

# An Introduction to



## Steady State Manchester

[steadystatemanchester.net](http://steadystatemanchester.net)

Including a summary of

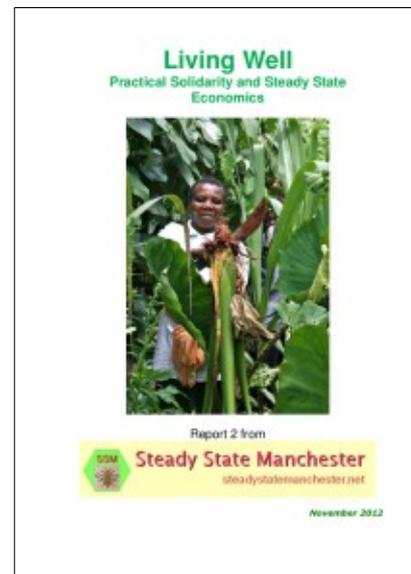
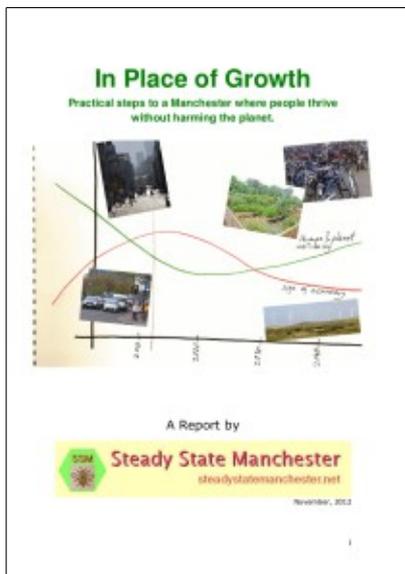
### In Place of Growth

Practical steps to a Manchester where people thrive  
without harming the planet.

*and*

### Living Well

Practical Solidarity and Steady State Economics



Updated: April, 2013

## A Manchester where people thrive without harming the planet.

This heading was the subtitle of our November 2012 report *In Place of Growth*. It captures what Steady State Manchester is working for. There are two connected ideas: good conditions of life for all through social justice, and safeguarding the natural systems that enable our life on this planet. Putting them together honestly and rigorously means questioning some very popular and dominant ideas, first among them the idea of endless, undifferentiated growth of the economy, as measured by Gross Domestic Product (GDP).

The global economy is almost 5 times the size it was 50 years ago. It is generally assumed by conventional economists and politicians that around 3% GDP growth per annum is healthy for an economy and to keep people employed. Growth of the UK economy over the 10 years to 2009 averaged 2.64% p.a.

Such growth has an environmental cost for the UK it is calculated that our ecological footprint – our demand on ecological systems is more than three times what they can offer, a situation of “ecological debt”. As growth increases our ecological debt increases along with that of all the other countries.

Yet, more than a quarter of children in Manchester live in severe poverty (the highest rate in the country) and this situation has hardly changed over generations despite enormous GDP growth. More than one in twenty working age adults is unemployed. This is set to increase. Many of those with jobs are poorly paid, and rely on benefits to make ends meet. The price of energy and resources and the cost of living go up and up. Growth hasn't delivered what it was supposed to. It may not return at the previous high levels either, so we need to find some other ways to build and protect our real prosperity.

### The recession and the options for leaving it.

It has become commonplace to criticise the present government's austerity programme as a Plan A with no Plan B. But we have to question whether a conventional Plan B is feasible. Instead a Steady State approach means a Plan C to exit the failed growth model. So....

**Plan A, or Fiscal Austerity** means more cuts, punishment of the poor, looting of the commons and disregard for the environment.

**Plan B, or Phantom Abundance** means either grey or green Keynesianism, a back-to-how-it-was before the banking crash, or the coalition's cuts – back to an inherently unstable and unsustainable model.

**Plan C, or Ecological Prosperity** means a planned approach to a society where we can all live a good life, satisfied with enough, without seeking endless growth and accumulation, respecting the planetary limits: Steady State. Any recovery from the current recession and austerity programme will need to be a Steady State recovery that leaves nobody behind, but that knows what 'enough' means. It would radically reduce carbon emissions (mitigation of climate change) and adapt to the climate change that is already gathering, helping a true recovery to rebalance the economy.

### A Steady State Economy

A steady state economy is one that is consistent with the following principles.

1. Maintaining the health of ecosystems and the life-support services they provide.
2. Extracting renewable resources (such as fish and timber) at a rate no faster than they can be re-generated.
3. Consuming non-renewable resources (such as fossil fuels and minerals) at a rate no

faster than they can be replaced by the discovery of renewable substitutes.  
 4. Depositing wastes in the environment at a rate no faster than they can be safely absorbed.

