



Analysis

The Prerequisites for a Degrowth Paradigm Shift: Insights from Critical Political Economy[☆]



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ABSTRACT

What would it take for a degrowth paradigm shift to take place? Drawing on contemporary critical political economy scholarship, this article identifies four prerequisites for socio-economic paradigm shifts: deep crisis, an alternative political project, a comprehensive coalition of social forces promoting the project in political struggles, and broad-based consent. It is argued that, on the one hand, there is much to suggest that current crises cannot be resolved under existing institutional frameworks and that degrowth is a political project that provides solutions to some of the key problems currently facing humanity. On the other hand, the prospects for a degrowth paradigm shift remain bleak: unlike political projects that became hegemonic in the past, degrowth has neither support from a comprehensive coalition of social forces nor any consent to its agenda among the broader population.

1. Introduction

What does it take for deep socio-economic change to take place? Finding answers to this question is of the utmost importance to any social movement hoping to bring about profound changes in the way the economic system functions. Degrowth is one such movement (Demaria et al., 2013). Its vision of a democratic transition towards a smaller economic system that operates within ecological boundaries and that is also socially sustainable entails profound socio-economic changes (Boonstra and Joosse, 2013; Kallis, 2011; Latouche, 2009). Such changes have not yet taken place, even though many of the ideas underpinning degrowth appeared several decades ago. While countless initiatives that resonate with degrowth have emerged at the local level (see, e.g., D'Alisa et al., 2015; Joutsenvirta, 2016), the degrowth movement has, thus far, had negligible impact on the functioning of the wider economic system.

Nonetheless, in existing scholarship on degrowth, there is surprisingly little discussion either of why degrowth remains politically marginalized or of what it would take for the desired “paradigm shift” to materialize. The present article addresses these issues by drawing on contemporary critical (historical materialist) political economy scholarship. Such scholarship has illuminated a variety of important transformations, including the evolution of transnational power relations (Cox, 1987; Ougaard, 2016), profound regulatory changes (Buch-

Hansen and Wigger, 2011; Horn, 2012), foreign policy developments (van Apeldoorn and de Graaff, 2015) and – more generally – shifts from one type of capitalism to another (McDonough et al., 2010; Robinson, 2004). While critical political economy scholarship is an indispensable resource for understanding changes in and of capitalism, it is a resource that has rarely been utilized in growth-critical research (albeit see Buch-Hansen, 2014; Klitgaard, 2013; Koch, 2015). This is unfortunate because, as this article seeks to show, the two fields of knowledge have great potential to enrich one another.

This article proceeds as follows. The first section explains how contemporary critical political economy – primarily the strand of transnational historical materialism – explains deep institutional change. Four prerequisites for socio-economic paradigm shifts are distilled from critical political economy scholarship and then related to degrowth in the following sections in an attempt to determine the prospects of a degrowth paradigm shift. A brief conclusion sums up the argument.

2. The Political Economy of Paradigm Shifts

Key theoretical frameworks in contemporary critical political economy – such as regulation theory (Bieling et al., 2016; Boyer, 1990; Staricco, 2015), the social structures of accumulation approach (Gordon et al., 1982; McDonough et al., 2010) and transnational

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historical materialism (Cox, 1987; Overbeek, 2013) – all seek to explain when and why institutional and societal changes take place. Such frameworks underscore that capitalism is crisis-prone because of its conflictual nature: as a result of class conflicts and numerous other contradictions (Harvey, 2014), the process of capital accumulation (the engine of capitalism) can only be temporarily stabilised by means of various institutional arrangements. The institutions stabilising the capital accumulation process at the micro-level, thereby facilitating growth at the macro-level, have been referred to as “social structures of accumulation” (Gordon et al., 1982).

Such institutions are the outcomes of political struggles. Importantly, political struggles are, in this view, not just a matter of processes in parliaments. Critical political economists consider the social forces engendered by the capitalist production process, namely fractions of capital and labour, to be the most important drivers of social change. As already noted by Marx (1963: 704), society ‘by no means consists only of two classes, workers and industrial capitalists’. *Fractions* thus become a key concept here. The defining feature of a class fraction is that its “members” perform similar economic functions in the process of capital accumulation. As a result, they tend to have specific ideological inclinations that are organically related to these functions (van der Pijl, 1998). Class struggle is, therefore, not merely something that involves capitalists versus workers; it is also a phenomenon that occurs within the basic classes and between fractions with vastly different outlooks and preferences.

One axis along which the fractionalisation of capital can take place is that of industrial versus money capital, with members of the latter fraction having a much more liberal outlook than those of the former (Overbeek, 1990: 25–27). Other axes of fractioning are those of monopoly versus non-monopoly capital (Poulantzas, 1975: 144–145) and nationally versus transnationally oriented capital (Robinson, 2004; van Apeldoorn, 2002). The power balance between different fractions is closely related to prevailing accumulation structures. For instance, if capital accumulation is predominantly transnational, transnational capital fractions will tend to prevail. Over time, social forces undergo transformations through dialectical interplays with the capitalist system itself, and in this process, power relations change and deep institutional change becomes possible (Wigger and Buch-Hansen, 2014; see also Tickell and Peck, 1992). The relative power of different social forces often changes in the wake of deep crises of capitalism. Such crises mark the end of previously prevailing social structures of accumulation and associated social forces, and they pave the way for the ascendance of new social forces and ideas (Cox, 1987; Overbeek and Pijl, 1993).

