



## Methodological and Ideological Options

## Microeconomic degrowth: The case of Community Supported Agriculture

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## ABSTRACT

In this paper, we attempt to build a new microeconomic approach that could be considered as a basis of the degrowth macroeconomic view. As degrowth is a critique of the dominant macroeconomic model of the endless search for economic growth, its microeconomic foundations can be built by searching a relevant grass-root economic initiative to theorise. Our approach is based upon the case study research of a self-harvesting Community Supported Agriculture in Belgium. The mainstream microeconomic model is based on the well-known *Homo economicus* assumption of individual self-interest and competitive behaviour. By contrast, our model is based on a holistic approach of producers and consumers, based upon trust, cooperation and ecologically responsible behaviours. This contribution participates to the flourishing literature on degrowth in Ecological Economics. We begin by reviewing the debate on degrowth and economic behaviour. We discuss the case study and its accounting expression that departs from the capitalist profit-seeking model. We conclude by explaining the limits and challenges of our model that implements degrowth on a small scale and in a capitalist environment.

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## 1. Introduction

The current economic crisis and rising concerns about environmental degradation, pressure on natural resources and climate change nourish post-growth debates in Ecological Economics. These debates gained momentum with the raising mistrust in the capacity of political institutions to tackle these problems whilst continuing to promote growth of GDP. The emerging economies are currently raising their production and consumption in order to catch up with the Western living standards thus adding a lot of pressure on resources and endangering the sustainability of the dominant economic model.

Economic growth is the dogma of mainstream macroeconomics. All economic policies are designed to foster growth on a global scale and at an accelerating pace. Our economic system is built upon growth and cannot function without it: either demand or supply-side policies focus on growth as an inescapable solution to unemployment and debt crisis. The opposite of growth is recession, with increasing unemployment and a deterioration of living conditions.

But standard macroeconomics ignores the natural reality, the physical conditions of life as the entropy law and the resulting limits to growth. Pioneering scholars like Georgescu-Roegen (1971, 1975) anticipated the problems that economies are facing today and recommended degrowth as a concerted reduction in production and consumption.

But degrowth is not recession, it is not a GDP reduction in the current system like the austerity economic policy (Kallis, 2011), but a complete transformation of our economies. The 2000s were very productive in terms of research on degrowth (Daly, 2010; Jackson, 2009; Kallis, 2011; Kallis et al., 2009; Kerschner, 2010; Martinez-Alier, 2009; van den Bergh and Kallis, 2012; Victor, 2008...). These different scholars share a common positive view of degrowth as an opportunity to replace material abundance by a better quality of life with stronger social, local and natural connections (Odum and Odum, 2008). They also share a large, holistic, systemic approach that can be considered a macroeconomic degrowth project (see Martinez-Alier et al., 2010).

For the moment, the degrowth project lacks theorisation at the microeconomic level and this paper intends to contribute to fill this gap through the analysis of a grassroots initiative, favouring an organic worldview cutting with the mechanic, top-down management (Ingebrigsten and Jakobsen, 2012).

The development of a self-harvest Community Supported Agriculture (CSA) in Belgium is the case study that serves as a starting point for theory building (Yin, 2014). CSAs are grass-roots worldwide initiatives in various forms, in many different contexts.

Section 2 defines the conceptual background of the paper by focusing on the degrowth literature, on the holistic view of human beings and a revisited critique of mainstream economic assumption of *Homo economicus*. Section 3 presents our research method of case study theory building. Section 4 offers a description of the CSA case study. Section 5 discusses the case, developing our view on non-material, non-monetary

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sources of wellbeing. We conclude, in Section 6, on the challenges and implications of our model.

## 2. Literature Review

Continuing the pioneering work of Nicolas Georgescu-Roegen (1971), many contributions, in the Ecological Economics field, deal with the desirability and feasibility of a degrowth transition in our economies. Some scholars propose a sustainable degrowth path called “Socially sustainable economic degrowth” (SSED) (Martinez-Alier et al., 2010) in reaction to the “sustainable development” paradigm that has dominated over the past two decades. Following Daly and Martinez-Alier, Kallis defined degrowth as “a socially sustainable and equitable reduction (and eventually stabilisation) of society’s throughput. Throughput refers to the materials and energy a society extracts, processes, transports and distributes, to consume and return back to the environment as waste.” (Kallis, 2011: 874). It is important to emphasise the fact that SSED is a grounded theory, because emerging social movements, practices, experiences, collectives and networks call for conceptualisation. The “Nowtopias” (Carlsson, 2008) inspire academic research (Kallis et al., 2012). Reciprocally, research and theorising foster social change and contribute to the convergence of many grass-roots social and environmental movements. Academic research would thus provide an institutional strategy for degrowth, especially in times of crisis (Martinez-Alier et al., 2010).

The SSED thinkers are concerned with a reframing of our Western economies towards “less material abundance and consumption” (Kallis et al., 2012: 3) in order to “create a different system where expansion will no longer be a necessity and where economic rationality and goals of efficiency and maximisation will not dominate all other social rationalities and goals” (Kallis, 2011: 875). According to Kallis, the sustainable degrowth model should be a bottom-up social construct (Kallis, 2011).

