--- 3rd week of November ---
Second Edition

EXPLOR2ING CENTURY

Approaches of sustainable initiatives and degrowth in Hungary

ECONOMICS

Sziasztok,

We are Tom, Enora and Perrine, three students in Sciences Po Rennes and currently trainees at Cargonomia, a social cooperative in Budapest.

We are currently facing an ecological crisis raising, among others issues, political, social and economical questions. The current system is calling for indefinite growth whereas the planet has boundaries and limited ressources. So, when we asked ourselves about sustainable solutions and alternatives, degrowth catched our attention. Then we would like to learn from people who theorize about degrowth, put it into practice, but also from those who engage in ways that degrowth is likely to support.

This series of weekly papers are aimed to discover different fields of degrowth by interviewing people more or less related to it. Today, for the second edition of *EXPLOR2ING : Approaches of sustainable initiatives and degrowth in Hungary*, we are talking about economics with Alexandra KÖVES, ecological economist at Corvinus University of Budapest and creator of the podcast "Economics for Rebels".

ALEXANDRA KÖVES

Dr Köves, how would you introduce yourself ?

I am an economist, I consider myself an ecological economist that is on the degrowth side than anything else. I consider myself optimistic... And I'm also a mother ! (haha)

What were your motivations and your background to teach at Corvinus university and begin your podcasts "Economics for Rebels"* ?

I worked in development policies in the first fifteen years of my career and while I was doing that I started having the feeling that whatever you think of development, it's just wrong. (haha). I got completely disillusioned, I quitted my job and tried to find the answers to my own questions. I met, I think, the best ecological economist in Hungary : Gyorgy Pataki. I decided to do a PhD* with him. When I finished it I decided that I wasn't going to return back to my former life. I wanted to devote myself to answering my own questions but in an institutionalised setting, so I thought staying at the university made sense., I love what I do, I think it's a huge privilege to do what you like and be an academic.

I first started a podcast about theories in Hungarian, and it's called "Zöld Egyenlőség"* which means "Green Equality". At one point, it was the most popular science podcast. I started it because when we did the 2016 Degrowth Conference* in Budapest we contacted a lot of journalists. We wanted the idea of Degrowth to be heard by people. When the whole "Greta Thunberg thing" started, they began contacting me and asked me : "What is this about ? What's your idea of the world ? What does degrowth say ? etc"
And after a while I realised that I kept repeating myself because they always wanted to know what degrowth is in 15 minutes. I got pretty frustrated, and then a friend of mine who is running a social theory online magazine, told me : "you should make a podcast !" It sounded great to me, because I never had the time to go into details. So I started the Hungarian podcast. Then I thought how great it would be if I could actually talk to, like, the best ecological economists in the world. Because I'm a board member of the European society for Ecological Economics (ESEE)*, I suggested to them that maybe we should start a podcast and this is how we started Economics for Rebels.

Why don't you use the word degrowth in your english podcast ? Is it a choice to open it to many people ?

No, because it was an initiative with ESEE, I wanted it to be on ecological economics. And not all ecological economists are degrowthers, as not all degrowther are ecological economists. There's a huge overlap between the two, so this is why. As long as I'm making the podcasts I guess most of the topics will be related to degrowth.

ECOLOGICAL ECONOMICS AND DEGROWTH

We worked on weak and strong sustainability, we guess you are in favour of strong sustainability ?

If we have to look at the different capitals, like man-made capital, human capital, natural capital, the idea of sustainable development is to keep all these three capitals at least stable. What weak sustainability is telling is that natural capital and man-made capital are can be substituted, but you cannot substitute the biodiversity of a location with an airport. The airport is also a capital to the next generation but you can't put the ecosystem back where there airport is. You have to take into account the regenerative capacities of the natural world and that is strong sustainability. You can only create man-made capital as long as the regenerative capacities of the natural capital can be respected.

Can you give us a synthetical definition of ecological economics ?

