

## Degrowth. Labour. Time.

### *Degrowth*

Mah, in this issue, examines the crucial question of the social basis of degrowth. She makes clear that 'degrowth' is not to be taken literally, but rather as something close to 'sustainable growth'. Writing in an Italian journal, this helps to dispel the paradox of a country that, in a way, has already endorsed 'degrowth' for over two decades, during which virtually no GDP growth has been registered (Burroni et al. 2020). With mixed effects on the fight against climate change. Slow growth has had a relative positive effect on Italian CO<sub>2</sub> emissions, which between 2000 and 2017 have fallen by 30%, as against only 3% in the EU27 as a whole, or, worse, the 15% increase of the world (source: Our World in Data). Yet, during this decline Italy's improvement in energy intensity (Kwh/\$) has been markedly slower than for Europe and the world. And, what is worse, the social resolve to tackle emissions has stagnated. According to the Eurobarometer 2019, Italy was the EU country with the largest positive gap (+15 percentage points) between people prioritizing the economy as most serious world's problem, and those prioritising climate change. Political immobility follows: even the modest introduction of a 'plastic tax' in 2019 had to be quickly watered down to insignificance after protests from not just business but also all the largest chemical sector trade unions, on the basis that it was too damaging to the economy. Economic stagnation by itself may slow down the economic crisis but it does not accelerate actual solutions. Intriguingly, a euphemistic form of degrowth (*decrescita felice*, happy degrowth) was shortly adopted in the program of the Five Star Movement party, but then tacitly dropped. There seems to be therefore a negative relationship, rather than a positive synergy, between the two opposite strategies to face the climate emergency, degrowth and de-coupling growth from emissions. In other words, economic stagnation slows down energy efficiency improvements – the two are not exclusive by any means, but simpler to combine.

If no-growth Italy is an extreme case, low growth has become the horizon for most of the advanced economies. Growth comes overwhelmingly from emerging and poor countries. This is why a focus on stopping GDP growth leads, as put by Branko Milanovic, to either freezing current unsustainable levels of global inequality or to requiring western countries to reduce their incomes by about two-third, which is not likely to win any party an election (and both scenarios become even harder once you factor population growth in it). So the term degrowth (if it is to mean something else than decoupling growth from emissions, which is what it is usually opposed to) requires a different definition of growth, which technically means finding an alternative to GDP. To boil down the complex technical and theoretical issues examined by Pellizzoni in this issue to the core, it is about including in the domestic product accounts enough valuable and clean good and services that are currently not counted, to compensate for a drastic reduction (by a half or two thirds) of emission-generating goods and services. If GDP accounting detracts environmental costs (negative externalities) from polluting sectors detracts their environmental costs, but adds the welfare produced by non-marketed activities and goods, it is theoretically possible to conceive increased flourishing despite, in rich societies, a massive downscaling of the economy as we know it. But this would indeed be massive: it is about conceiving clean, non-marketed goods that are valuable enough, for rich countries' population, to compensate for halving or more the current market consumption of goods and services. (To consider this properly we need to get

rid of stereotyped visions portraying polluting activities as just grey chimneys and big combustion engines: the Internet, including the gadgets supporting it, generates as many emissions as air travel.)

There are two main ways in which such 'different growth' could be achieved in the short time available, soon to be counted in years rather than decades: via demand or via supply. The first could operate consist in taxing polluting activities in a way that roughly doubles their prices and, assuming an average elasticity of 1, with the revenue used to compensate those losing their jobs as well as to invest in the 'commons' and activities that will be added in the new GDP. The mentioned carbon tax experience in Italy, as well as the *gilets jaunes* protest against fuel prices in France, show how difficult this is. The other way is by a drastic reduction of working time. There are other reasons why a working time reduction may be socially desirable (Beccalli and Salvati 1998), but here the specific aim would be to reduce production, and only later demand, of goods and services, and to 'reward' citizens through increased leisure time and care time for oneself and others. Like all policies on climate change this would need to be global, not least because rich countries would still import emission-generating goods from poorer, possibly even more polluting countries. But again, the evidence is that this struggle is equally uphill. The main example of political attempt at working time reduction in recent times has been the 35-hour week introduced by the French socialist government in 2000. Despite evidence of a number of positive effects, both on productivity and on quality of life, that move did not pay politically: the Right won the elections by campaigning against the 35h two years later, it watered them down to near-insignificance, and when the socialist returned to government ten years later they did not resume them. It is somehow different with the working time reduction in Germany, which has been implemented, gradually, from the 1980s through sectoral collective agreements. Here, at least in manufacturing (which is after all the first sector where 'degrowth' is urgent), the demand remains popular, with an optional 28-hour week negotiated in 2018. Which leads to the importance of getting labour on board.

