Degrowth Policies Cannot Avert Climate Crisis. We Need A Green New Deal

Robert Pollin

The Green New Deal is the boldest and most likely the most effective way to combat the climate emergency. According to its advocates, the Green New Deal will save the planet while boosting economic growth and generating in the process millions of new and well-paying jobs. However, a growing number of ecological economists contend that rescuing the environment necessitates "degrowth."

To the extent that a sharp reduction in economic activity is a positive goal, "degrowth" requires overturning the current world order. But do we have the luxury to wait for a new world order while the catastrophic impacts of global warming are already upon us and getting worse with each passing decade?

World-renowned progressive economist *Robert Pollin*, distinguished professor of economics and co-director of the Political Economy Research Institute at the University of Massachusetts-Amherst, is one of the leading proponents of a global Green New Deal. In this interview, he addresses the degrowth vs. Green New Deal debate, looking at how economies can grow while still advancing a viable climate stabilization project as long as the growth process is absolutely decoupled from fossil fuel consumption.

C.J. Polychroniou: Since the idea of a Green New Deal entered into public

consciousness, the debate about climate emergency is becoming increasingly polarized between those advocating "green growth" and those arguing in support of "degrowth." What exactly does "degrowth" mean, and is this at the end of the day an economic or an ideological debate?

Robert Pollin: Let me first say that I don't think that the debate on the climate emergency between advocates of degrowth versus the Green New Deal is becoming increasingly polarized, certainly not as a broad generalization. Rather, as an advocate of the Green New Deal and critic of degrowth, I would still say that there are large areas of agreement along with some significant differences. For example, I agree that uncontrolled economic growth produces serious environmental damage along with increases in the supply of goods and services that households, businesses and governments consume. I also agree that a significant share of what is produced and consumed in the current global capitalist economy is wasteful, especially much, if not most, of what high-income people throughout the world consume. It is also obvious that growth per se as an economic category makes no reference to the distribution of the costs and benefits of an expanding economy. I think it is good to keep in mind both the areas of agreement as well as the differences.

But what about definitions: What do we actually mean by the Green New Deal and degrowth?

Starting with the Green New Deal: The Intergovernmental Panel on Climate Change (IPCC) estimates that for the global economy to move onto a viable climate stabilization path, global emissions of carbon dioxide (CO_2) will have to fall by about 45 percent as of 2030 and reach net zero emissions by 2050. As such, by my definition, the core of the global Green New Deal is to advance a global project to hit these IPCC targets, and to accomplish this in a way that also expands decent job opportunities and raises mass living standards for working people and the poor throughout the world. The single most important project within the Green New Deal entails phasing out the consumption of oil, coal and natural gas to produce energy, since burning fossil fuels is responsible for about 70 – 75 percent of all global CO_2 emissions. We then have to build an entirely new global energy infrastructure, the centerpieces of which are high efficiency and clean renewable energy sources — primarily solar and wind power. The investments required to dramatically increase energy efficiency standards and to equally dramatically expand the global supply of clean energy sources will also be

a huge source of new job creation, in all regions of the world. These are the basics of the Green New Deal as I see it. It is that simple in concept, while also providing specific pathways for achieving its overarching goals.

Now on degrowth: Since I am not a supporter, it would be unfair for me to be the one explaining what it means. So here is how some of the leading degrowth proponents themselves describe the concept and movement. For example, in a 2015 edited volume titled, *Degrowth: A Vocabulary for a New Era*, the volume's editors Giacomo D'Alisa, Federico Demaria and Giorgos Kallis write that, "The foundational theses of degrowth are that growth is uneconomic and unjust, that it is ecologically unsustainable and that it will never be enough." More recently, a 2021 paper by Riccardo Mastini, Giorgos Kallis and Jason Hickel, titled, "A Green New Deal without Growth?," write that "ecological economists have defined degrowth as an equitable downscaling of throughput, with a concomitant securing of wellbeing."

