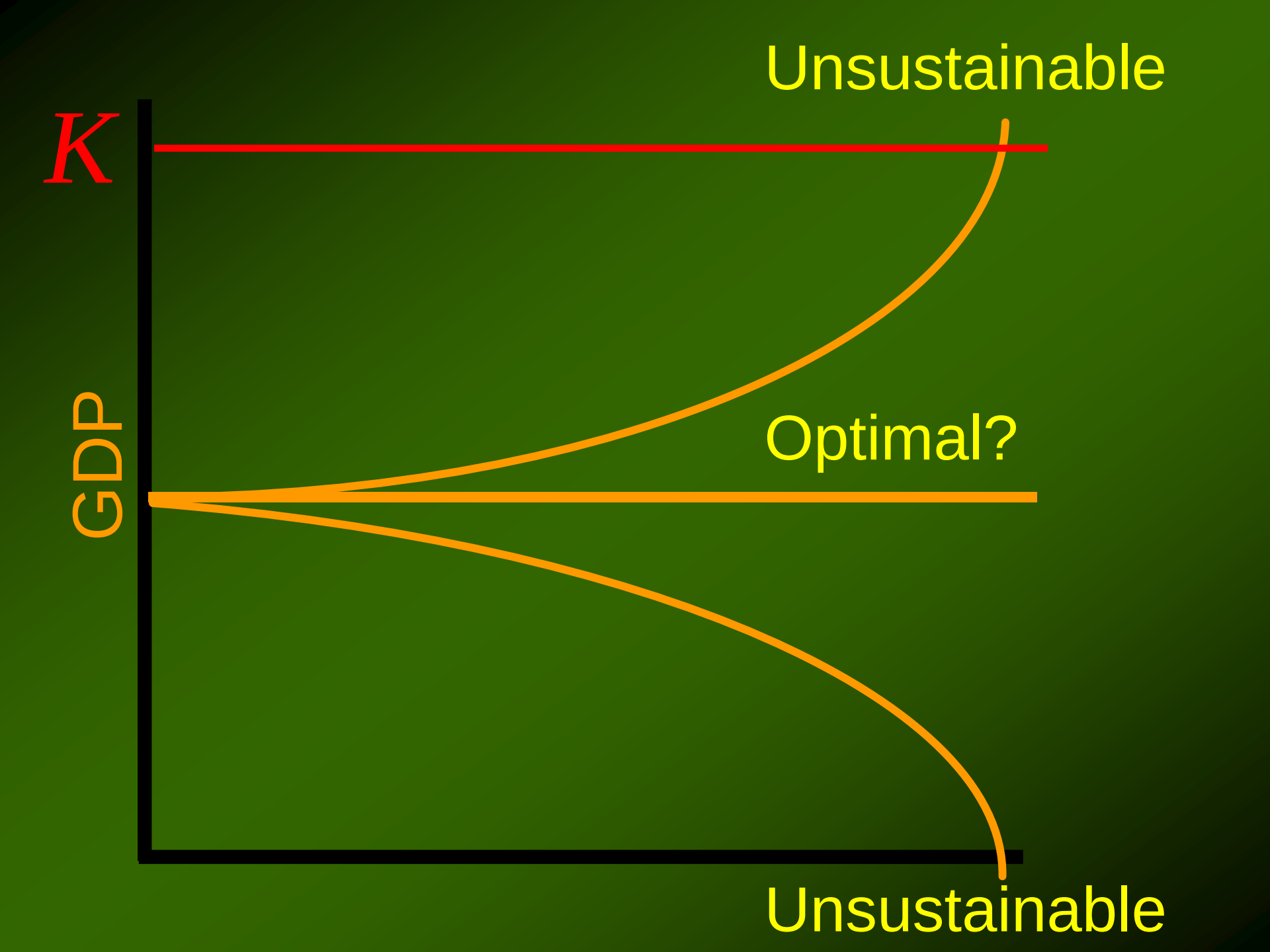
- Existing levels of technology
- Increased efficiency but concomitantly with increase in aggregate production