Ecological economics is a research field that started in the 70's beginning with Herman Daly, Nicholas Georgescu-Roegen and Kenneth Boulding*. It all started with questioning the mainstream economics thoughts. Ecological economics is saying that the economy can't be viewed on its own. We need to see it as something embedded in society, and the natural environment. It's a strong transdisciplinary field, because it all started with the dialogue between natural scientists (biologists) and social scientists (economists, sociologists...). This is how ecological economics became institutionalised in the end of the 1980s with the journal called "Ecological economics"* and also the first international conference.

"Mainstream paradigms and alternatives don't tend to talk to each other, because the former are too involved in trying to sort out its own problems".

Is it a well-respected field? Or are you still advocating for a place for ecological economics ?

Ecological economics is a respected and established field but it is still not mainstream. It is an alternative paradigm on the edges of economics. Mainstream paradigms and alternatives don't tend to talk to each other, because the former are too involved in trying to sort out its own problems. It's the nature of scientific revolution, that the mainstream is always too concerned trying to maintain the core ideas even if it's clear that it no longer works. At one point the mainstream will not be the popular one and then we'll see what else comes up, it could be ecological economics or something else.

Does ecological economics have its own problems?

Yeah of course... I guess any research field would have its blind spots and things we don't really know the answers to. I'm not too sure ecological economics really know what to do with the financial system, but at least we have dialogue on this.

In 2013, you worked on sustainable employment through a backcasting Hungarian experience*. Could you explain what backcasting is and why you prefer it to forecasting ?

Backcasting is a methodology that uses a normative scenario (positive vision of the future), as an initial step. When you use forecasting you take the current trends and tendencies to build a scenario of the future based on these trends. For example, with *Limits to growth** in the 1970's, they already predicted that there would be no scenario that we really wanted.
Forecasting presumes that humans ride along these trends, as they do not have an influence on what's going on, but in reality, we make them !

So if you want to know what to do now, you can use backcasting, have a normative scenario and think : "ok this is what you want in 2050 what would you have to do in 2040 ? in 2030 ? ". It doesn't mean that you are going to get there but you will likely tend to this scenario rather than if you don't do anything at all.

How does ecological economics differ from Neoclassical economics or Keynesian economics ? What criticisms can you give to these two models?

One thing is the embeddedness. Neoclassical economics thinks the economy as it is, with inputs, human labour, raw materials.... Then it does its magic tricks and at the end it chucks rubbish out back into the environment. So it's kind of a linear way of thinking. Whereas embeddedness is important to ecological economics because it means there are limits to the economy so we can't expand beyond the biophysical limits of the earth.

"Embeddedness is important to ecological economics because it means there are limits to the economy so we can't expand beyond the biophysical limits of the earth."

RETHINK EMPLOYMENT

How should we rethink employment to move from the simple "tool for basic subsistence" ?

Actually Keynes, said already in the 1930's, that at some point humanity will have to find itself another activity rather than work. We will not have to produce more : we will reach a level of productivity where we don't need more. We definitely have reached, actually overstepped, this point. We have tightened our subsistence so tightly to work that we can no longer not work because it jeopardizes our subsistence. So now we produce more because we need more employment and we work more because we want to consume more. It's like a self reinforcing loop.

Should we go further than just creating green jobs ? Should the whole notion of work and free time be reconsidered ?

Yeah, so first of all, we don't need to work that much because we are producing a lot of things that we actually don't need. Many of the jobs are, what David Graeber called "bullshit jobs"*, they don't create anything, we just work because we need money for our subsistence. It all goes back to the protestant work ethics like "work is the highest moral obligation we have, whoever doesn't work shouldn't eat", but our society has reached such a productivity level that it no longer applies...
Secondly, we should start focusing on work rather than jobs. Work entails a lot of things and that's not necessarily a job. It's related to what you do at home, what you do in your community, for your self-development.

"Many of the jobs are, what David Graeber called "bullshit jobs"*, they don't create anything, we just work because we need money for our subsistence."

Can the four working days a week be a nice tool to reduce this productivity ?

Reducing work could be beneficial for a number of things. Of course, I'm only talking about those members who cause over-consumption, not those who can't even feed their kids.