A class fraction can seek to shape overall societal developments by advancing a political project that outlines a way out of an ongoing crisis.¹ Class fractions will thus attempt to mobilize support for their political project by entering into various forms of alliances with other fractions, political parties, business associations, labour unions and/or other organisations. In liberal democracies, broad-based consent, or at least passive consent, is an additional precondition for a political project to become institutionalised. In terms of their content, political projects present ways of dealing ‘with current contradictions in the labour, intersectoral/competition, and profit distribution processes, as well as with broader social and political issues’ (van der Pijl, 1998: 4).² So-called “organic intellectuals” (Gramsci, 1971: 5–23) play a key role in the process of devising and lending legitimacy to political projects. Associated with the very social class whose interests they seek to

advance, organic intellectuals can be a broad range of actors, including, for instance, (social) scientists, think tanks, journalists, business(wo)men, political advisors and party strategists (van Apeldoorn, 2002: 31). A political project has become hegemonic once the ideas it incorporates have become “common sense”, ‘bringing about not only a unison of economic and political aims, but also intellectual and moral unity’ (Gramsci, 1971: 181).

According to Overbeek (1990: 248–9), political projects that become hegemonic generally go through three phases: deconstruction, construction, and consolidation. As an illustration, these phases can be considered in relation to neoliberalism – a political project that, in the words of van Apeldoorn & Overbeek (2012: 5), ‘is characterized by a mix of liberal pro-market and supply-side discourses (laissez-faire, privatization, liberalization, deregulation, competitiveness) and of monetarist orthodoxy (price stability, balanced budgets, austerity)’. The ascendancy of neoliberalism initially occurred against the backdrop of the deep economic crisis of the 1970s, which also constituted a crisis of the then hegemonic Keynesian project (see also Kotz and McDonough, 2010). In this first phase, neoliberalism served as a “deconstructive project” that provided intellectual ammunition for the disruption of the post-World War Two social order of embedded liberalism/social democracy. Neoclassical economists and right-wing (organic) intellectuals such as Friedrich von Hayek and Milton Friedman played an important role in questioning existing institutional arrangements and in devising the emerging neoliberal project (Peck, 2010). This project was primarily centred around the interest of the fraction of transnational financial capital (Overbeek and Pijl, 1993).

In the second “constructive” phase of neoliberalism, its proponents succeeded, to a considerable extent, in elevating neoliberal discourses to the status of being the only credible and legitimate ideas around. In this phase, neoliberal discourses thus informed a series of reforms of existing institutional arrangements. Van Apeldoorn and Overbeek (2013: 5) observe that ‘[t]he coalition of social forces whose fractional interests are articulated through these discourses is configured around the hegemonic fraction of transnational finance capital; it comprises not only the leading sections of the financial sector and a large segment of the leading transnational corporations, but also key segments of the “new middle classes” and of organized labour.’ By contrast, the post-war social order of embedded liberalism had been based on a compromise between nationally oriented industrial capital and organized labour. The rise of neoliberalism was, as such, premised on tectonic shifts in the balance of power between social forces, which were, in turn, related to the transnationalisation of the capitalist system (on the rise of neoliberalism, see also Duménil and Lévy, 2011; Harvey, 2010).

In its third phase, neoliberalism became hegemonic in most parts of the capitalist world. Although neoliberal ideas had been implemented in various ways and to different degrees in different countries (Brenner et al., 2010), the neoliberal paradigm shift had – overall – been accomplished at this juncture. From a critical political economy perspective, then, a paradigm shift has taken place once one hegemonic project has been replaced by another. Importantly, in such a third phase of consolidation, ‘crucial path dependencies are created. Interests become entrenched, ideologies become internalized, and in this manner institutional and ideological blockages arise that prevent an adequate response to emerging contradictions in later phases’ (van Apeldoorn and Overbeek, 2012: 7).

No political project is hegemonic forever. As mentioned, the social structures of accumulation (perhaps) brought about by the institutionalisation of political projects can only temporarily stabilise the capital accumulation process. At some point, contradictions begin to surface, a crisis commences, and – increasingly – the proponents of alternative political projects challenge the hitherto prevailing project (see also McDonough, 2011). Because policy-makers and other agents interpret reality – including the causes of and solutions to a crisis – on the basis of ideas, the availability of one or more alternative political projects is a precondition for a crisis to be succeeded by a paradigm

¹ According to Horn (2012: 48), political projects can be understood as ‘concrete and more or less coherent manifestations of social interests with regard to particular socio-economic issues’.

² Transnational historical materialists in the tradition of the so-called “Amsterdam perspective” refer to political projects as “concepts of control” and to hegemonic political projects as “comprehensive concepts of control” (Overbeek, 1990; van Apeldoorn, 2002; van der Pijl, 1998). In the present context, the notion of (hegemonic) political projects is used, and this notion is also used when drawing on insights from Amsterdam perspective.

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