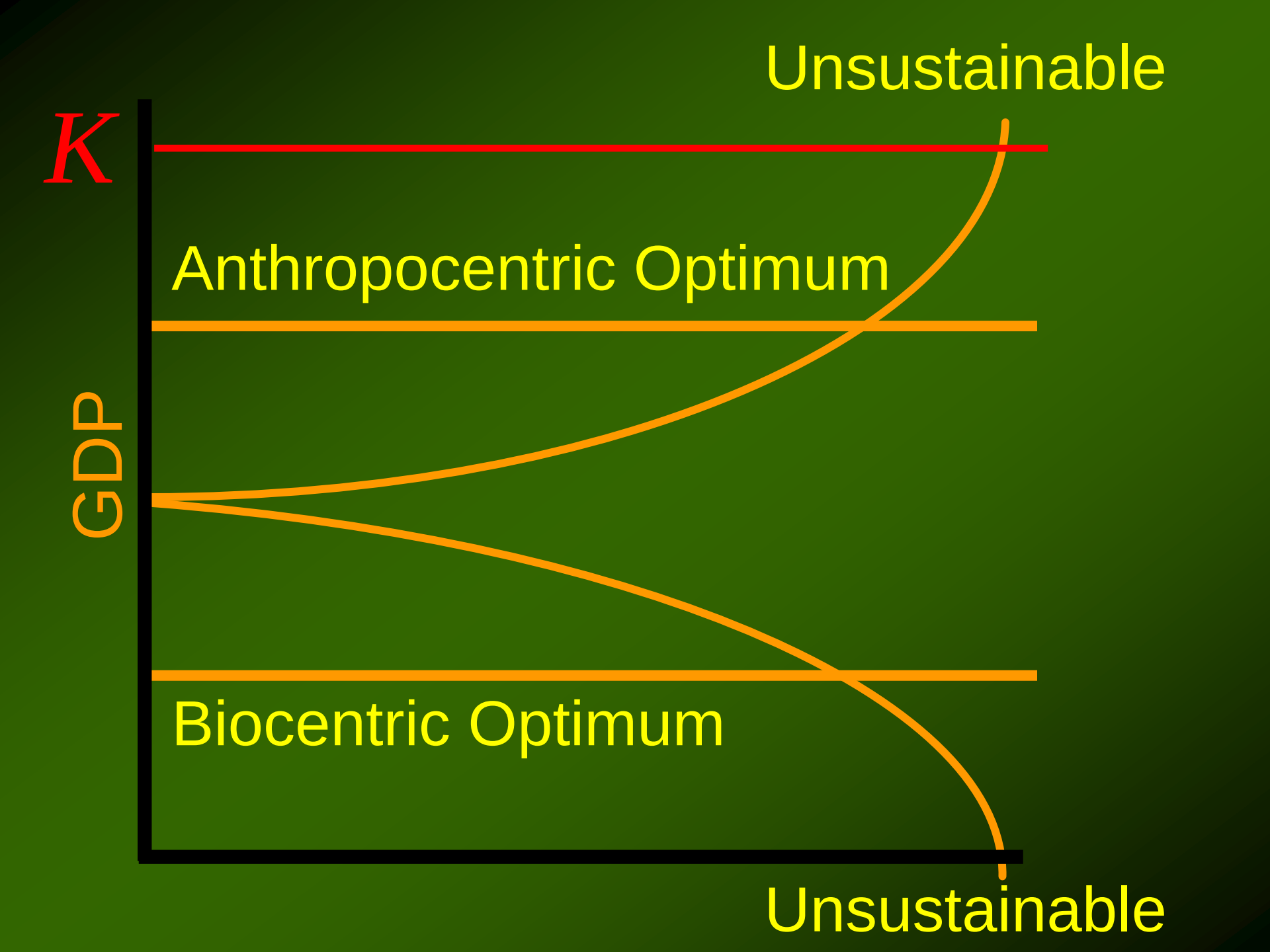
“Chicken-Egg Spiral”

