

The search for a social, sustainable and democratic economy
some reflection from Bert De Wel (ACV-CSC, Belgium)

Degrowth, yes/no ...



Overview

1. Trade unions and economic growth
2. Can degrowth be an alternative?
3. Basically, it doesn't matter, all we want is a just transition to a sustainable and fair economy
4. Recommendations



POLITICAL
ARITHMETIC;
OR, A
DISCOURSE
CONCERNING

The Extent and Value of
Lands, People, Buildings;
Husbandry, Manufacture,
Commerce, Fishery, Arti-
zans, Seamen, Soldiers; Pub-
lick Revenues, Interest, Tax-
es, Superlucration, Registries,
Banks; Valuation of men,
Increasing of Seamen, of Mi-

litia's, Harbours, Situation,
shipping, Power at Sea, etc.
As the same relates to every
Country in general, but more
particularly to the territories
of his majesty of Great Bri-
tain, and his neighbours of
Holland, Zealand, and France.

BY SIR WILLIAM PETTY,

LATE FELLOW OF THE ROYAL SOCIETY.



HOW TO PAY
FOR THE
WAR

By
JOHN MAYNARD KEYNES



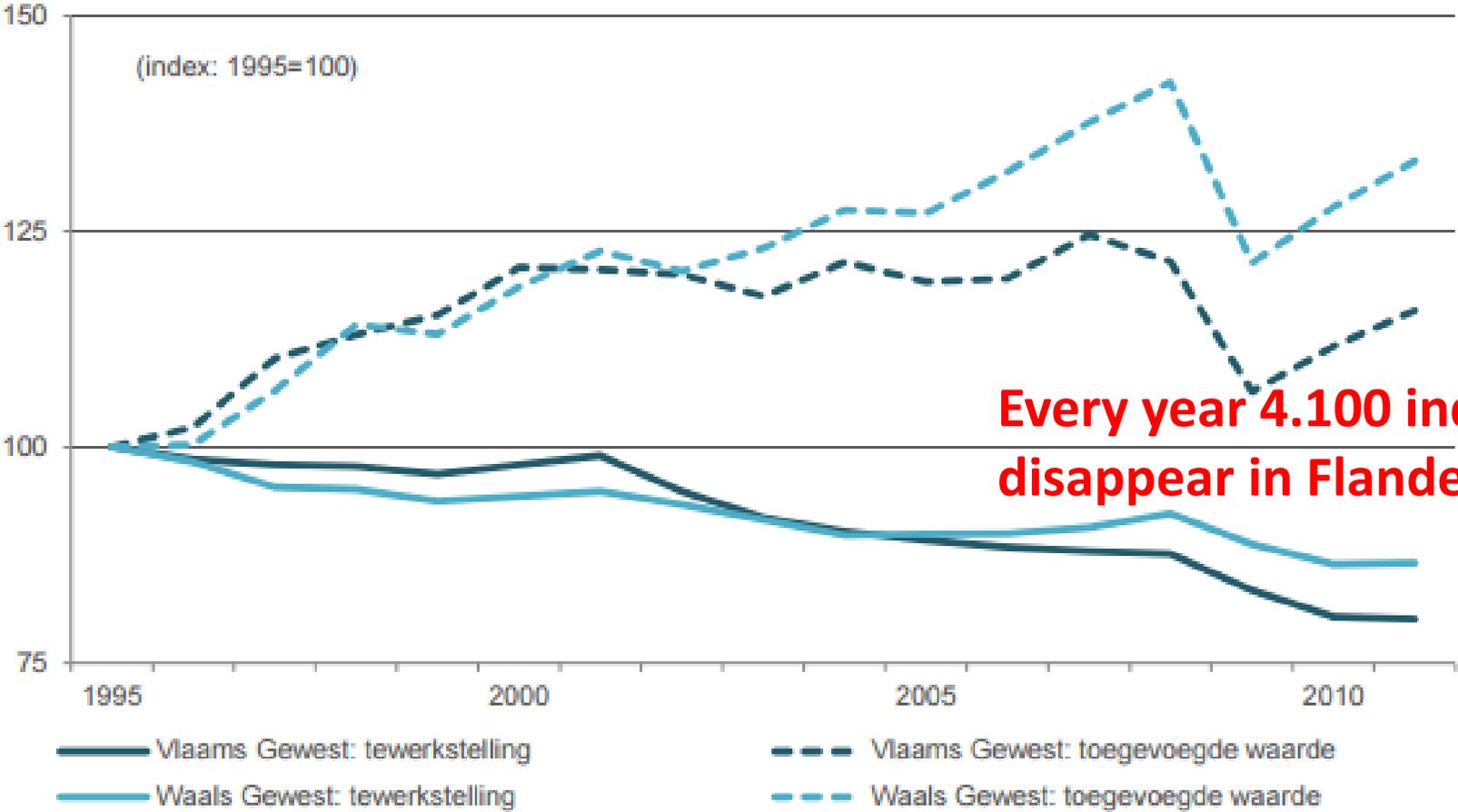
Focus on economic growth (and the central role of its indicator GDP) today is not the result of an organically grown vision on welfare. It is the result of the crisis in the 30s, warfare and the need to rebuild western economies after the war.

Economic growth became the lubricant of the welfare state, reconciling the needs of employers (profit) and employees (enough good and well payed jobs) ideologically underpinned by the concept of the socially corrected market economy.

=> The sum of all incomes, value added or expenditures in an economy became synonymous with progress, employment and well being.



