

In Place of Growth

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

Living Well

Practical Solidarity and Steady State Economics

2 Reports by



November 2012

In Place of Growth: Practical steps to a Manchester where people thrive without harming the planet.

The problem – our problem

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. The demand we place on the planet's resources is measured in terms of the area of land needed to support a person, community or nation. (our ecological footprint.) The ecological footprint of the UK is 4.71 hectares per person – that is to say we each depend on that area for our consumables, recreation, carbon sequestration and so on. But the available 'biocapacity' of the UK provides less than a third of that (1.34 hectares) – a situation of "ecological debt". As growth increases our ecological debt increases along with that of all the other countries.

At the same time, more than a quarter of children in Manchester live in severe poverty (the highest rate in the country). 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.

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 labyrinth of 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. Taking seriously both the mitigation of climate change (through radically decreasing emissions) and adapting to the climate change that is already gathering, will help this 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

Executive Summary

A focus on steady state living goes well beyond the economy. Indeed the very approach of ecological economics is a critique of that (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.

Steady State Manchester in Pictures

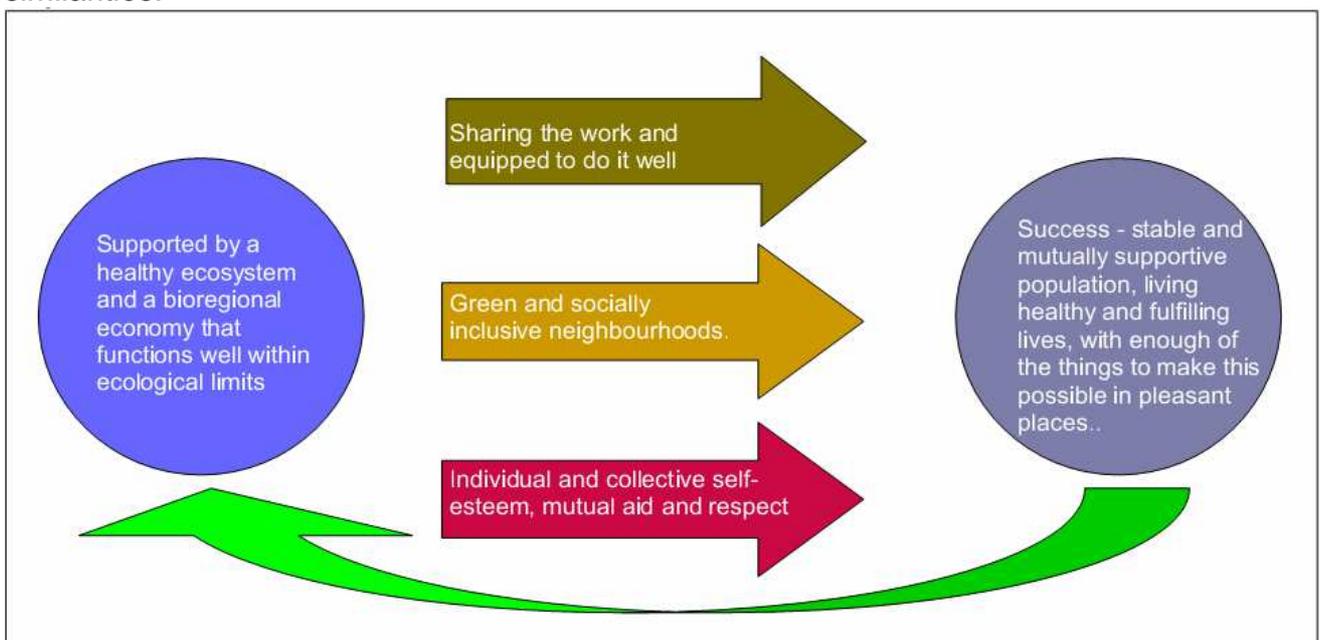
Here is a graphic representation of what Steady State Manchester means, contrasted with the orthodox growth model.