### *Labour*

Mah presents in this issue a case where labour's consideration of degrowth stems from deep disappointment with the petrochemical industry in recent times. The case is definitely important and of broader significance, but it is also a relatively 'easy case'. While it is not automatic for labour to turn their backs to downsizing emission-generating employers (as in the complex case of the Taranto steelworks in Italy, Tomassetti 2020), it is still easier than to do it to expanding ones (as in the plastic packaging productions of Emilia Romagna). There is simply much more to lose.

The extensive evidence of trade unions' role in cases of restructuring, it is that, despite occasional head-on 'heroic' resistance (Golden 1997), by and large they are ready to make pragmatic concessions for the preservation of jobs (Thomas and Doerflinger 2020). Moreover, their role can 'accompany' restructuring by addressing their constituencies' fears and negotiating social measures that mitigate social costs and accompany workers in labour market transitions. The main positive example in the literature is the deep restructuring of the steel-centred Ruhrgebiet in Germany in the 1980s, contrasting with labour – excluding, conflict-ridden and socially costly restructuring in Margaret Thatcher's UK. Trade unions are a central force for a 'just transition' to a carbon-neutral future, that is to an egalitarian form of degrowth. Yet in the case of climate change restructuring the 'environment versus jobs' rhetoric seriously threatens labour's potential to support the transition. Concession bargaining generally occurs under a so-called 'There Is No Alternative' threat, and in situations of information uncertainty there are plenty of

actors, in business and in politics, that can claim to have alternatives to offer. In such situation, trade unions may become, despite their declining power in many countries, a veto player or at least a player able to slow down transition to the point when it is no longer viable.

An example of union opposition to decarbonisation can be found in Poland, where many unions, and most openly Solidarnosc and the mining sector unions, openly side with climate change deniers. The case is interesting because it shows how complex and multi-dimensional the issue of 'justice' in just transitions is. Polish miners, which would pay the highest cost for decarbonisation, expect solidarity from the Polish government: even if their earnings being above average, their life expectancy is lower and their risk of long-term unemployment in case of job losses is higher. But even more they expect solidarity from richer western EU countries, even if Poland's per capita income is well above the world's average. The sequencing and scale of transitions and redistributions is then key: Poland might be convinced to decarbonize if it is at the same time compensated by western Europe, but it might not if it is simultaneously asked to compensate poorer countries.

The fact that Polish unions are an exception, and quite isolated, on this issue in Europe can be seen as an encouraging sign: most unions support just transition, even if with different degrees of coherence and conviction (Thomas and Doerflinger 2020). It appears that trade unions have been permeated by the global discourse on climate change in a way that prevents opposing it even when it might be tempting to do so to oppose short-term losses. This is similar to what has happened with the international human rights discourse, which has been absorbed by trade unions making them much more likely than in the past to side with migrant workers even when this appears to contrast with the short-term interests of local workforces.

Recent reviews of international experiences show a number of proactive roles trade unions may play in just transition, with examples from Canada, Germany, Austria and Sweden (Coats 2021). The ILO (2015) Guidelines for a Just Transition provide some principles, in particular the inclusion of social dialogue, gender policies and focus on the quality of jobs that may maximize the traction of Just Transition. indications of how it could work. The key underlying issue is however the redefinition of worker interests in a way that it can make labour organisations a force that pushes employers in the direction of decarbonisation, rather than 'treadmills of production'. One way this may happen is through increased collaboration with environmental groups and community organisations. This is something that has advanced markedly in many countries, leading to the establishment of the new subfield of 'environmental labour studies' (Räthzel and Uzzell 2013). It is not more than a case of alliance between trade unions and new social movements, of which there have been many since the 1970s, as it builds from workers' interest in health and safety in the *work* environment to expand it to the broader environment.

### *Time*

Temporality is key in the repositioning of labour and the framing of the climate emergency, which affects the cognitive aspects discussed by D'Andrea in this issue. The Covid-19 pandemic has shown that political agency in situations of emergency is indeed capable of very bold steps. Unprecedented decisions to stop the economy and to prioritise public health were taken in a very short time, putting at least temporarily aside the issue of economic cost. Moreover, labour, especially in Italy, which as the

first western country hit by the virus found itself in an uncharted territory, has played a positive role in prioritizing health considerations, thereby also gaining more discursive power than it usually happens in situations of crisis. This could raise hopes that the climate emergency – which is a much bigger threat to livelihoods than the Covid -19 virus – can be addressed in similarly radical ways. The main differences between the two situations refers however to the time dimension. With the virus, the threat was immediate while the costs could be largely deferred to an undetermined future, by revising recent policy consensus on public debts. Whereas the risks of the virus were immediately clear, the allocations of costs of stimulus packages and furlough schemes are not: it is not clear who (the country or the EU? The rich or the public sector? Everybody can hope to avoid the bill) and when will pay them, and indeed whether anybody will pay them in case of debt being rolled over indefinitely. In generation terms, the pandemic reaction has been a clear case of solidarity from younger generations, that have taken most if not all the direct and potential economic burden, to the older generations, most threatened by the virus.