It is instructive here that, in this 2021 paper, Mastini, Kallis and Hickel do also acknowledge that degrowth has not advanced into developing a specific set of economic programs, writing that "degrowth is not a political platform, but rather an 'umbrella concept' that brings together a wide variety of ideas and social struggles." This acknowledgement reflects, in my view, a major ongoing weakness with the degrowth literature, which is that, in concerning itself primarily with very broad themes, it actually gives almost no detailed attention to developing an effective climate stabilization project, or any other specific ecological project. Indeed, this deficiency was reflected in a 2017 interview with the leading ecological economist Herman Daly himself, without question a major intellectual progenitor of the degrowth movement. Daly says in the interview that he is "favorably inclined" toward degrowth, but nevertheless demurs that he is "still waiting for them to get beyond the slogan and develop something a little more concrete."

This lack of specificity among degrowth proponents leads to further problems. For example, degrowth supporters, such as Mastini et al. in their 2021 paper, are clear that they support the transformation of the global energy system along the lines that I have described above, from our current fossil fuel-dominant system to one whose core features are high efficiency and clean renewable energy sources. Yet in fact, building out this new energy system will obviously entail massive

growth of the global clean energy system, just as it will equally entail the phasing out — or *degrowth*, if you prefer — of the global fossil fuel energy system. In my view, it is more useful to be specific about which sectors of the global economy will certainly need to grow — e.g., the clean energy system — while others, like fossil fuels, contract, as opposed to invoking sweeping generalities about degrowth. We can extend this point. For example, I am sure degrowth proponents would favor major expansions in access to public education, universal health care, high-quality affordable housing, regenerative agriculture and the share of the Earth's surface covered by forests.

In focusing on some critical specifics, I would also add that there is no way that a general project of degrowth can put the global economy onto a viable climate stabilization path. With the COVID-19 recession, the global economy just went through a powerful natural experiment to demonstrate this point. That is, during the pandemic in 2020, the global economy contracted by 3.5 percent, which the International Monetary Fund described as a "severe collapse … that has had acute adverse impacts on women, youth, the poor, the informally employed and those who work in contact-intensive sectors." In other words, the pandemic produced an intense period of global "degrowth." This recession did also produce a decline in emissions, as entire sections of the global economy were forced into lockdown mode. But the emissions decline amounted to only 6.4 percent over 2020. Remember, the IPCC tells us that we need to cut emissions by 45 percent as of 2030 and be at zero emissions by 2050. If the COVID recession only yields a 6.4 percent emissions reduction despite the enormous levels of economic pain inflicted, clearly "degrowth" cannot come close, on its own, to delivering a 45-percent emissions cut by 2030, much less a zero emissions global economy by 2050.

Those who see the Green New Deal not only as the most effective strategy to tackle global warming but also as an engine growth, such as yourself, rely on the concept of "decoupling," by which is meant the absolute decoupling of economic growth from carbon emissions. However, degrowth advocates seem to be arguing that there is no empirical evidence for absolute "decoupling," and that it's highly unlikely that it will ever happen. How do you respond to such claims?

Let's recognize, to begin with, that people are still going to need to consume energy to light, heat and cool buildings; to power cars, buses, trains and airplanes; and to operate computers and industrial machinery, among other uses.

As one critical example here, in low-income economies, delivering adequate supplies of affordable electricity becomes transformative for people's lives, enabling them, for example, to adequately light their homes at night rather than relying on kerosene lanterns. As such, it should be our goal to greatly expand access to electricity to low-income communities throughout the world, while we are also driving down CO2 emissions to zero. The solution is for energy consumption and economic activity more generally to be absolutely decoupled from the generation of CO2 emissions. That is, the consumption of fossil fuel energy will need to fall steadily and dramatically in absolute terms, even while people will still be able to consume energy resources to meet their various demands. The more modest goal of *relative decoupling* — through which fossil fuel energy consumption and CO2 emissions continue to increase, but at a slower rate than overall economic activity — is therefore not a solution. Economies can still continue to grow while still advancing a viable climate stabilization project as long as the growth process is absolutely decoupled from fossil fuel consumption.

