Potentials and Pitfalls of Alternative Economic Concepts for the Netherlands

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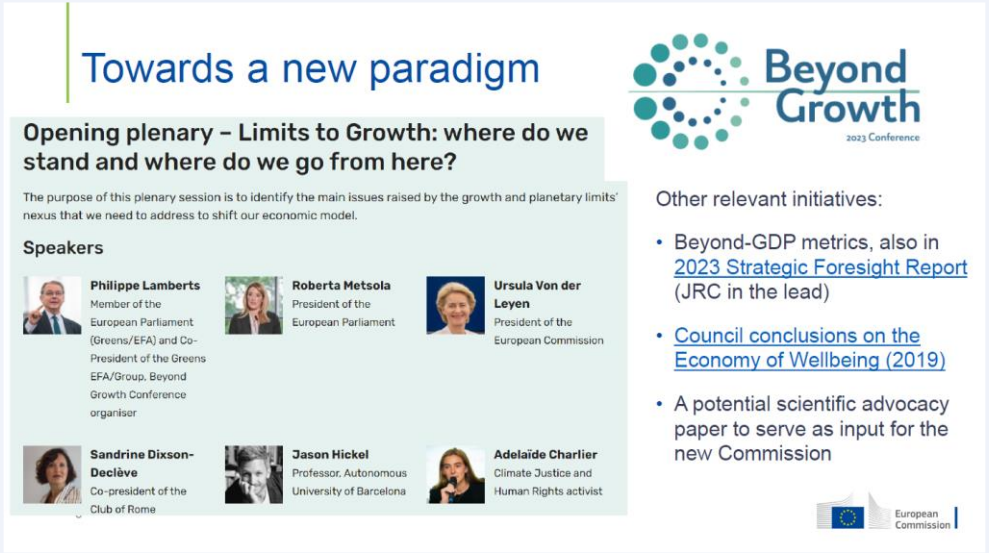
TNO innovation for life

The Beyond Growth debate

- IPCC/ IPBES: Increased attention to low demand scenarios, but *'better evidence base needed'*
- Rapidly growing scientific literature
- Increasing policy attention
- Lively public debate

IPCC AR6 2022, p.178:

"... pursuing climate goals in the context of sustainable development requires holistic thinking including on how to measure well-being, serious consideration of the notion of ecological limits, at least some level of decoupling and certainly choices and decision-making approaches that exploit and maximise the synergy and minimise the trade-off between climate mitigation and other sustainable development goals. It also requires consideration of equity and justice within and between countries." (Ferguson et al. 2014; Dale et al. 2015b; Kasztelan 2017; Kotzé 2018).





CPB-directeur waarschuwt voor 'kaboutersocialisme'

EW REDACTIE EW EW WEBREDACTIE

27 juni 2023 | Leestijd: 1 minuut

EW Economie-lezing. CPB-directeur Pieter Hasekamp. Foto: Peter Hilz

Klop vooral niet aan bij het Centraal Planbureau (CPB) als je denkt dat minder groei de oplossing is van onze (klimaat)problemen. 'Kaboutersocialisme' noemt CPB-directeur Pieter Hasekamp dat in de *EW* Economie-lezing die hij maandagavond 26 juni uitsprak in De Rode Hoed in Amsterdam.

Taking new steps

International concepts

1. Broader welfare
2. **Green Growth**
3. Mission Economy
4. Doughnut Economy
5. **Degrowth**
6. Great Mindshift
7. Buen Vivir

Dutch concepts

1. **Broad welfare NL**
2. Post Growth NL
3. Green Growth NL
4. Purpose Economy NL

