

# Ecological transition: *growth/decrease* what are we talking about? (Analysis of controversy)

JEAN-DAVID ABEL, SYLVAIN BOUCHERAND AND PIERRE GOGUET

Six of the nine planetary limits have already been exceeded, yet our economic policies continue to focus on GDP growth. The ESEC has seized upon this paradox and, using the method of controversy analysis, reviews the issues that call into question the sustainability of our economy, our modes of production and our lifestyles. These are all issues that will need to be at the heart of future public policy and pave the way for a possible global reorientation of the way our society functions..

Since the 1970s, the slowdown in growth in France and other industrialised countries has been accompanied by an increase in our carbon and materials footprints. What's more, with growth, living standards have risen on average, but so have inequalities, and the reduction in extreme poverty now seems to be marking time. Although our social model is a powerful lever for redistribution, its financial sustainability has been undermined, and our public services are in trouble. The competitiveness of our economy is struggling, impacting on jobs, living standards and the funding of our social model.



**6**  
of the 9  
planetary limits  
already crossed  
in 2023.

## Finding possible pathways to rethink and build more sustainable societies

How can we assess the effects of growth beyond GDP, and what indicators are needed to steer economic policies and measure their impact? In 2008, the ESEC began promoting sustainable development indicators, followed in 2015 by 'new wealth indicators' as an alternative to GDP. A number of economists and sociologists are also working on new indicators, such as the social health indicator (D. Méda and F. Jany-Catrice) or global health (E. Laurent), and on the concept of post-growth. In November 2024, INSEE published for the first time the 'augmented' accounts of the nation, integrating into the description of the national economy elements on climate (through the valuation of carbon emissions) and on income inequalities by household category.

In the ESEC's view, there is a lack of economic modelling work that takes account of planetary limits, which governments could use to renew their socio-economic approaches. Another finding is that the consultation and cooperation that would be needed to reorientate the global economy do not currently seem to be on the agenda.

To shed light on the issue and the underlying problems, the ESEC has identified six questions and listed the arguments for and against, which are summarised below. Several ESEC opinions have already addressed some of these issues: sustainable consumption, sobriety, the service economy, financing the loss of autonomy, etc. At the end of this analysis of the controversy, other subjects emerge that the ESEC could take up: the inclusion of planetary limits in economic models, the tax reforms to be introduced to support the ecological transition, the conditions for preserving our public services and our ideal of 'living well', the transformation of our production models, etc.

## 1 QUESTION A : IS GDP GROWTH COMPATIBLE WITH PLANETARY LIMITS?

The international scientific consensus has identified nine 'planetary limits': climate change, biodiversity loss, disruption of the nitrogen and phosphorus cycles, changes in land use, the freshwater cycle, the introduction of new entities into the biosphere, ocean acidification, ozone depletion and the increase in the presence of aerosols in the atmosphere. By September 2023, only the last three limits had not been crossed. How can future growth be compatible with these limits? The controversy over this issue is persistent and radical.

The arguments of those in favour of growth being compatible with planetary limits are contradicted by a series of proven observations: decoupling is too limited and too partial to have any real effect, recourse to finance and market mechanisms is illusory in the face of the prospects outlined by scientists ('day of overshoot' reached earlier and earlier in the year), technological solutions are insufficiently developed and cannot be deployed on an effective scale and within an effective timeframe. Finally, as 'green growth' also entails environmental costs, some are proposing that we rethink the economy in the light of degrowth or post-growth.

## 2 QUESTION B : CAN GDP GROWTH BE DECOUPLED FROM CONSUMPTION OF MATERIAL RESOURCES (MATERIALS, ENERGY, ETC.) AND IMPACTS ON NATURE?

This decoupling can be absolute (when the increase in GDP is accompanied by an improvement in the environment or a reduction in the environmental impacts of growth) or relative (when the increase in GDP is greater than the increase in environmental impacts), total (valid for all environmental impacts) or only partial (valid for the carbon footprint alone, for example), global or local (a limited number of countries), perennial or

cyclical (such as the confinements linked to the Covid 19 health crisis), rapid or too slow to curb the environmental crisis. Controversy persists on four points. Negative pressures on the environment and the consumption of resources are increasing overall with economic development, and little or no account is taken of the rebound effect of the innovations and measures envisaged. The ecological transition objectives set at the various territorial levels seem difficult to achieve (targets, deadlines, extent and pace of decoupling observed). Existing scenarios and models confirm that the dominant growth model is on a trajectory that makes it impossible to reconcile economic growth and preservation of the natural environment.