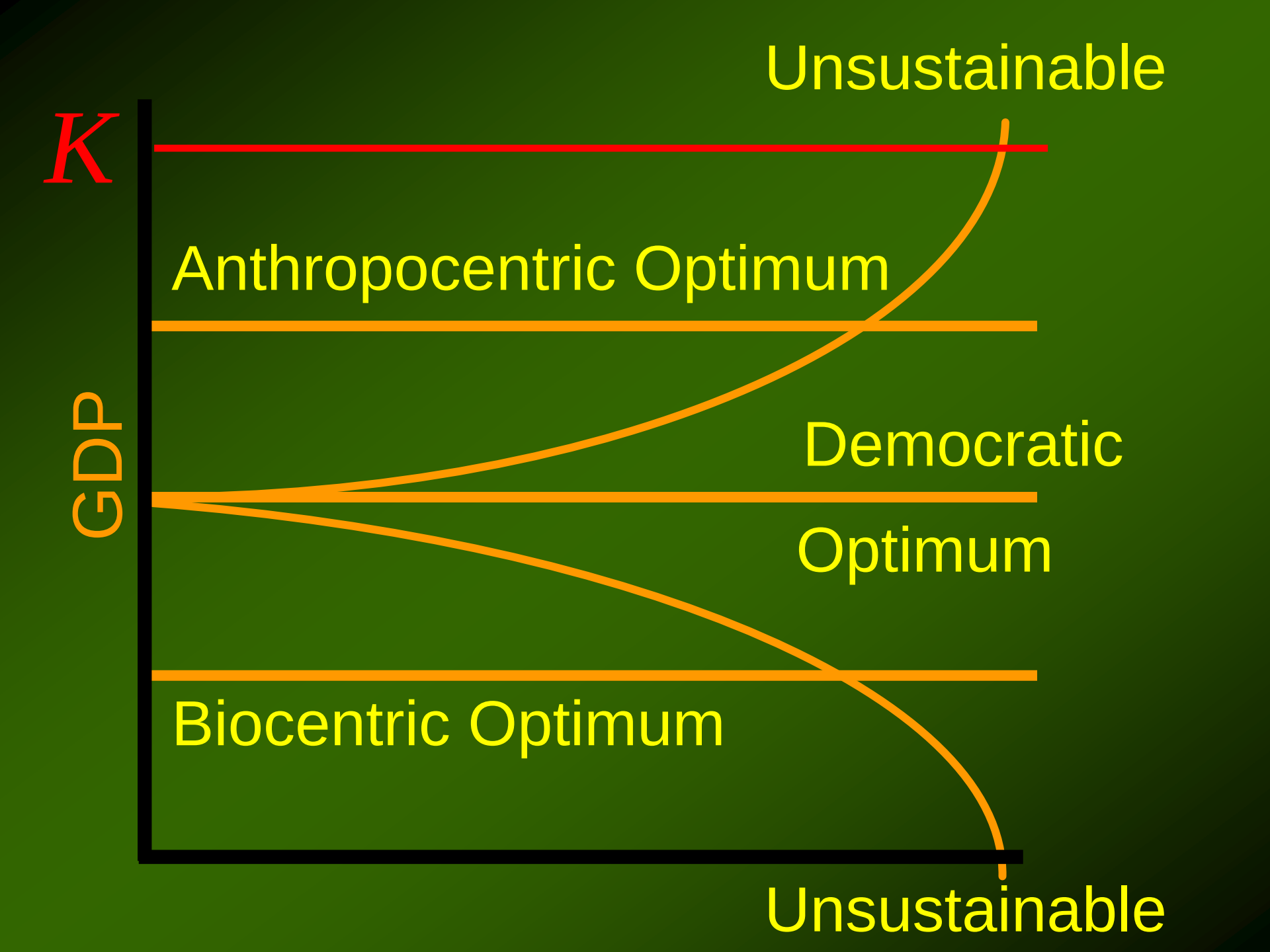


A Few Words About Optimum Scale


Unsustainable
K
GDP
Sustainable
Unsustainable


Unsustainable
K
GDP
Optimal?
Unsustainable


Unsustainable
K
Anthropocentric Optimum
GDP
Biocentric Optimum
Unsustainable


Unsustainable