First, we need to shift our understanding from welfare to well-being. And work is a huge part of well-being : what can I do, how do I do it, how much I enjoy it, in what communities, do I think it makes sense ?
Maybe working less or having shorter days in your job can give you more time for taking care for yourself, for your family, for your garden. If we want to stay in the capacities of the earth then we need to shift from material well-being to a different kind of well-being.
Another way is from the production side. If we don't work that much then maybe we don't have to produce that much, in order to ensure employment for that many people.
The only thing we have to be aware of is called the rebound effect. If we spend the fifth day flying around, there's a rebound effect on economic throughput.

Could the notion of guaranteed basic income (GBI) be another avenue ?

I actually prefer to talk about guaranteed basic allowance (GBA) or guaranteed basic services (GBS) because when you talk about GBI you are talking about money. I don't think that throwing money at people into the same economic model would change it. So if we want to provide a solid base for a sustainability transition for all, you need to find ways to stabilize it for everyone.

Another thing, no sustainability transition can't be imagined without modifying the reallocation of goods, services, resources and money. Distribution is a key question when we talk about degrowth or ecological economics. Ensuring that well-being is capped by people to a certain extent within planetary boundaries is possible through a fair distribution. The GBA is a tool for that.

Another exciting notion is what Georges Monbiot*, a Guardian journalist, names private sufficiency and public luxury. This means that rather than always having private things to improve your life, you should have great public things to access.
For example, if we have great public beaches and fantastic public swimming pools, then everyone can have a view of the sea without running out of the limits.
This is where guaranteed basic services can be interesting in having great guaranteed public goods.

ECO-LOCALISM

Are local currencies and local services good ways to introduce eco-localism* through this GBA ?

Yes, if you want to encourage local production you can issue this, thanks to local currencies. For example if you want to encourage organic farming, you can start issuing specific allowances. So if you want eco-localisation then yes it's a good tool to start encouraging local production through this kind of schemes.

Do you think that in 30 years we will have a lot of local economies and communities in the global economic system ?

I can only say that Covid has shown us how unstable these huge systems are. One ship that gets stuck in the Suez Channel and the global supply chain stops. How resilient is that ?
So obviously, for resilience and for the environment we should relocalise. Eco-localisation is the best for responsibility because you don't mess around in your own environment, you take responsibility for it. Relocalisation brings closer to each other the cost and benefits of it.

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"Eco-localisation is the best for responsibility because you don't mess around in your own environment, you take responsibility for it."

You said that in ecological economics, there was a debate about financial markets. So how could we imagine this type of local communities within a global market ?

This is probably the most debated part. For some people, it's really the financial system that drives growth, inequalities etc. But there is also the other side of the coin, that overproduction drives the financial system. So you have to intervene on both sides. It's not normal that it's only private banks who decide on our money. If there is something you need to democratize and put under community control, it's money issues. But even if local currencies are good social innovations like testing grounds, I don't think these are the solution. As soon as you start scaling up, you don't have local currencies anymore.

ECOLOGICAL AWARENESS

We have talked about many tools we could develop to reach this sustainable society. Do you think that people are aware of it in Hungary ?

To be honest, in all my backcasting research, people tend to come with the same vision of the future. Once you asked people what kind of world they want to live in or what they wish for their children, you got a really similar answer.
But these questions aren't asked often, especially in politics. So I don"t know how ready people are. On the one hand, I live in a bubble where everyone thinks that this should be the norm but on the other hand we elected a right-wing Christian conservative to ead the Hungarian left. ...

According to you, which scale is the most appropriate to start acting in favour of a sustainable society or degrowth ?

Actually one of my papers it's on the systems thinking of politicians.* They actually think systematically : to stay in power or get into power. So we can't expect politicians to act on environmental issues. We are waiting for top-decisions makers to take these tough decisions but we are not electing those who are actually able to take them.

"They actually think systematically : to stay in power or get into power. So we can't expect politicians to act on environmental issues if you dont' make this topic a precondition of power."