### More than the economy

A focus on steady state living goes well beyond the economy. It is a critique of the dominant model of economics that separates the economy from society, from the everyday life of people and from the planetary systems that support human life. Conventional economics then tries to cost the impacts of the economy on the ecosystem, rendering that which is not economic into monetary terms. Our approach needs to focus not on the economy for its own sake but on making Manchester and the lives of its citizens better. It may help to think in terms of a “Safe Operating Zone” for humanity, aligning two aims:

- Ensuring an adequate level of well-being for all  
and
- Living within the limits of the earth’s ecosystems.

We suggest that Manchester defines its own safe operating zone.

### Steady State Manchester in Pictures

Here is a graphic representation of what Steady State Manchester means, contrasted with the orthodox growth model as adopted by the Manchester Partnership<sup>1</sup>



1 <http://www.manchesterpartnership.org.uk>

## ***Sectors of the economy: selective growth within a steady state.***

A Steady State Manchester does not mean an end to growth in all sectors: indeed we see the need for some kinds of growth. Some sectors, for example local food and energy production, need to increase considerably while other sectors (e.g. aviation, the private car economy) need to decrease. It is the overall physical size/growth of the economy that concerns us. Overall, the economy needs to decrease, tending towards a steady state.

## ***Objections and responses***

Here are some common misunderstandings of and objections to Steady State.

### ***1. We can't do this unilaterally – we are connected nationally and globally.***

The connectedness of our economy with the global economy is itself part of the problem we need to confront. It is not feasible, or realistic to continue importing so much food from the other side of the world. It is not realistic to continue buying as many consumer goods made in a factory (for example) in Mexico with parts from Korea, Taiwan, Indonesia and Haiti. It is not realistic to send mixed recycling waste to China for separating and re-manufacturing. So we emphasise the need for Manchester to launch its biggest campaign ever to change the rules that lock us into a global competitive system that destroys livelihoods and ecosystems worldwide. *In Place of Growth includes an agenda for this campaigning and practical solidarity action.*

### ***2. Growth is needed to overcome poverty and a steady state economy might in fact increase it.***

Where the cake is growing it seems not to matter if people's shares are unequal, so long as they are all growing but growth since the mid-1970's has led to increasing inequalities, increasing the relative level of poverty. It is now known that more unequal societies have a greater level of social ills, not just for the poor but for everyone. The model of an increasing but unequally shared cake is actually bad for the well-being of our society.

### ***3. A steady state economy means a return to the Middle Ages.***

Steady State does not mean a return to the drudgery, privation and suffering of a former epoch. A steady state economy is a planned economy where we choose how to live, rather than being subject to unending accumulation. We use ecological design principles to reduce the need for labour. We use clean and green technology. We continue to benefit from the discoveries of science. But we do this without endless expansion of economic activity, deciding democratically and ecologically what 'enough' means..

### ***4. You can't beat the acquisitive, expansive, ambitious and selfish, consumerist aspects of human nature.***

Human societies have always been as much based on co-operation, solidarity, sharing, mutuality as on competition. Indeed these are very much "Manchester values". People are complex, capable of great good and great evil. A democratically planned economy and society aims to encourage the good and minimise the bad, so protecting people and planet.

### ***5. We can have sustainable growth, de-coupled from greenhouse gas emissions and environmental impacts.***

It has been assumed that it is possible to 'have our cake and eat it', that is to grow the economy without corresponding increases in environmental demands. It hasn't been done yet. Currently we are only managing some relative reductions in intensity but the absolute increases in scale are far outstripping them, meaning emissions continue to rise.

## **The Steady State perspective goes beyond Manchester**

Although steady-state is about local and regional economies and learning to be more self-sufficient, that doesn't mean we stop caring about those beyond our borders. This is the concern of our report ***Living Well: Practical Solidarity and Steady State***

**Economics.** Manchester is interconnected with the rest of the world. Practical solidarity, unlike charity, is based on mutual interest and aims to take place between equals and challenge power relations. Practical solidarity is about the rich world changing the way it lives in order to protect the underprivileged, especially those likely to be most affected by climate change, in both Southern countries and the UK.

We ask challenging questions. For example, new technology means that contact with people even in remote places is much easier than ever before. Can money spent on travel and associated carbon emissions be better spent? It may not be as exciting but it may be better practical solidarity. The report stresses different ways that Steady State Manchester in general and Practical Solidarity in particular want to engage in dialogue about these issues and possibilities for changing all our mindsets.

*Living Well* shares important lessons from the global South and underprivileged communities. It demonstrates some very different ways that people in Manchester are working with the global South so that we all become more resilient against climate change and the shock to our economies. And the report suggests a variety of ways in which individuals and organisations can find out more and take action in practical solidarity.