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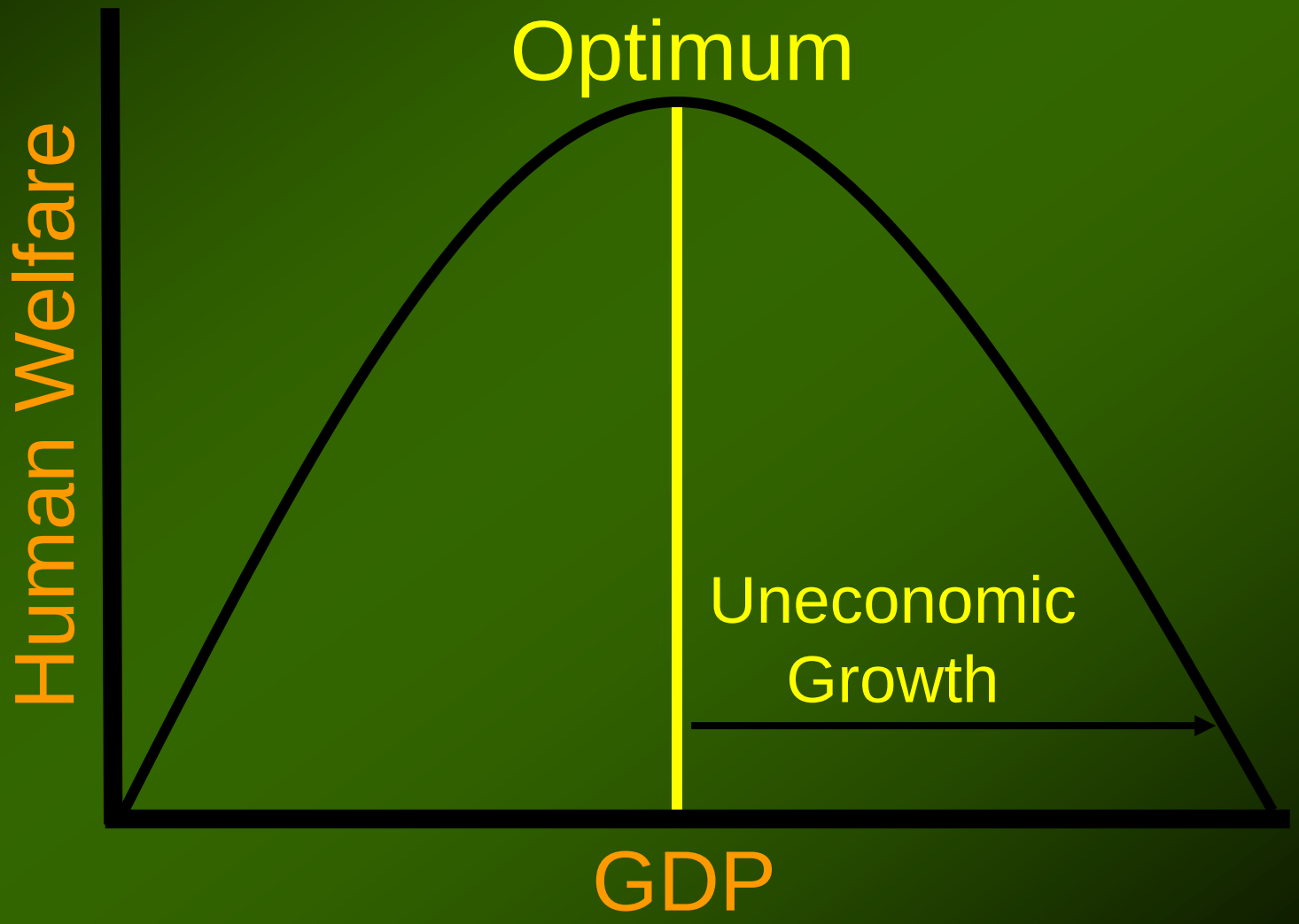
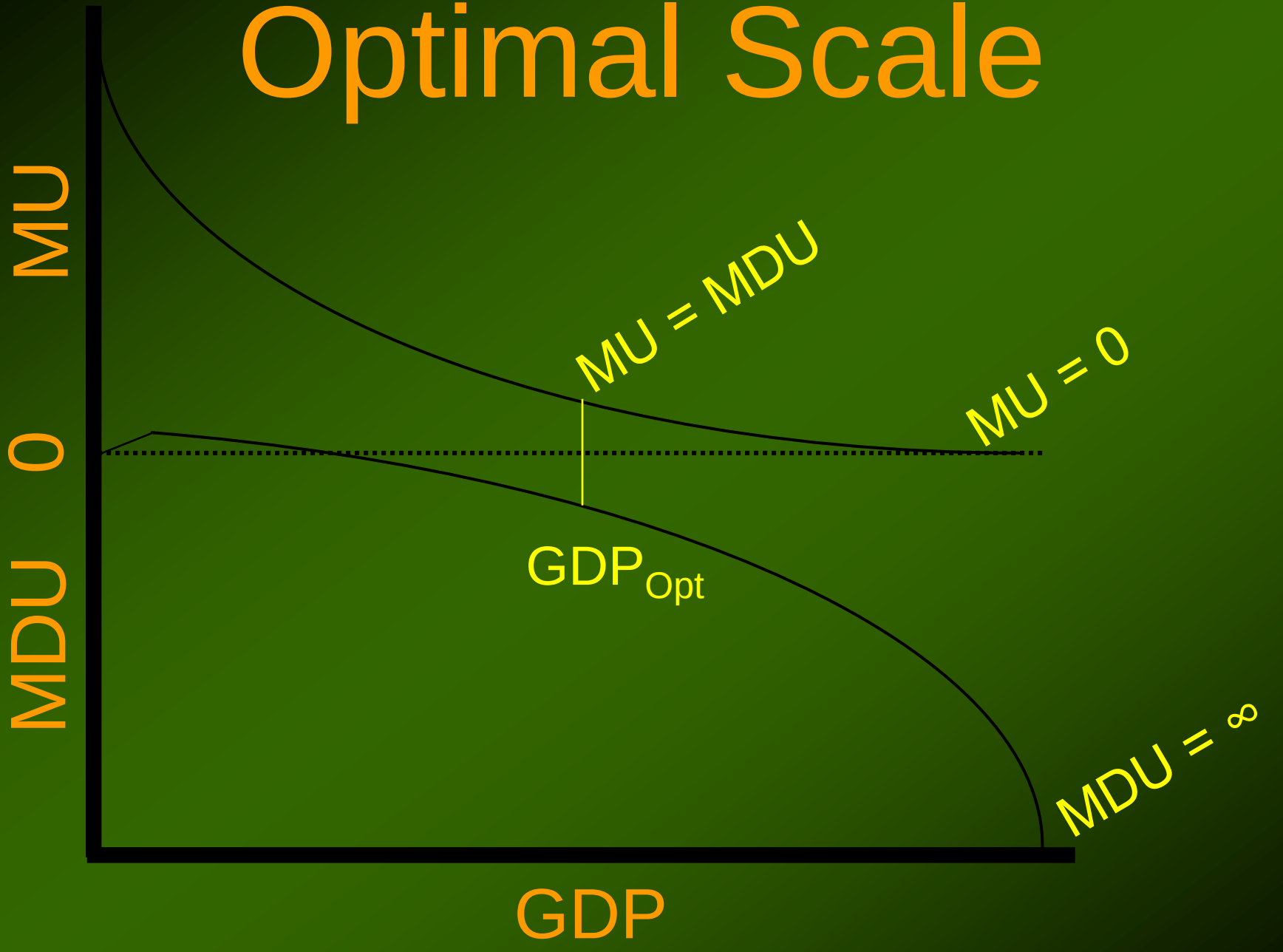
Anthropocentric Optimum
GDP
Democratic
Optimum
Biocentric Optimum
Unsustainable

All Things Considered



Optimal Scale



Modified from Daly and Farley 2010, Figure 2.2.