Industrial employment and gross value added



Every year 4.100 industry jobs disappear in Flanders



We find that industrial robots increase labour productivity, total factor productivity and wages. At the same time, while industrial robots have no significant effect on total hours worked (...), there is some evidence that they reduce the employment of low-skilled workers and, to a lesser extent, middle-skilled workers.

blogs.lse.ac.uk/politicsandpolicy/robots-at-work-the-impact-on-productivity-and-jobs/



Even though competition from low-wage countries has some negative effects on employment in OECD countries, the link between globalisation and job losses is less obvious than it first appears. In times of economic shock such as the recent recession, globalisation seems to create more jobs overall than it destroys. Likewise, the total increase in wage inequality of the past two decades seems more linked to technology and legislation than globalisation – which does nevertheless undeniably contribute to increased job insecurity in some cases. The challenge is to help the “losers” of globalisation stay in the race and seize the new opportunities offered by openness to international trade.

<http://www.oecd-ilibrary.org/docserver/download/0111111ec007.pdf?expires=1463922599&id=id&accname=guest&checksum=1944D5E0085F0B5D9E5B363E59FF9B8E>



Technology/Efficiency + Globalisation

=> Lower Employment

=> Lower Wages

=> Increasing Inequality

Can degrowth be an alternative?



What is degrowth?

Degrowth promotes the downscaling of production and consumption—the contraction of economies—arguing that overconsumption lies at the root of long term environmental issues and social inequalities. Key to the concept is that reducing consumption does not require individual martyrdom or a decrease in well-being. Rather, 'degrowthists' aim to maximize happiness and well-being through non-consumptive means—sharing work, consuming less, while devoting more time to art, music, family, culture and community.



Can degrowth be an alternative?

Personal view: *For trade unions giving up on economic growth is like dealing with an unhappy marriage.*

It's easier to stay with the known (although it's far from ideal) than to confront the uncertainty of something new. And then there are the children. Some of the TU children (for example the industry federations) are very attached to the growth model because they're not convinced that there are alternatives that will be beneficial for them.

Are the degrowth solutions an alternative for the trade unions?

- Work sharing, work time reduction*
- Guaranteed jobs*
- Basic income*



Work sharing

While work-sharing so far has not been implemented for environmental reasons, it has been frequently used as a policy tool to maintain or increase employment in recessions. A review of the empirical literature on work-sharing suggests that work-sharing was successful in the Great Depression in the U.S. and in the Great Recession in Germany, while the results for the work-sharing reforms of the 1980s in several European countries are more mixed. However, there exists little empirical evidence for negative employment effects of any work-sharing reform, whereas several studies point in the opposite direction. We thus conclude that work-sharing promises to mitigate one of the most pressing issues of our times: How to achieve low unemployment in an environment of low growth.

http://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikatid=58684&mime_type=application/pdf



There are two major problems with these solutions (work sharing, reduced working time, basic income, guaranteed jobs):

- Financing the social security system which is completely based on formal employment.
- Breaking the culturally determined vicious circle of (artificially created) increasing needs, leading to more working time to earn more money to buy more stuff to satisfy the increasing needs.



All we want is a just transition to
a sustainable and fair economy

How unions are making just
transition happen?



A 'just transition' will include:

- wage safeguards and job security;
- training, skills development and redeployment with decent work alternatives;
- respect human rights and guarantee social protection measures; and
- investment in community renewal including the construction and services associated with renewable energy.



Belgian trade unions climate actions on all levels:

- On the shop level
- In their neighborhoods
- Towards our politicians
- On the street



Linking energy efficiency with collective bargaining agreement N° 104 (2012) on the implementation of an employment plan for older workers in the enterprise

Marc Alexander, ACV chief representative at Nyrstar.

“Together with all trade unions in the company we made a series of joint proposals. To get these proposals we mobilized our members on the shop floor to come up with ideas on how to save energy and materials. They know best how things work from day to day. We want to use these savings to avoid cuts for the workforce.”



Trade union supported Energy Team at Industrial Gears Watteeuw International

Support of Trade Union reps. made energy savings an issue on the work floor. This is important to have the cooperation of all the people in stead of a few convinced employees.

Process milestones:

- Brainstorming
- Measuring
- Many small projects make big savings
- Follow up and feed back

It's a never ending story!



Adapting professional competence profiles at the Fund for Professional Training in the Construction Industry

FVB-FFC is a bipartite training fund for the construction industry. They have adapted their competence profiles for construction workers taking into account the competences necessary to build energy efficient building.



Failed sustainability transition at Tessenderlo Chemie



- A top-down imposed management decision to implement a sustainability transition failed completely when the company entered in a heavy restructuring process.
- The CEO and author of the plans was sacked together with the plans.
- After weeks of strike there was an agreement with the unions. There were no forced dismissals.



Recommendations

1. Our objective is to find broad civil society support to end the disastrous hegemony of 'economic growth. This will only be possible if the transition to such a model takes place in a social just way, as indicated by the composing elements of our Just Transition concept.
2. Stop with GDP as central policy indicator. Policy development should be focused on and measured by the indicators it really intends to change (well being, job creation, protection of natural resources, etc.). In line with the initial "beyond gdp" philosophy EU policies should leave out references to GDP and focus on the real indicators.
3. More public investments, less private investments. Private investments are more subject of the production-consumption vicious circle. Public investments can better be geared towards addressing general public interests (public infrastructure, job creation, protecting natural resources).

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