## ***The Implications: Practical Policies and Proposals for a Steady State Manchester***

***Manchester innovates.*** Innovation is its lifeblood, almost the definition of what Manchester means. Manchester has the opportunity to promote something new and distinctive, to pilot a different yet distinctly Mancunian approach taking the first steps to a Steady State society and economy. The following sections outline practical policies and actions for a Steady State Manchester – big steps towards the city and its region being a place that guarantees its people comfort, purpose and well-being without using ever more resources, without making the earth an unsafe place to live on and without doing so at the expense of other people. ***This is not meant as a blueprint or a plan that has to be followed in every respect; the ideas need to be developed further, added to, refined and tested. But we do believe that what we outline here makes Steady State take on a practical and concrete form.*** From the following it is possible to understand what Steady State means for the people of Manchester and to deal once and for all with the myth that Steady State is not realistic or is only for greenies.

If put into place, our proposals would:

- **Improve the fairness of distribution of wealth and income.**
- **Re-localise much food and other production in and near to the city.**
- **Improve our control over savings and investment, while investing in local green and ethical enterprises.**
- **Reduce unnecessary consumption and help grow a new culture of solidarity and participation.**
- **Reduce our exploitation of the majority world while keeping open channels for communication and learning globally.**

## ***Developing a planned approach to a Steady State Economy***

We do need to develop our understanding of how macro-economic factors interact with emissions, resource use and prosperity.

***For example:*** New Economy or another body could be commissioned to review and consider using the methodology employed by Prof. Peter Victor to model alternative low growth and no growth scenarios, with maximum employment. Victor's work on the Canadian economy demonstrates via simulation how you can have a

non-growing economy without plunging everyone into poverty.

For every decision taken by every organisation ask the question (supported by indicators outlined below), "does this action take us closer to or further from a just, safe and sustainable society?"

## ***Redistribution***

We have already touched on the importance of making our society less unequal, an idea that is at the heart of what Manchester's progressive traditions have always been about. In the absence of growth the need for greater equality is highlighted since inequalities are no longer masked by a growing cake.

**For example:** Adopt the principle of shorter working hours to share the work alongside reducing pay differentials to make this practical for people on lower wages and increasing income equity. Agree a maximum of 35 hours including paid and unpaid overtime in council and its contract partners.

Encourage local businesses to become 'Living Well Partners' adopting shorter working hours for ecological reasons, as well as work-sharing and well-being gains. Some local authorities in Greater Manchester have set excellent examples in adopting progressive and responsible pay policies, such as Living Wages for their workforces. Build on this by encouraging responsible pay dispersion in the council's procurement partners, through favourable tendering towards suppliers with more equitable pay policies, ensuring the greatest social return from public funds.

## ***Localisation***

To meet the twin challenges of planetary limits and accelerating resource scarcity, we need to look at a strategy for re-localisation of the economy. This means arranging production, distribution, ownership of means of production/assets, trade and enterprise so that much more of the economy is localised within the city, and the surrounding region.

**For example:** Investigate supply chains for food provided by council and its contract partners, with a plan to increase year on year the amount of foodstuffs produced within 50 miles of city boundary. Currently only an estimated 0.25% of our food is sourced within 50 miles - not a good position to be in!

Offer land owned by public sector and other organisations rent free to any group that is prepared to cultivate food. This could be under a usufruct or a peppercorn rent arrangement with the requirement that the land is used productively.

## ***Defining and measuring well-being and prosperity***

A lot of work has been done on alternatives to GDP as a measure of the health of a society and its economy. We propose that in Manchester there is agreement to use an assortment of measures that reflect key aspects of social and ecological well-being. Examples are:-  
1 The proportion of money that is retained in the local economy. 2 The degree of income inequality in the city and in its various sectors. 3 The unemployment rate. 4 The level of well-being as experienced by citizens. 5 The total carbon footprint of the city and its sectors.

**For example:** Public Health and Economic Development could work together on this, with interested outside people: we suggest the Oxfam 'doughnut' model to organise this, defining a safe operating zone for Manchester in terms of ecological boundaries and standards of population well-being.

## ***Debt, money and ecological austerity***

There is a crisis of confidence in banking while our population suffers unprecedented levels of debt which in itself fuels growth in resource use and pollution. We propose some local initiatives that will help ameliorate the local situation while also showing the way to larger scale reforms that need to be campaigned for by Mancunians, their organisations

and representatives.

1 *Build on the work the city council is doing to promote alternatives to financialised credit* (i.e. to those based on the creation of money as debt): mutuals, credit unions, loan-stock, non-growth but interest-bearing savings, municipal bonds.