Some Useful Metrics

- GDP
- Ecological Footprint
- Genuine Savings
- Living Planet Index
- Millennium Assessment Accounts
- Measure of Economic Welfare
- Human Development Index
- Index of Sustainable Economic Welfare
- Genuine Progress Indicator
- Gross National Happiness

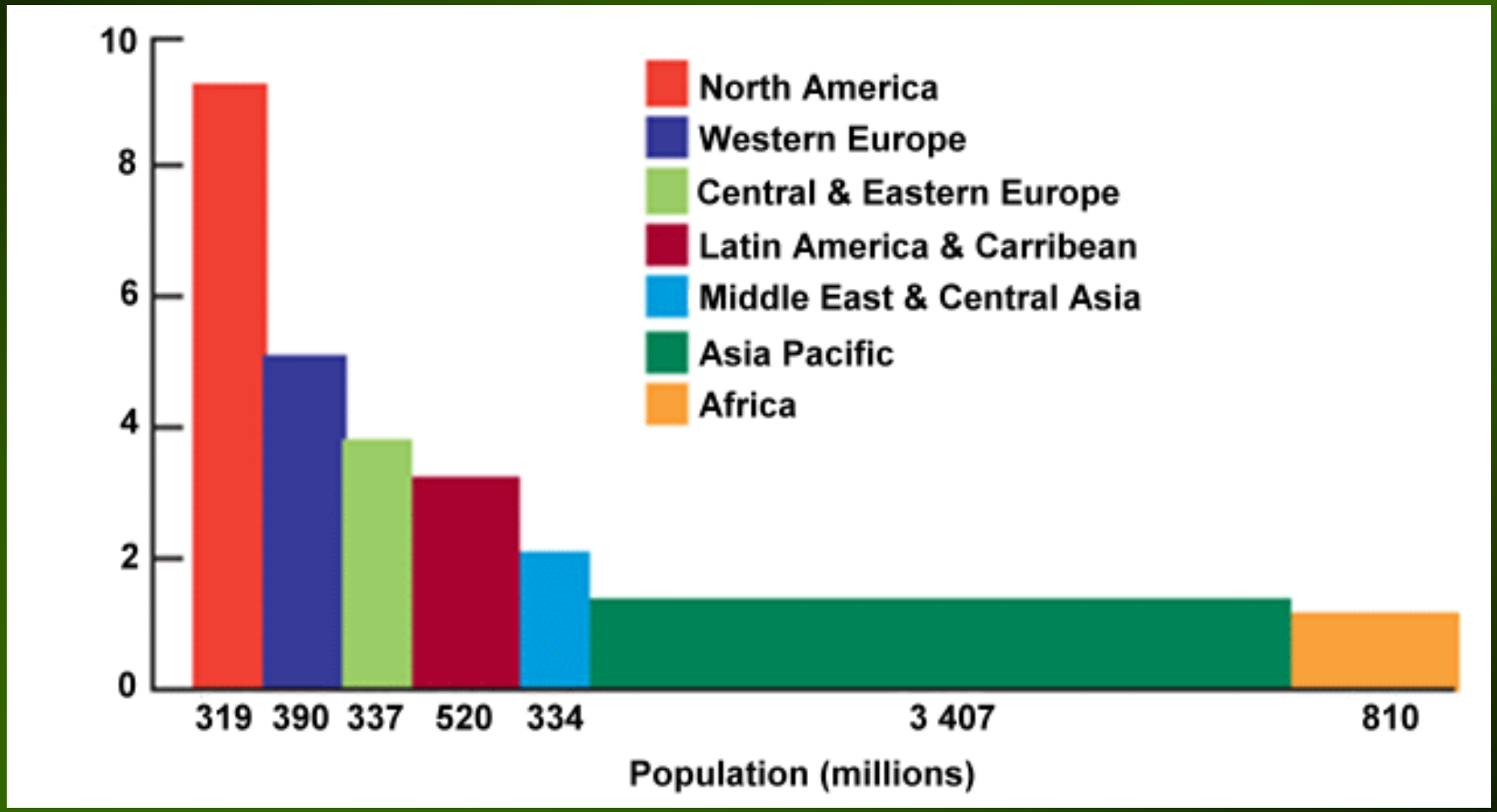
Policy Innovation

- Full Seas Act (FSEA)
- Reform of pro-growth policies and missions
- Resource cap-and-trading
- Tax incentives for population stabilization
- Salary caps and minimum wages
- Transition out of fractional-reserve banking
- Adoption of appropriate indicators
- Steady statesmanship