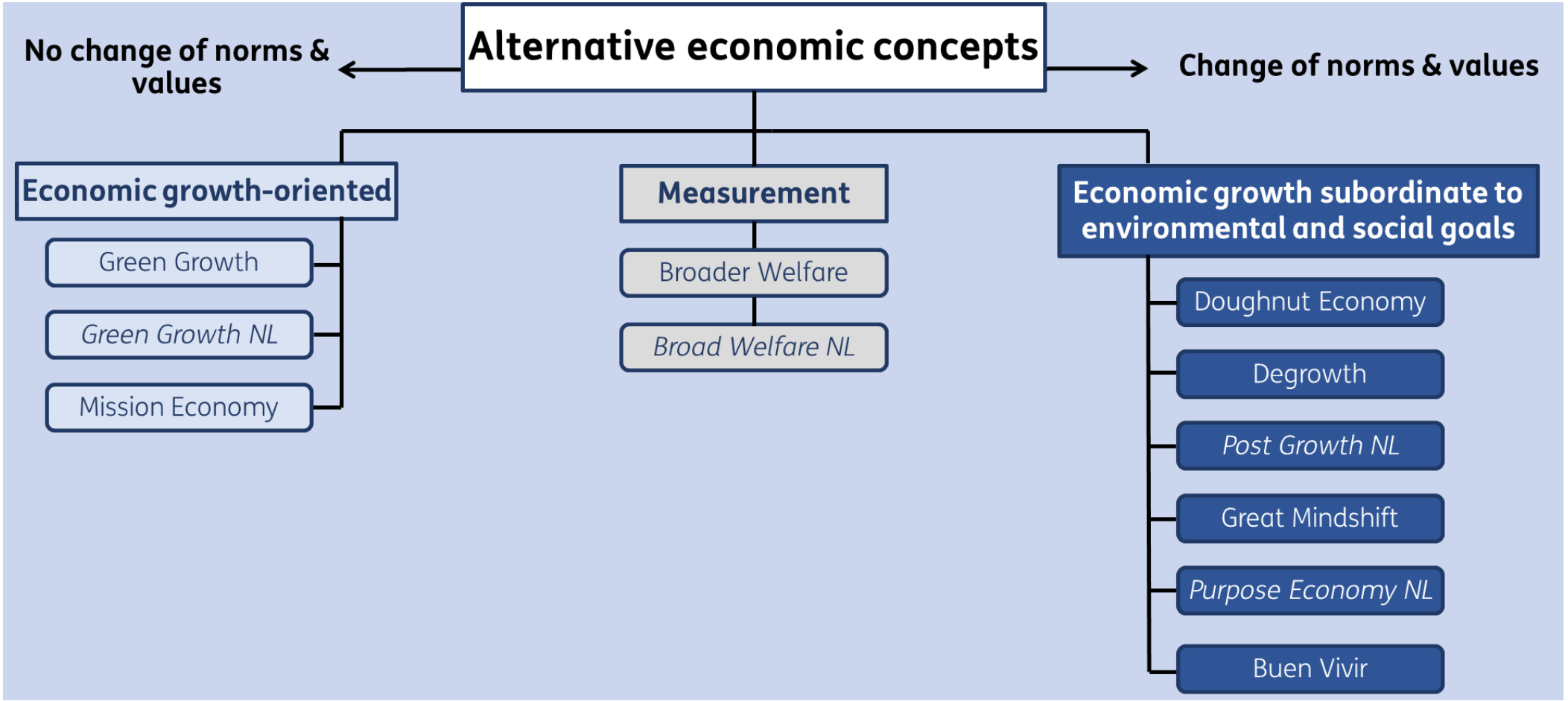


An explorative assessment

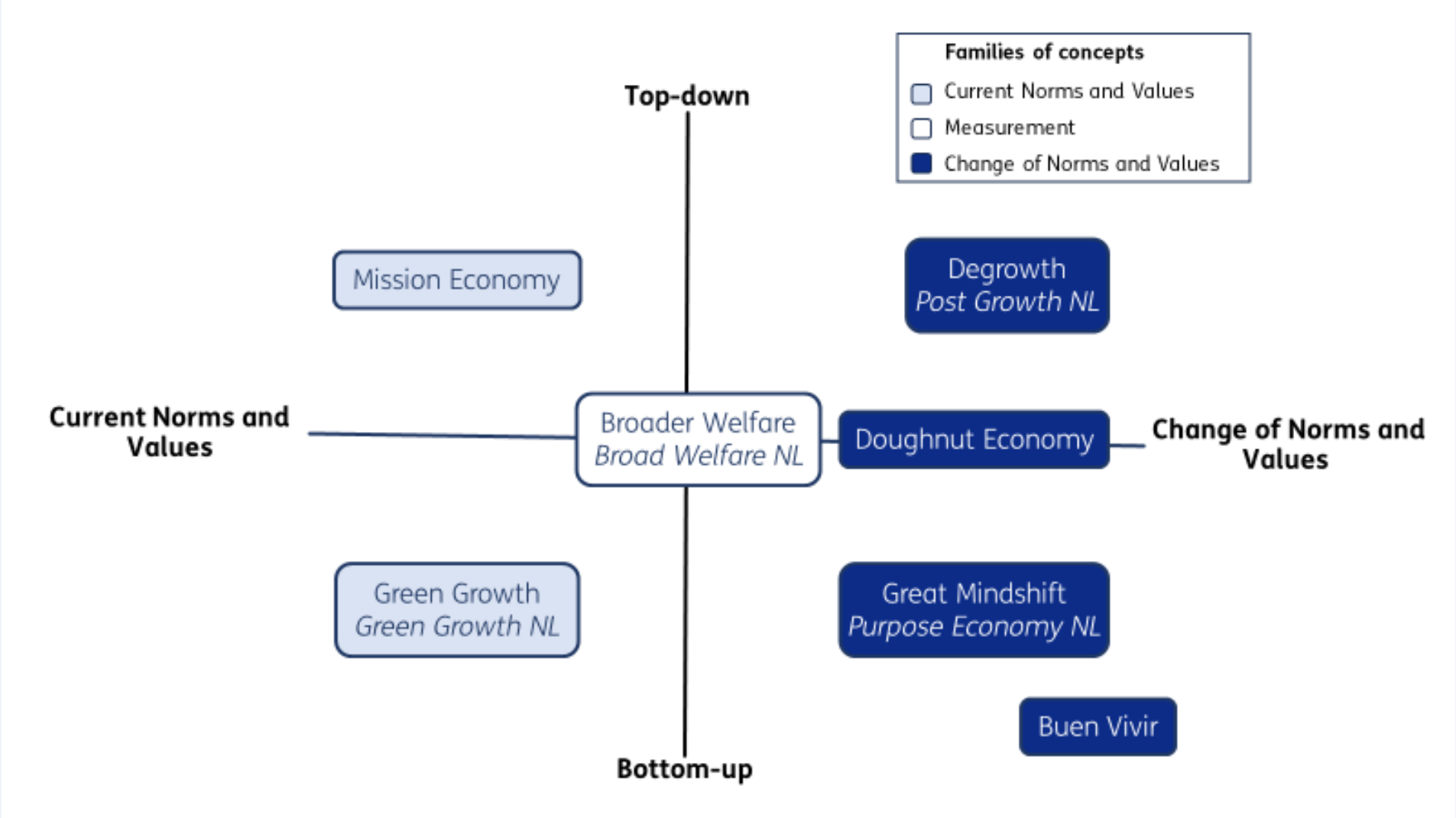


- Taxonomy
- Theory of change
- Options for modelling

Three Families of Alternative Economic Concepts

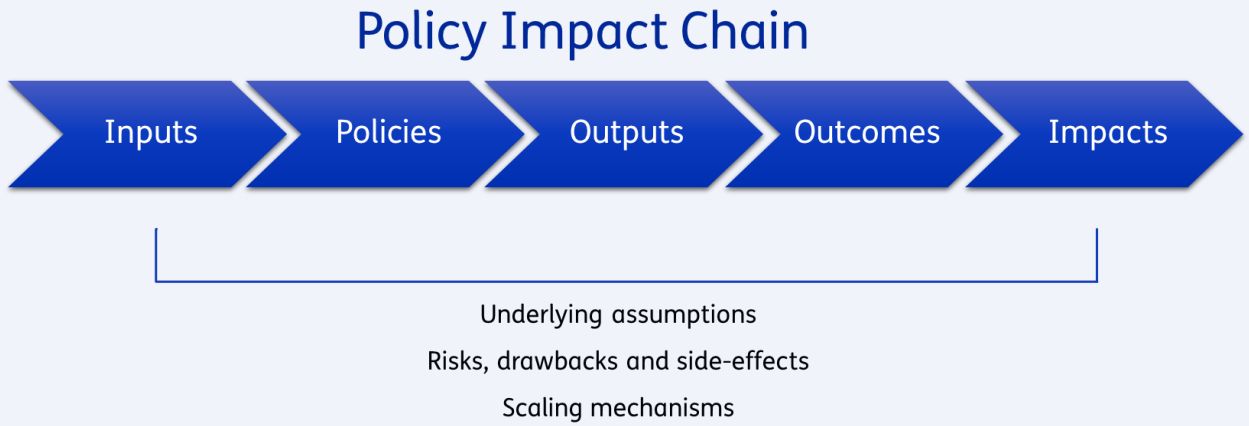


A Taxonomy


Families of concepts
Current Norms and Values
Measurement
Change of Norms and Values
Top-down
Mission Economy
Degrowth
Post Growth NL
Current Norms and Values
Broader Welfare
Broad Welfare NL
Doughnut Economy
Change of Norms and Values
Green Growth
Green Growth NL
Great Mindshift
Purpose Economy NL
Buen Vivir
Bottom-up

