Neoclassical, postkeynesian and neomarxian perspectives on degrowth

Special session: Macroeconomics of Degrowth I

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- neoclassical theories
- postkeynesian theories
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neoclassical theories – I (traditional)

- model of the economy (textbooks, Blanchard, Walras):
  - firms produce according to production function
  - households consume according to preferences
  - savings determined by savings rate
  - savings determine investments
  - relation of input factors determined by exogenously given technology
- consequences for post-growth economy
  - increase preference for freetime (awareness)
  - decrease savings rate (makes no sense)
  - influence technology (unclear)
neoclassical theories – II (endogenous)

• new elements
  • growth not solely explained by more inputs and technology but human capital
  • role of research, innovation important

• model of the economy (Aghion, Acemoglu, etc.):
  • firms invest and innovate in order to increase profits
  • investments depend on profit-opportunities, determined by research, property-rights etc.
  • relation of input factors determined by prices and availability of inputs (directed technological change theories)

• consequences for post-growth economy
  • change prices of input factors (political level)
  • change availability of input factors (political level)
  • promote research in desirable technologies (political level)
postkeynesian theories

- model of economy (Keynes, Davidson, Binswanger):
  - firms produce and invest according to profit expectations
  - households consume based on distribution
  - growth driven by investments, which depend on demand
  - demand determined by (1) government expenditures, (2) household consumption rate, (3) demand for capital goods

- consequences for post-growth economy
  - government expenditure into desirable production (political level)
  - household consumption less and different goods (awareness, commercials)
  - change company structures (company and political levels)
neomarxian

- model of the economy (Marx, Sweezy, Foster):
  - competition between firms lead to compulsion to invent and implement cost-efficient technologies
  - spare capital seeks new investment opportunities → new products and their marketing
  - exploitation and concentration of wealth and power
- consequences for post-growth economy
  - replace the market (and therefore competition by need-oriented forms of production)
  - collectivize production (collective firms, commons)
  - redistribute income and wealth
synthesized results

• supply side
  • change input prices by taxes, subsidies etc.
  • research in sustainable and convivial production
  • infrastructural measures
  • collective instead of private forms of decisions-making and ownership
• demand side
  • redistribute
  • decrease working hours
  • change consumption patterns (less, different)
  • regulate commercials
• left out: questions of power, lobby, etc.
references

thank you for your attention

questions?
discussion!

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