## 3 QUESTION C : DOES GDP GROWTH REDUCE INEQUALITY?

The analysis highlights that, overall, growth has helped to reduce the number of people living in extreme poverty up to 2020, but that the outlook since then is more uncertain. Growth has also reduced inequalities between individuals and between countries on a global scale since 1990-2000, but at the cost of increasing inequalities between individuals in the same country, particularly in developed countries. Finally, growth does not reduce inequality in a mechanical cause-and-effect relationship. **The reduction in inequality is the result of the redistribution policies that have been put in place, independently of the level of growth.**

#### 4 QUESTION D : CAN THE MAINTENANCE AND FUNDING OF OUR SOCIAL MODEL AND PUBLIC SERVICES BE GUARANTEED WITHOUT GDP GROWTH?

For some members, growth is a prerequisite for financing our social model (without it, social benefits would have to be reduced), while for others, budgetary trade-offs depend primarily on political choices (reducing certain budgetary and/or tax expenditures in order to finance social benefits on an unchanged basis). For many, the current dominant model has reached its limits and is facing a triple crisis of legitimacy, solvency and efficiency. Demographics and the ageing of the population point to a rise in healthcare spending, potentially exacerbated by spending linked to deteriorating environmental health. More prevention should lead to a reduction in these costs and thus help to safeguard the balance of the social security system in the long term. **The ESEC believes that it is legitimate to safeguard our social model and public services, even in the absence of growth.**

#### 5 QUESTION E : COULD WE LIVE WITHOUT GDP GROWTH, OR EVEN WITH A DECLINE IN GDP?

The measure of the good life depends on the definition used: economic (centred on 'assets'), subjective (centred on 'satisfactions'), hedonic (centred on 'pleasures') or the eudomic vision (centred on 'self-fulfilment'). The limitations of GDP (its scope, its calculation) lead the ESEC to believe that this indicator provides only very limited information on the good life, as it analysed in its annual report on the state of France 2021. Furthermore, according to the 'Easterlin paradox', once a certain number of basic needs are met (which is not the case in developing countries), the correlation between growth and well-being is weak. Yet the consumer society is multiplying artificial needs and leading consumers to confuse growth with the good life, exacerbating the deleterious pressure on planetary limits. **This calls for the emergence of new narratives on the possibility of living well in sobriety, narratives that need to be widely and rapidly convincing.**

#### **An innovative and proven methodology**

The methodological foundations of controversy analysis were laid in 2020 in the study reported by Michel Badré, and then applied in 2022 to the study 'What place for nuclear power in the French energy mix'. The aim of this method, which is designed to clarify the arguments involved and order them without taking a position in favour of any particular option, is to make it easier for stakeholders to take ownership of the debates by making them as accessible as possible.

**6**

**QUESTION F :  
DOES FRANCE HAVE THE  
CAPACITY TO ORGANISE  
DEGROWTH IF EUROPE AND THE  
REST OF THE WORLD ARE AIMING  
FOR GROWTH? CAN ECONOMIC  
PLAYERS OPERATE SUSTAINABLY  
IN A WORLD WITHOUT GROWTH?**

In a globalised economy, France cannot embark on a voluntary path of degrowth on its own. If other countries do not follow suit, the result could be the destruction of part of our country's economic fabric and some of its jobs. The economies of industrialised countries are tending towards stagnation, and growth in emerging countries is also slowing. Preparing for a world without growth may not be so much a choice as an inevitable reality that needs to be anticipated.

Although France is taking steps to promote relocation and reindustrialisation, the French economy is facing challenges in terms of competitiveness and sovereignty. Faced with these challenges, which are characteristic of a conventional economic model, the ESEC maintains that material sobriety is a powerful lever in terms of both sustainability and sovereignty, and encourages the development of economic models that take greater account of planetary limits.

---

**THE RAPPORTEURS**

**Jean-David ABEL**

jean-david.abel@lecese.fr • 01 44 43 64 22

Jean-David Abel is an environmental and sustainable development trainer. He represents France Nature Environnement (FNE) on the ESEC's Environment and Nature Group. He sits on the Economy and Finance Committee. He has taken part in a number of temporary commissions, including 'Fractures and transitions: reconciling France', 'New generations: building tomorrow's solidarity', 'Democratic participation', and co-reported the opinion 'Towards a sustainable bioeconomy'.

**Sylvain BOUCHERAND**

sylvain.boucherand@lecese.fr • 01 44 43 64 22

Sylvain Boucherand is a company director. He represents Humanité et Biodiversité in the ESEC's Environment and Nature group. He chairs the ESEC's Environment Commission and co-reported the opinion on 'Societal expectations and challenges associated with new genomic techniques' and the study on 'What place for nuclear power in the French energy mix'.

**Pierre GOGUET**

pierre.goguet@lecese.fr • 01 44 43 64 20

Pierre Goguet is a company director. He is Honorary President of CCI France, which he represents on the ESEC's Enterprise Group. A Quaestor of the Council, he sits on the ESEC's Environment Commission. He co-sponsored the resolution 'SFEC: what governance for the ecological transition?'