Theory of change assessment

- Incomplete policy impact chains
- Underlying assumptions lack conclusive evidence
- Risks, drawbacks and side-effects not elaborated
- Scaling mechanisms unclear



Adapted from Rogers (2014) and FBK (2023)

Green Growth

What is it?

- Markets and technological innovation
- Internalisation of environmental externalities

Potentials

- Fits with present economic views, norms and values
- No major institutional changes needed

Pitfalls

- Absolute decoupling of economic activity from environmental depletion lacks evidence



Long/ infinite term? All resources?
All planetary boundaries?



1. Reduced working time
2. Redistribution within and between countries
3. Universal provision of basic needs
4. Decentralising decision making
5. Shared housing
6. Non-speculative exchange systems
7. Small, self-sufficient communities
8. Culture of self-limitation
9. Relocalisation of activities
10. Defend the Commons

(Source: Fitzpatrick et al., 2022)

Degrowth

What is it?

- Strong governmental policies lead to norms and values change and reduced consumption
- Wide range of different interpretations

Potentials

- Offers a different perspective on societal welfare together with a range of concrete policies

Pitfalls

- Unclarity about final societal impacts and policy routes towards value change aimed at

Broad Welfare

What is it?

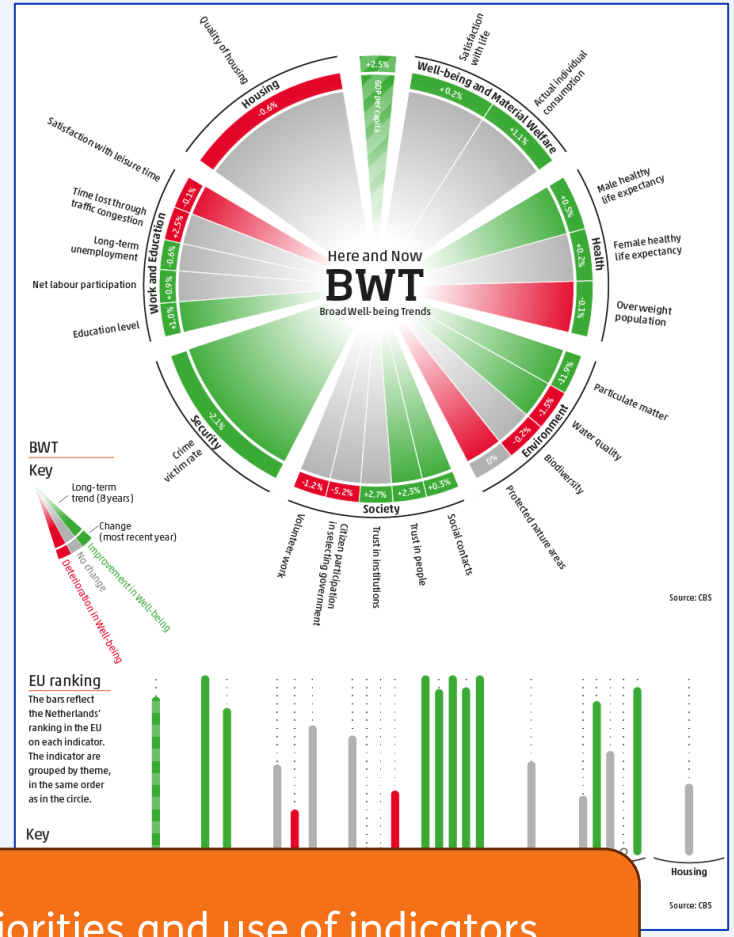
- Wide indicator set to guide policy making towards ‘broad welfare’
- Claims to be policy neutral

Potentials

- Allows for multi-criteria analysis towards broad welfare / wellbeing

Pitfalls

- Trade-offs between indicators are unclear
- No guidance for how indicator set will lead to policy changes



Priorities and use of indicators depend on world views

Beyond Growth: a debate about norms & values change and governance rather than about economics