Representative democracy is in deep trouble. I believe that one of the greatest things that could happen in a sustainability transition is to transit out of representative democracy. Until that happens, we need to stop paying attention to what we expect our representatives to represent. So this is why it is very difficult to decide whether it's the EU commission who should take the decisions, the government, leaders of global companies or us. But everyone is waiting for the other person to take the step. This is the reason why I believe that it's a question of reaching the critical mass, and then from there, changes will be incredibly fast.

Should we wait for a turning point, such as a crisis to expect people to understand the urgency ?

That's obviously the pessimistic ontake on it.
The crisis comes and once we are facing the wall, we change our minds. The optimistic scenario is that we are becoming conscious of the coming wall and we start changing our minds. We actually don't need that many people. Changes in society already happen if 20 % of the population thinks differently. Will we reach that critical mass through increased awareness and increased consciousness or through a crisis ? I don't know.
There is this debate about the recent book : *How to blow up a pipeline ?* of Andreas Malm* the Swedish activist. He is raising an issue : Why should we try to change the world peacefully, because it has never happened before in history and it will never happen ? Should we "blow up a pipeline" to make things change ?

You said we have to change our mentalities, our mindsets, how can we do it ?

The only way is actually social dialogue, talking to each other, and this is why I'm doing the podcast series.

What about education ?

Deliberation, education, we need to talk about it, understand the concepts and debate. The problem I have with education is that we keep saying that we need education, we need to educate more kids, ..., we don't have time for that ! We need to educate adults ! Of course we need to educate children but that will take 20, 30 years until these kids will become decision-makers. So I totally agree with education but I really don't like when we are constantly going back to education and then kids.

"We need to educate adults !"

One other thing, we just have to stop judging each other. Like vegans judge meat-eaters and meat-eaters judge vegans and degrowthers judge consumers and consumers judge degrowthers. Everyone is judging everyone. We don't have to tell people they are stupid because they will just react badly. But telling what you think is right, it's not the same as judging people.

There are two main ways of socialization which are school and family. If ecological education at school becomes efficient, what should parents do to put kids on the right path ?

I'm really struggling with that because kids are growing up among so many visual influences. So I really think it's hugely unfair to put this burden on parents. They should make these choices as citizens rather than parents. For example, sequins, these little shiny and sparkly things that you throw on everything, it shouldn't be the work of the parents to convince their kids that this is an ecological disaster. Can I make the decision as a citizen to ban this stuff, I don't want to fight as a mother all the time.

What do you think about technology and the fourth industrial revolution theory ?

All I know is that technology always supports a social vision. So if we change our vision, we will develop different technologies. Technology isn't a loose horse, it's something you do.
I'm not against technology but we always have to ask the right questions regarding technology. What is this technology for ? Who accesses this technology ? Who owns this technology ? How democratic is that technology ? We need to ask these questions.

"All I know is that technology always supports a social vision."

So how would you like to see the world in 50 years?

I truly believe that in 50 years we are going to have the world that degrowth now envisions. The road there might be a bit more complicated than we can imagine. But it would be absolutely natural that we have limits. We can live well, we can enjoy our communities, we can enjoy our lives, but we have to be aware of these limits.

Lisi Krall* finished her conversation with me saying something like « I hope one day we will become just one of the species on earth and not the only species ». I think in 50 years time we will be aware of that. But through what ? How rocky the road will be ? I'm not sure.

REVIEW OF INTERVIEW AND ANALYSIS

The exchange with Alexandra Köves made it possible to question the future of economics in theory and into practice. Here are some concluding remarks and analysis on this week's topic.

Expectations :

- We wanted to understand the main criticisms against mainstream economics.
- We were curious about the relationships between Degrowth and ecological economics.
- We were especially interested in tools like the guaranteed basic income, eco-localism...
- We were curious about the possible limits of the economic project of degrowth.

Remarks :

- Global learnings regarding ecological economics -

- The hegemony of mainstream economics, whereas its limits have been highlighted regarding the biophysical limits of the planet, invites us to think outside and beyond this paradigm.
- Backcasting methodology appears to be an interesting alternative to create scenarii. Indeed, its normative aspect offers a commited, practical and positive methodology. It reminds us that we have influence on trends and tendencies we create. For example, it can provide a basis for action facing the eco-anxiety. The aim is to imagine actions, policies for a better future.
- Guaranteed basic allowance and four working days a week seem to be relevant tools to rethink employment and reach a more sustainable society.
- There are still unresolved issues and debates in ecological economics, but the field seems to be open to criticism and is searching for solutions in the most coherent way possible.