**For example:** Since household debt, payday loans, and loan sharks are a big issue for local people, work with credit unions and local mutual/co-operative financial organisations to ensure Mancunians have access to credit at fair rates and without contributing to the generation of fiat money (money 'printed' by banks).

2 *Clean up our investments.*

Transfer council and other public sector assets, pension funds and reserves from equities (stocks and shares) to not-for-profit options. This would take a significant chunk of capital out of the growth-for-growth's-sake economy. It also facilitates civic resilience: such investments are already proving to be safer than equities in times of stagnation and crisis.

**For example:** Conduct an audit of council investments, with a view to reducing their exposure to and complicity with financial derivatives and speculation, unethical and unsustainable vehicles.

3 *Provide alternative savings vehicles* that also support sustainable developments and community services and amenities locally.

**For example:** *Establish a Manchester Green Investment Bond* issued by the council, or perhaps a body established through the City Region arrangements – allowing the combination of government funding, local government funding and income, and savings investment by local people.

4 *Begin currency reform here.*

The idea of establishing a regional currency, which could be insulated from the wider economy, as advocated by ecological economists and other sustainability thinkers, at first sight seems strange. However regional currencies elsewhere have reduced the impacts of economic recessions and shocks elsewhere and in the past. There are several emerging examples of regional currencies, for example the Brixton Pound and Bristol Pound - the latter sponsored by the city council, (and many more worldwide).

5 *Help people escape housing-related debt through sharing.*

While some people live in houses too big for their needs, others have difficulty in getting affordable accommodation. Meanwhile housing-related debt is a large component of personal debt and something that helped precipitate the current financial crisis. A locally sponsored scheme to share accommodation that is surplus to personal requirements might help here, as might schemes to facilitate moves to smaller accommodation, releasing larger properties at economic rents.

## ***The replacement economy***

Establishing a Steady State Manchester is in large part about building a new economy, a replacement economy in place of the flawed, ecologically and socially unsafe economy that we currently live by. So our initial proposals are to,

1 *Establish a Manchester fund for co-operative development.*

2 *Consider job creation incentives for small and medium enterprises/co-ops etc with green products / services.*

3. *Facilitate the use of non-market capital to build the co-operative and social sector.*

4. *Get serious about climate change adaptation to create jobs.*

**For example:** Build on Manchester's good record in local procurement with preferential treatment and support for local co-operatives and SME's that prioritise ecological responsibility, along the lines explored in Tameside and Oldham.

Consider job creation incentives for small and medium enterprises/co-ops etc with green and social products / services (e.g. business rate rebates).

Find ways to increase the pace of buildings retrofit and climate change adaptation to create jobs. This could be linked to the city's efforts to reduce the number of young people not in education, employment and training (NEET), providing much

needed work experience and an opportunity to learn trades. SSM is currently working on a delivery model for such a programme.

### ***Reducing consumption and strengthening community***

Promote conversations in the city about how people view their happiness and well-being. Learn from our heritage of convivial sharing communities and from approaches to well-being in the majority world. The work will naturally connect with the city's current projects to improve carbon literacy, but making a real step change on this front.

**For example:** link this 'big debate' to the work proposed above for a Manchester dashboard of ecological, social and economic well-being.

Campaign for the re-taking of social urban space - for social and recreational options that aren't based on spending money.

A hearts and minds campaign to counter the propaganda of advertising. Prominent local personalities demonstrate how they are living satisfied lives on less.

Reduce advertising.

**For example:** Follow the lead of Sao Paulo and ban advertisements in city controlled spaces, or failing this, and as a first step, the imposition of a levy to fund public information and other advertising for social good would be feasible.

The active promotion of sharing: car share, bike share, tool share, book share, domestic appliance and house and garden share schemes. This also helps with anti-poverty strategies. This links to the idea of "collaborative consumption", essentially using technology to promote sharing, lending and exchanging skills and resources.

**For example:** Opportunities to develop and deploy these ideas in Manchester should be explored.

Building on the collective energy purchase scheme in Greater Manchester, build in incentives and support to reduce consumption of energy, together with a target for Renewables Obligation Certificate (ROC) retirement into a new tender. This would reduce expenditure on fuel, reduce consumption, and increase the proportion of renewables in the mix.

Manchester could adopt the principles of the "slow city" along the lines of the network of towns that, inspired by the 'slow food' movement have signed up to a charter that prioritises quality of urban life over flashy consumption.

This paper only gives an introduction to Steady State thinking in relation to Manchester and its region. We do encourage you to read our reports and to explore our website at <http://steadystatemanchester.net>

If you like what you see, why not become a **Friend of SSM** – details on our website <http://steadystatemanchester.net>



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