Steady Statesmanship in International Diplomacy

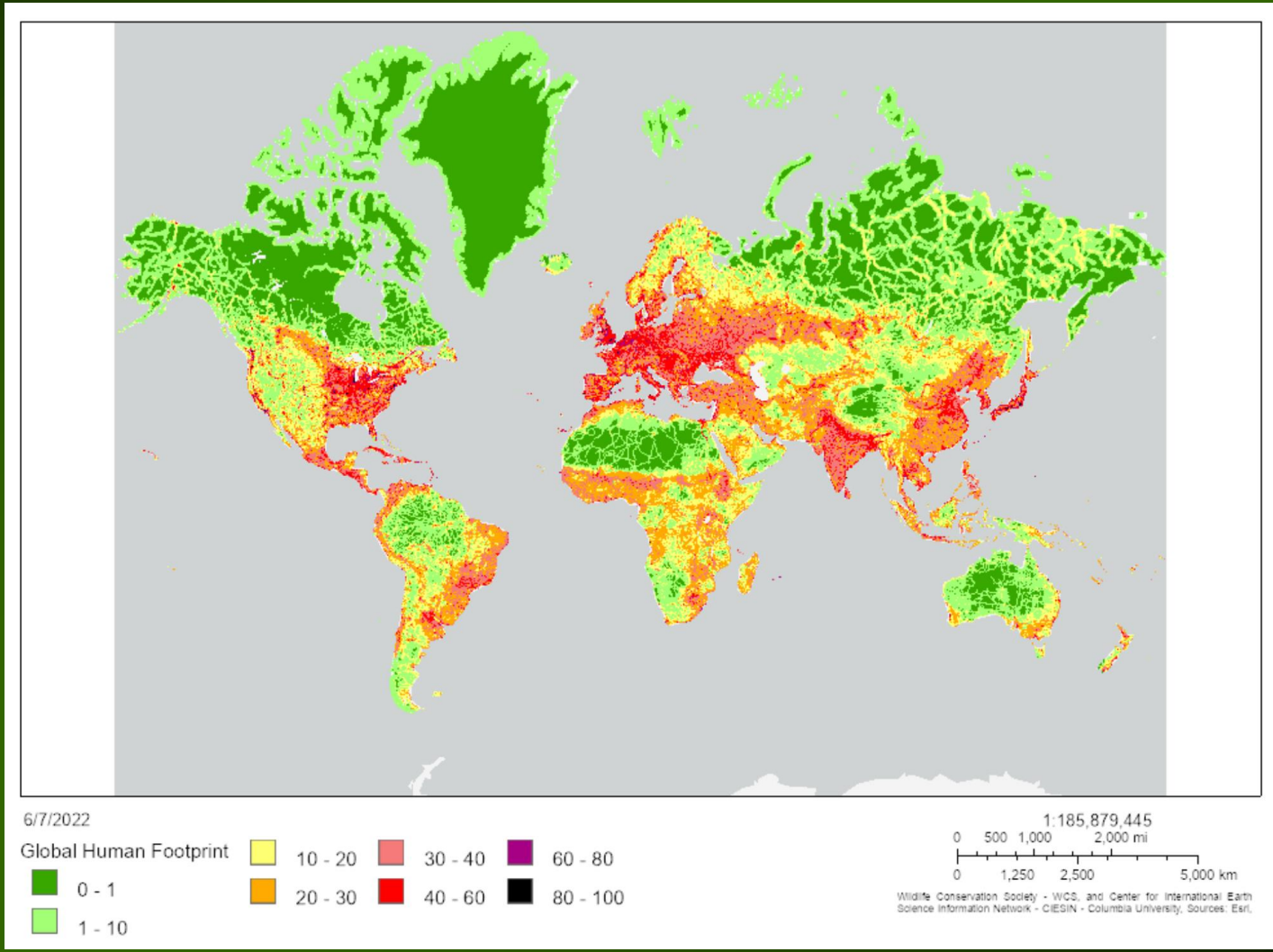
United Nations: A Table for Steady Statesmanship?

Use the Ecological Footprint



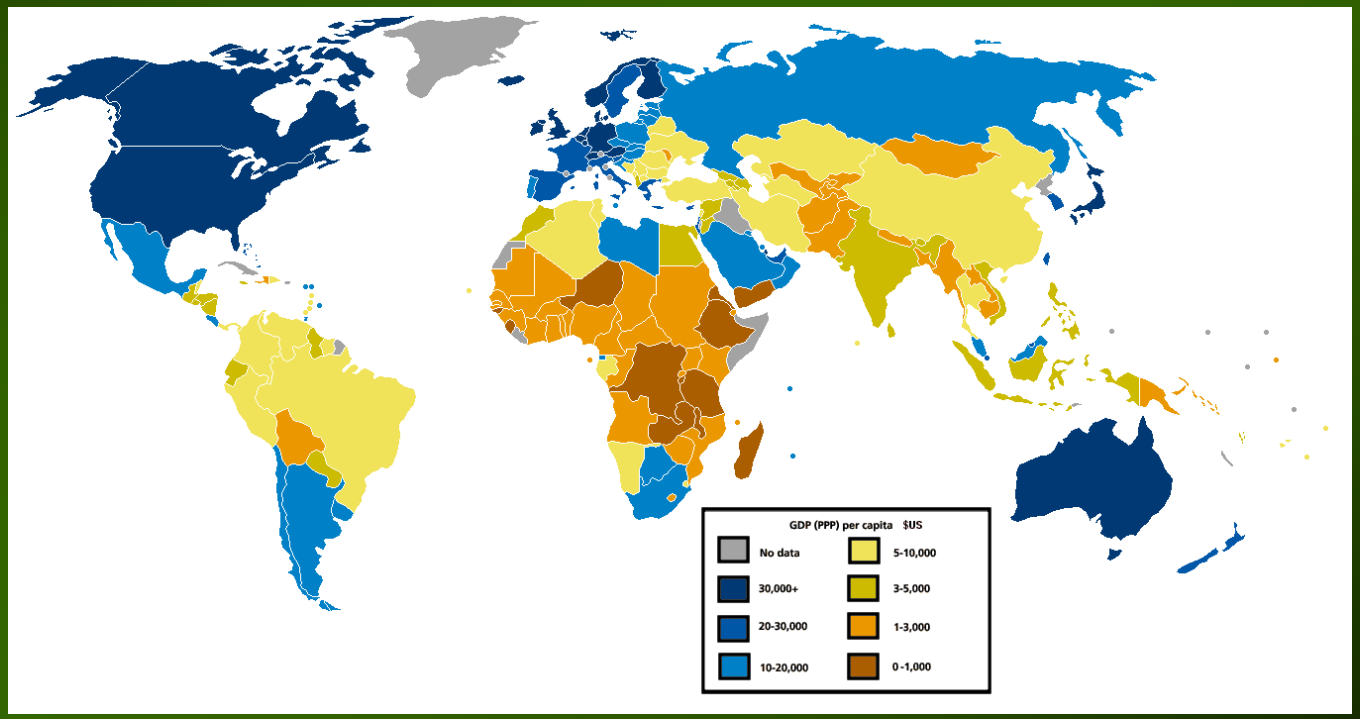
UNEP World Conservation Monitoring Centre; Global Footprint Network. 2004.