- Alexandra Köves opinion and what we want to highlight -

- Dr Köves background is well-representative of some wonders and questions we might have regarding the main economic paradigm. It was interesting to discover the evolution of her way of thinking and personal reflection that led her to what she is doing now and her commitment through "Economics for Rebels" podcast for example.
- It was stimulating to have a critical point of view about some degrowth aspects or initiatives. For example, local currencies limit when the question of scales arises.
- Alexandra Köves, such as Belá Munkácsy, ask the question of the lack of public debate on ecological issues. There are no subjects that are in the forefront in Hungary. There is a cruel need for social dialogue according to her.
- At the end of the day, there aren't perfect solutions and paths towards a sustainable and degrowth society. It is a lot about experiencing, having faith in humans and developing alternatives and means to raise awareness.

New questions / challenges :

- The question of efficiency, raising awareness and citizen mobilisation will be the main issues if we want degrowth, or at least democratic sustainables actions.
- Will a citizen mobilisation be enough ?
- To what extent should we rethink the place of technology in favour of social issues in a sustainable society?

APPENDIX

- **Podcast "Economics for Rebels"** : https://open.spotify.com/show/47QC99TJF855AX0zj4ShfX

- **Corvinus PhD Alexandra Köves** " Back from the future: Defining sustainable employment through backcasting 231 p." http://phd.lib.uni-corvinus.hu/832

- **Podcast "Zöld Egyenlőség"** : https://open.spotify.com/show/2eUxEgwxuICLbFf0hx89x4

- **Degrowth Conference Budapest 2016** : "It has been organized with the intent to maintain continuity with previous conferences, demonstrating the latest research in the field of degrowth, as well as promoting cooperation in the development of scientific and political proposals and facilitation of networking and the flow of ideas between various actors working on degrowth, especially in academia " .https://budapest.degrowth.org/

- **European Society for Ecological Economics** : https://ecolecon.eu/

- **Kenneth Boulding** : "Anyone who believes in indefinite growth in anything physical, on a physically finite planet, is either mad or an economist."

- **Ecological economics Journal :** "The journal is concerned with extending and integrating the understanding of the interfaces and interplay between "nature's household" (ecosystems) and "humanity's household" (the economy)". https://www.sciencedirect.com/journal/ecological-economics

- "**The Limits to Growth" - Club of Rome** : https://www.clubofrome.org/publication/the-limits-to-growth/

- "**Bullshit jobs : A Theory " by David Graeber** "A bullshit job is a form of paid employment that is so completely pointless, unnecessary, or pernicious that even the employee cannot justify its existence even though, as part of the conditions of employment, the employee feels obliged to pretend that this is not the case." David Graeber

- **"Public luxury for all or private luxury for some: this is the choice we face",** *The Guardian*, Georges Monbiot, 31/05/2017 : https://www.theguardian.com/commentisfree/2017/may/31/private-wealth-labour-common-space

- **Eco-localism** : "support both environmental sustainability and social cohesion through local production and consumption networks that place the locally available resources (environmental, social, physical, and human capital) in the forefront of economic and social activity and hence encourage moving towards self-reliance", Back from the future: Defining sustainable employment through backcasting 231 p." http://phd.lib.uni-corvinus.hu/832

- "**Contradiction between political leadership and systems thinking**", *Journal of Cleaner Production 170*, Király, Gábor ; Köves, Alexandra ; Balázs, Bálint : https://m2.mtmt.hu/gui2/?mode=browse&params=publication;3102386

- **"Ultrasociality : human cooperation at its exterme" - Lisi Krall, *Economics for Rebels*** : https://open.spotify.com/episode/3pKMj7zbFcegukJ2CQGId5?si=684d7179e6a34156