With the climate emergency it is exactly the opposite – which could be presented as a positive ‘reciprocity’ between generations but also raises some problems. The risks, however catastrophic, are for the future: the costs will materialize once it will be too late to prevent them. By contrast, the costs of degrowth are immediate, in terms of jobs and income (as well as in terms of revised expectations for the future). In generational terms, the most polluting industries tend to have older than average workforces, which would be required to take on the cost of adjustments for benefits that will only be fully seen by younger generations: in individual terms, it is a major sacrifice, if not unusual with biological nature. Also on the supply side, the age groups with most disposable income which would likely lose most consumption opportunity from a degrowth strategy are not the youngest.

This is a problem for trade unions too: their membership decline in recent decades has been mostly driven by lower propensity to join the unions among young workers, due to a number of contextual factors such as precariousness, smaller and new workplaces, exhaustion of traditional channels of union recruitment through vocational training and working class socialization. As a result, union membership’s age composition is heavily skewed towards older generations (particularly so in Italy). Moreover, many of the industries at the centre of decarbonisation (energy, oil, coal, steel, petrochemical) are strongly unionized. If just transition includes among its principles democratic participation, it also needs to be clarified that it has to be about an inclusive democracy and not merely in terms of existing union membership, which is skewed exactly on the sectoral and age axes where the biggest decisions need to be taken. Yet this can be seen as an opportunity rather than an obstacle: trade unions are obviously aware of how important it is for their survival to engage with younger generations, and attention to climate is a major way to do it. The multiplying connections between trade unions and the Fridays for Future movements (started by a teen-ager) go in that direction.

Labour organisations have played the role of ‘beneficial constraints’ on employers in other aspects of work organization, health and safety, productivity, exactly by adding a stakeholder, longer-term horizon on the short-term one of shareholder capitalism. They could similarly be a beneficial constraint on the environment, rather than a barrier to transition. Such constraint requires expanding even further stakeholder long-termism. It requires elaborating an idea of the future combining job quality with environmental safety as a positive goal that is worth paying with less income as working hours are reduced. Recently, economic sociology has opened up avenues for considerations of the future – and more precisely ideas about it, something neglected by institutionalist approaches that have focused only

on the past (Beckert 2016). Clarke and Lipsig-Mummé (2020), in their recent overview of labour's just transition approaches, start exactly from the ideas about the future of the environment and the economy. The idea that the economy can change radically relatively soon has found more space in recent years, with arguments about the end of capitalism (Streeck 2016), and the post-capitalism that would replace it (Mason 2015; Srnicek and Williams 2015). Some of these arguments are echoes of arguments already raised in the past, in particular in the 1970s. But combined with the societal focus on technological change, climate emergency, as well as the experience of both financial crisis and pandemic, they may gain more traction.

It is unlikely that labour movements, apart some radical wings, will embrace those radical arguments soon. Yet this may not be necessary or even desirable if the aim is to accompany a just transition with and for the largest possible numbers. Even from an ideological point of view degrowth, just transition and decoupling can be clearly separated, in practice union actions in this area tend to be hybrid compositions of all these different strategies (Galgóczi 2020). Degrowth, redistribution, and decoupling between growth and emissions are not inherently exclusive: actually, progress on each of them may help progressing on the others, so long as they are not seen as self-sufficient. A more comprehensive approach where different sections of labour and of politics embrace all three helps overcoming a fallacy that frequently occurs in debates on climate change: supporting a specific option on the basis that 'nothing else will do'. This line of argument is dependent on which option is assessed and which one is left last, as only remaining option. Promoters of technological solutions, such as Bill Gates, start with degrowth to how unrealistic it is to argue that decoupling is therefore the only option, while degrowth promoters tend to do the opposite. But none of the available options, least of all resignation to only mitigate the effects of climate change, is, at the moment, realistically viable. What there is, in the current socio-economic, technological and cognitive constraints, is different social forces that may be mobilized on different fronts, from decoupling to degrowth, and which probably need each other much more than they are willing to accept.

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