“Backtracking”



Or, with the
trophic theory of money…

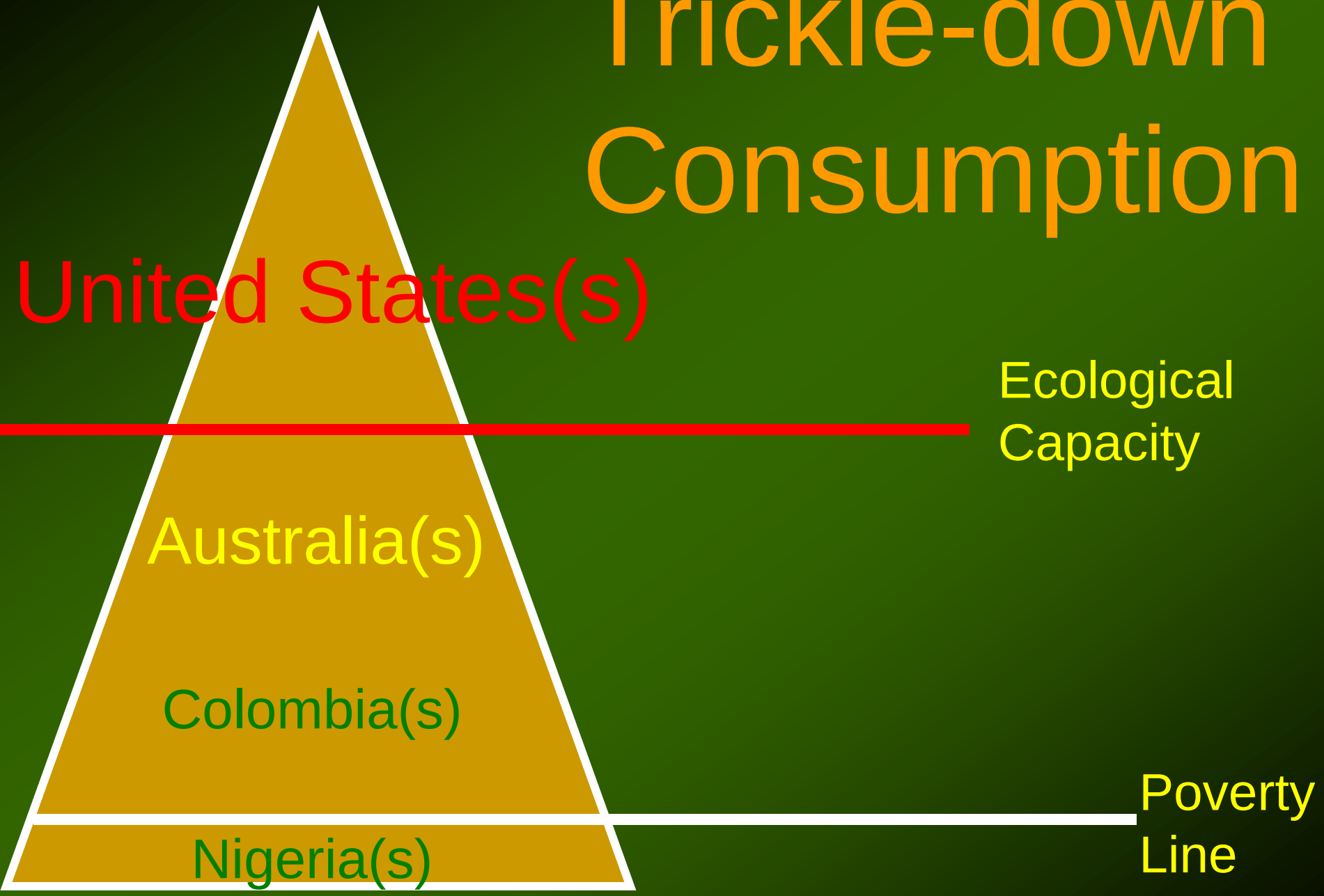
GDP/Capita


GDP (PPP) per capita $US
No data
30,000+
20-30,000
10-20,000
5-10,000
3-5,000
1-3,000
0 -1,000