The concepts offer several potentials

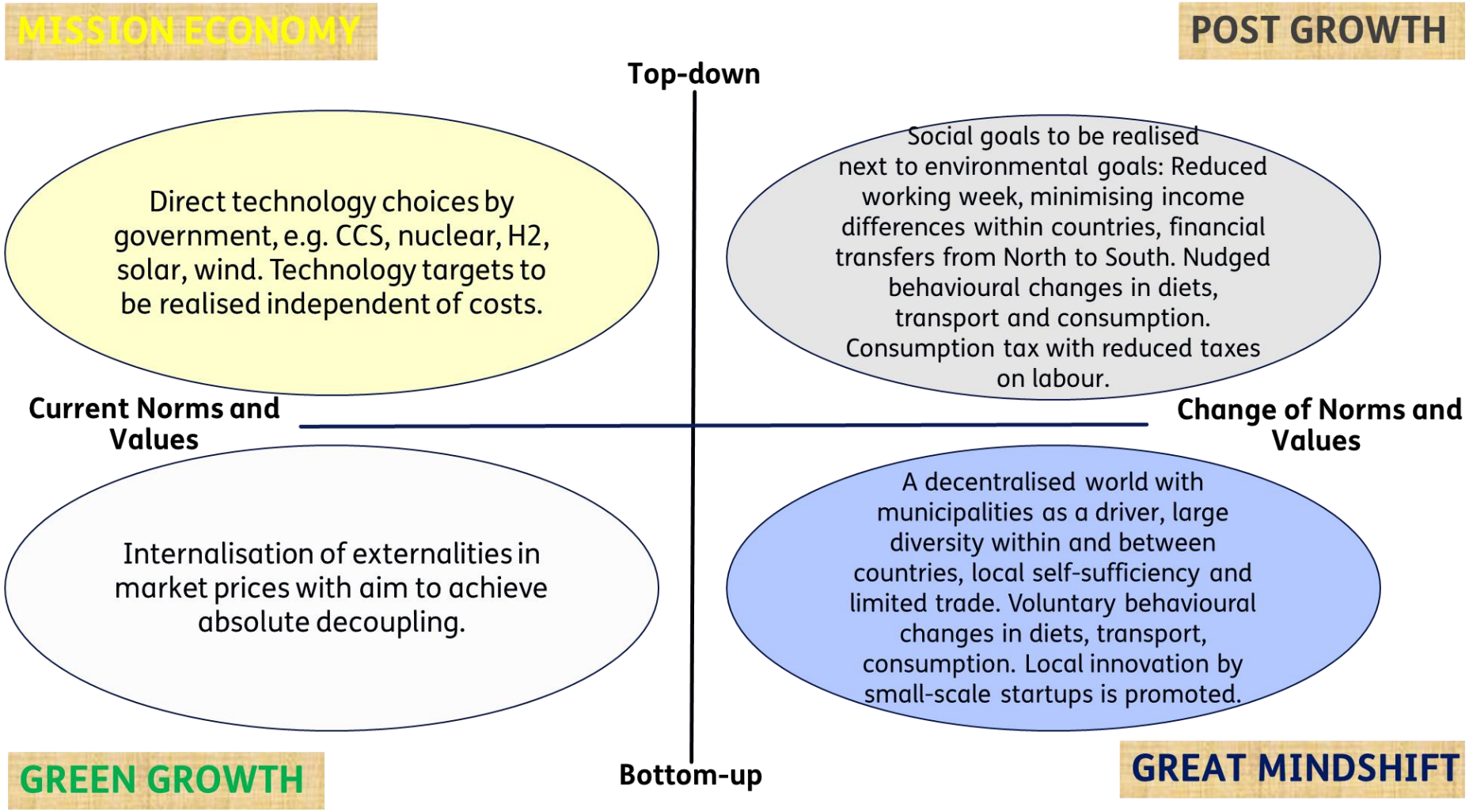
- New perspectives on societal welfare - depending on world view
- A variety of innovative individual policies

None of the concepts is ready for practical implementation yet

- All concepts show gaps in their policy impact chains
- Concepts partly depend on insufficiently proven underlying asumptions
- None of the concepts provides a proper analysis of risks, trade-offs and side-effects

A scenario modelling approach can provide further insights into the potential impacts of alternative futures

Further Research



Funded by the European Union


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