So firstly, this is the model adopted by the Manchester Partnership

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



We suggest a model, that although different in some respects, has some important similarities:



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

A Steady State Manchester does not mean an end to growth in all sectors. Some sectors, for example local food and energy production, need to increase considerably while other sectors need to decrease. It is the overall physical size/growth of the economy that concerns us. The overall effect will be a decrease in the size of the economy but sectors will continue to grow and contract within an aggregate decrease, tending towards a steady state.

Objections and responses

Steady State Economics has been met with at least five main objections, both from conventional economists and from those concerned with the welfare of local populations. These are based on a real issues, all considered in ecological economics research, but none fundamentally weakens the principle of a steady state economy. Each is discussed in the report.

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.

2. Growth is required 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 all strata (ref The spirit level). 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. At least it doesn't have to. A steady state economy is a planned economy. 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 many discoveries of science. But we do this without endless expansion of economic activity, deciding democratically and ecologically what 'enough' means. This is the vision of appropriate technology, of ecological design, of a just and safe society and economy.

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

We have no reason to think that human society must always be based on the so called "law of the jungle". We know that 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 things, 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 (de-coupling) The key thing about de-coupling is that both scale and intensity need to reduce to halt or

reverse overall throughput and pollution. Currently we are only managing some reductions in intensity but scale increases are far outstripping that.

A Safe Operating Zone: society, economy, planet

It may help to think in terms of a “Safe Operating Zone” for humanity. We need to align 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.

Aspects of Steady State: 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.**

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. Our initial proposals involve, **publishing data on wage differentials** in the workforces of local employers; **promoting an initiative to combat the long hours culture** in many of our employing organisations; **a city sponsored initiative on reducing top salaries** and a **‘10 out, 12 in’ policy for jobs** – sharing out the available work.

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.**

Defining and measuring well-being and prosperity

A lot of work has been done in various quarters 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 wellbeing.** 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.

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 **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.

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.

3 **Provide alternative savings vehicles** that also support sustainable developments and community services and amenities locally. An example could be 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, inspired largely by the Transition movement.

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.

Reducing consumption and strengthening community

Start a conversation in the city about how people view their happiness and well-being and materialistic lifestyles (does stuff really make you happy?). This can also help build citizen engagement with decision making on this agenda, as there will need to be both incentives and sanctions as well as persuasion and attitude change. The work will naturally connect with the city's current projects to improve carbon literacy, but making a real step change on this front.

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. An important symbolic gesture might be to follow the lead of Sao Paulo and ban advertisements in city controlled spaces (reversing the current trend that sees screens popping up all over the place). 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. Opportunities to develop and deploy these ideas in Manchester should be explored.

Manchester could obtain accreditation as a "slow city"

Steady State as a Decision Aid

We also suggest that the move to a steady state society and economy here should be an underpinning consideration for **every** decision taken by every organisation, big or small. So at every decision point we all need to challenge ourselves with the question: *Does this action take us closer to or further from a just, safe and sustainable society?*

Influencing our context: an agenda for national and international lobbying and campaigning

One comment made many times during the work on this report has been that '*you can't isolate the city from the national and international economy*'. Our response is to 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. We include an agenda for this campaigning and practical solidarity action.

Concluding remarks

The executive summary only provides a sketch of the arguments and proposals of In Place of Growth. We do encourage you to read the full report.

Living Well Practical Solidarity and Steady State Economics

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. 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 overprivileged 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 look at Manchester as a mini-world and will endeavour to work with underprivileged communities locally and globally.

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.

The report includes:

- 1) Learning important lessons from the global South and underprivileged communities through four examples, the Green Belt Movement in Kenya, Green for All - Environmental justice in the S.Bronx, Food sovereignty in Cuba and Women Governing Forests in India
- 2) Seven very different case studies which explore ways 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; Be The Change workshops, Kaoma Environmental Restoration Initiative, The Oxfam Grow Method, WDM campaign for climate justice, Unicorn Grocery donations, the Manchester Development Education Project Learning for Sustainable Cities project and Manchester Cuba Solidarity Campaign.

Nine recommendations form the final section of the report which suggest ways in which individuals and organisations can find out more, explore what they would like to do and actions they can take to work in practical solidarity.



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