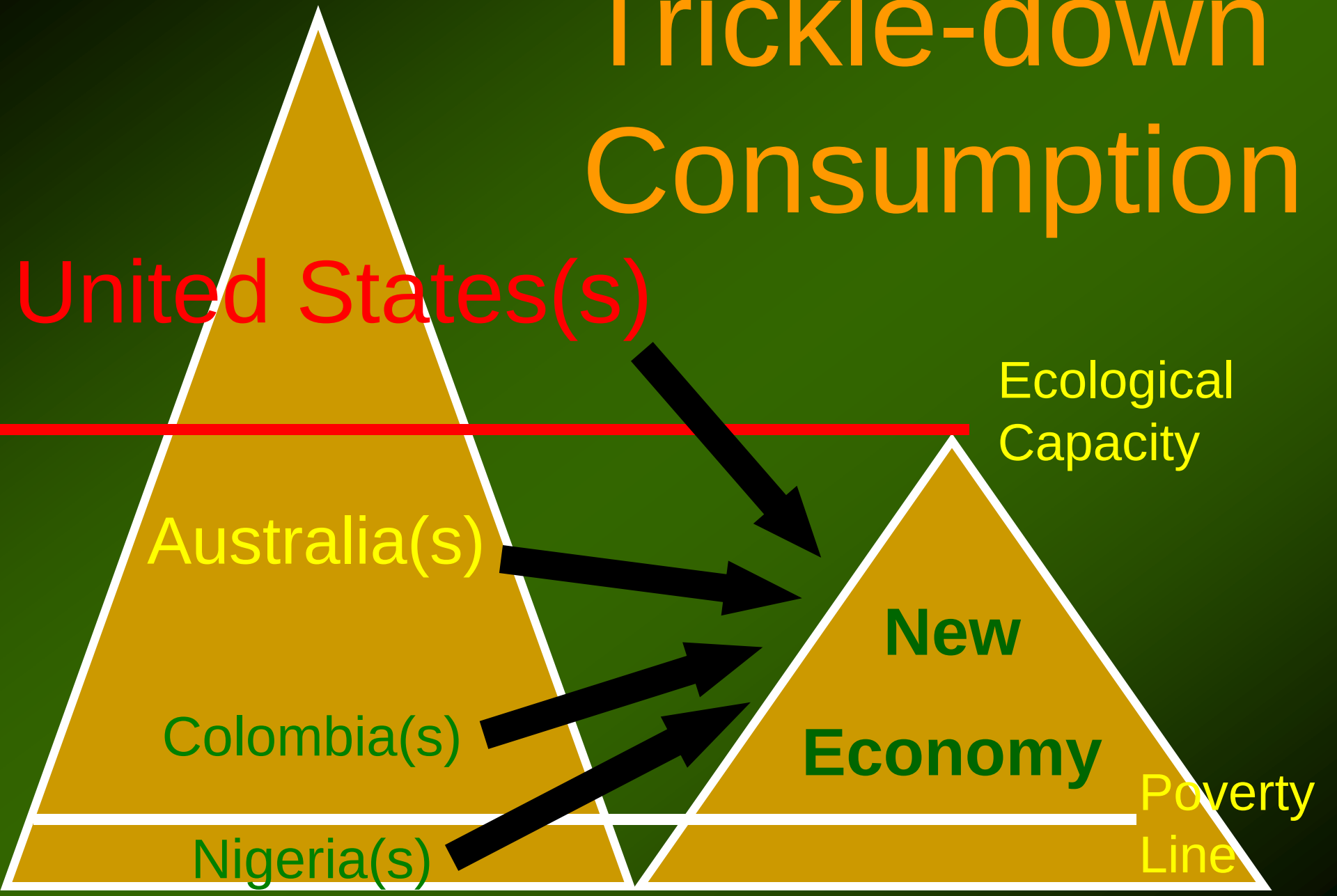
International Governance

- COPS, Bad → Good
  - Climate COP
  - Biodiversity COP
- UN Sustainable Development Goals
- Espoo Convention
- Convention on Economic Sustainability

Trickle-down Consumption



Trickle-down Consumption



Take Action

- Sign the steady-state position (www.steadystate.org)
- (Organizational endorsements welcome as well.)
- Join CASSE — start a chapter.
- Demand “steady statesmanship” at COP17 and COP29 — make them two GOOD COPs.
- Engage in the many CASSE projects.
- Use your imagination and passion for conservation, peace, and security. Remember…

It's the Steady State Economy, Friends

- Environmental Protection IS…
- Sustainability IS…
- Peace IS…

} A Steady State Economy

Start Now!

Sign the Position!

(www.steadystate.org)