Van den Bergh (2011) criticised “radical degrowth” (an oversimplification according to Kallis, 2011) because of its belief (especially in connection to the consumption behaviour) that voluntary, bottom-up solutions are efficient in scaling-down the economy. Van den Bergh considers that these degrowth grassroots initiatives ignore modern insights in psychology and behavioural economics.

Bina and Vaz (2011) suggest that the debates on the meaning of growth need a holistic understanding of human beings. According to these authors, it is urgent to revisit the concept of an economic actor as the very basis of economic theory and practice. Human beings feel good when they develop helpful, cooperative and altruistic behaviour (Batson and Ahmad, 2002; Post, 2005; Rilling et al., 2002).

The neoclassical economic theory assumes that the *Homo economicus* is a “narrow self” (Bina and Vaz, 2011). The standard microeconomic approach is based upon the reductionist vision of human beings as individualistic, egoistic, competitive and profit and utility maximisers (see Bina and Vaz, 2011, Table 1 p. 172). We need to criticise and re-conceptualise the *Homo economicus*.

An important critique of the standard microeconomic behavioural assumptions was made by the “Revue du Mauss” (anti-utilitarian movement in social sciences), founded in 1981 by French sociologist and economist Alain Caillé (2003, 2007), an admirer of Marcel Mauss and Karl Polanyi. The anti-utilitarian approach gathers social scientists and asserts that self-interest is only one of the four main reasons for action, together with empathy, obligation and freedom-creativity (Caillé, 2003, 2007).

Ecological economists attempt to redefine the economic actor from a “holistic” perspective (Siebenhüner, 2000). The “Special Issue on The Human Actor in Ecological-Economic Models” (Janssen and Jager, 2000) initiated the research and debate around the *Homo economicus* concept and recent papers intended to foster an alternative view to the standard microeconomic agent (Ingebrigtsen and Jakobsen, 2009; Murtaza, 2011; Pelletier, 2010; Waring, 2010). In experimental and

behavioural economics, Gintis (2000) used game theory to demonstrate that human beings are strong reciprocators and that altruism is the most contagious behaviour. Even if reciprocators represent a tiny proportion of a population, it can be sufficient to preserve a cooperative behaviour during hard times (Gintis et al., 2003). Three concepts of a holistic economic actor were explored: ‘homo sustinens’ (Siebenhüner, 2000), ‘homo politicus’ (Faber et al., 2002) and ‘homo ecologicus’ (Becker, 2006). ‘Homo sustinens’ is a social being whose characteristics are as follows: altruism, cooperation, communication, and moral responsibility for future generations in a long-term, sustainable perspective. ‘Homo politicus’ holds human values, strives for justice and acts ethically. ‘Homo ecologicus’ relates to nature in a sympathetic and respectful manner. In these views, human beings relate to each other and to nature as reciprocators, in a non-utilitarian, non-instrumental manner. They are no longer considered as separated and in competition to defend their self-interest. The notion of community is a meaningful alternative to individualistic behaviour (Becker, 2006; Bina and Vaz, 2011; Murtaza, 2011; Siebenhüner, 2000).

As happiness and welfare are only partly obtained through material pursuits (Frey, 2008; Layard, 2005), human beings develop non-material sources of wellbeing, like beauty and spirituality. Furthermore, ideological beliefs of Ecological Economics include explicit ethical positions and the recognition that “there are more meaningful aspirations for human existence than hedonism” (Spash, 2012: 45).

## 3. Methodology

Since our exploratory theory-building research focuses on a contemporary phenomenon in its real-world context, we chose the case study method (Yin, 2014). Its advantage is to benefit from an extensive and “in-depth” description of a social phenomenon.

We chose the CSA experience for three reasons. The first is that its practices and objectives imply a downscaling of economic activity and an increase in the quality of life compatible with a degrowth perspective. The second is the opportunity to do a direct and participant observation. The third is that the CSA is quite stable in terms of mission and objectives.

Amongst the six main sources of evidence (see Yin, 2014), we triangulated evidence by gathering contemporary documentation, archival records, interviews, direct observations and participant observation. One of the co-authors invested in training programs to get involved in vivo with experiences on the field. We carried out semi-structured interviews with the CSA members. We also visited the CSA farm for 3 consecutive years and several times a year (direct and participant observation). We followed the development of the CSA network indirectly via their emailing list and joined several yearly CSA-network conferences (documentation). We obtained account information from one year (archival records).

## 4. Case Study: The CSA

We selected a Belgian self-harvest CSA, producing organic vegetables in a peri-urban context. The case does not represent all the CSA initiatives, but only the self-harvesting CSAs with an outspoken form of risk-sharing. In practice, many other forms of CSAs exist.

In this particular initiative one producer/farmer sells all his/her produce to a community of consumers. At the beginning of the growing season the producer estimates the total amount of vegetables that he/she can produce. He/she divides this total amount in a number of so-called “shares of harvest”, which are sold to the community of consumers. All the harvesting of the produce is delegated to the consumers, who come and pick the share they paid for when this suits them. The farmland is accessible 24 h a day, 7 days a week.

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