Is absolute decoupling impossible to accomplish within the context of economic growth? To date, we have seen some modest evidence — and I do stress the evidence is *modest* — of absolute decoupling taking place. For example, between 2000 and 2014, 21 countries, including the U.S., Germany, the U.K., Spain and Sweden, all managed to absolutely decouple GDP growth from CO2 emissions — i.e., GDP in these countries expanded over this 14-year period while CO2 emissions fell. This is a positive development, but only a small step in the right direction.

The way to deliver a much more rapid pattern of absolute decoupling is, of course, to build out the global clean energy economy, and to do so quickly. This is a feasible project. By my own estimates, it requires that the global economy spend approximately 2.5 percent of global GDP per year on investments in energy efficiency and clean renewable energy supplies, while the global economy grows at an average rate of about 3 percent per year between now and 2050. The International Renewable Energy Agency and International Energy Agency recently published studies that reached similar results for the global economy. Focused on the U.S. economy, the energy economists Jim Williams and Ryan Jones also reached a similar result, as part of the Zero Carbon Action Plan project.

From this and related evidence, I conclude that absolute decoupling is certainly a feasible, though also obviously a hugely challenging, project. But we can't just

talk about it, pro or con. We have to make the investments, at 2.5 percent of global GDP per year or thereabouts, every year until 2050, to build the global clean energy economy. If we do that, absolute decoupling will happen. If we don't make those investments, then of course, absolute decoupling becomes an impossibility.

Various ecologically minded activists are also arguing that the Green New Deal relies on the use of massive energy resources, including extensive use of the steel industry, in order to make the transition to a clean, renewable and net-zero emissions economy, and that what is really needed instead is a green revolution of the mind, whereby zero energy living is the ultimate goal. My question is this: Can the Green New Deal deliver 100 percent clean energy?

There are several industries in which energy is consumed intensively. They include steel, cement and paper, along with, obviously, all forms of transportation. But note that these industries are *energy* intensive. They are not necessarily *fossil fuel energy* intensive. If we succeed, through the Green New Deal, in increasing the efficiency at which these industries consume energy and we also deliver abundant supplies of clean renewable energy, then the problems of dealing with energy-intensive industries can be solved. It's true that there will be some specific areas which will present more difficult challenges. For example, some parts of steel production rely on furnaces that are operating at very high temperatures. Reaching these high temperatures are, to date, difficult to achieve through electricity as opposed to burning coal in a furnace. This problem will need to be solved over time. One likely solution could be to rely on laser technology through which the required high temperatures can be reached with electricity, with the electricity, in turn, being produced through renewable energy.

Another more difficult area is long-distance aviation. To date, we cannot rely on electric batteries to fly planes across the Atlantic Ocean, for example, as we can to drive cars from New York to California. One likely solution here will be to fuel the planes' engines with low-emissions liquid bioenergy, such as ethanol produced from agricultural wastes as the raw material. Battery storage capacities are also likely to be improving significantly with more people focusing on solving exactly this problem. Let's remember that the costs of producing electricity from solar photovoltaic panels have fallen by over 80 percent within the past nine years, and the U.S. Energy Department itself projects further major declines in

just the next five years. Moreover, the International Renewable Agency reported just recently that, for the first time, 62 percent of all renewable energy sources produced energy at lower costs than the *cheapest sources* of fossil fuel energy.

All of this tells me that achieving absolute decoupling is a feasible project within the framework of a global Green New Deal. The Green New Deal, in turn, is, in my view, the only way through which climate stabilization can become fully consistent with expanding decent work opportunities, raising mass living standards and fighting poverty in all regions of the world.

Source:
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