

The Limits to Growth: Sustainability and the Circular Economy

Lecture 12: Beyond the Circular Economy

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Course Evaluation

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INTRODUCTION

Introduction

CE Recap

- Goals of the CE:
 - Maintain natural resources and minimize the discharge of substances that are harmful to health and nature
 - Ecological modernization of the economy to increase resource efficiency, e.g., by technical innovation and digital solutions
 - Products/services designed and constructed in such a way, that they can be returned to the economic and material flows at any time with little financial and energetic effort
 - Increase/maximize utilization of resources, e.g., Performance Economy

Introduction

CE Criticism

- Replace the LE with circularly oriented forms of consumption and production
- CE focus mostly on earned value management (“Wertschöpfungsmanagement”), product-service systems, product/business model innovations within existing power asymmetries
- Decouple economic growth and consumption of natural resources

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→ **But why do we need never ending economic growth and why is it good to consume as many goods and services as possible?**

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 - Decouple economic growth and consumption of natural resources
- **But why do we need never ending economic growth and why is it good to consume as many goods and services as possible?**
- Alternatives:
 - Sufficiency strategies and lifestyle changes
 - Question the prevailing entrepreneurial orientation towards the shareholder concept
 - Deconstruction of existing power and hegemonic relations



ECO-SUFFICIENCY

Eco-Sufficiency

Eco-Efficiency - Definition

Eco-Efficiency →

Eco-Sufficiency

Eco-Efficiency - Definition/Example

Eco-Efficiency → *Minimise the material input required to achieve a certain economic result, i.e. to improve the ratio between the use of resources and the production of goods.*

- Example:

Eco-Sufficiency

Eco-Efficiency - Definition/Example

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- Example: A car that consumes 3 liter per 100km is 2x more ecologically efficient than a car that consumes 6 liter.

Eco-Sufficiency

Eco-Consistency - Definition

Eco-Consistency →

Eco-Sufficiency

Eco-Consistency - Definition/Example

Eco-Consistency → Ecological consistency is based on the damage intensity and environmental impact of the resources used. Instead of reducing their quantity, their nature or the product design should be optimised so that no emissions or waste are produced, regardless of the level of consumption → i.e., Circular Economy

- Example:

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- Example: A battery electric vehicle (BEV) that runs on green energy (e.g., solar/wind/etc.)

Eco-Sufficiency

Efficiency + Consistency - Example

- Example:
 - First, minimize the fuel/energy consumption of a car
 - Second, operate the car with carbon-neutral fuel/energy



Eco-Sufficiency

Definition(s)

Eco-Sufficiency

Definition(s)

“Seeking enough when more is possible is both intuitive and rational - personally, organizationally and ecologically. And under global ecological constraint, it is ethical.” - Thomas Princen

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“A set of policy measures and daily practices that avoid the demand for energy, materials, land, water, and other natural resources while providing wellbeing for all within the planetary boundaries.” - IPCC

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Sufficiency → All you need is less

Eco-Sufficiency

Example – New Apartment

- Scenario:
 - Size: 120m²
 - Heat demand: 130 kWh pro m² and year

Eco-Sufficiency

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- Consistency: Minimize ecological damage by choosing the most sustainable way of heating
- Sufficiency: Live in a smaller apartment (or utilize less space per person)

Eco-Sufficiency

Example – New Apartment

- Problem(s):
 - Efficiency and consistency allow us to either:
 - a) continue living a nice life using less resources
 - b) Live even more comfortably using the same amount of resources

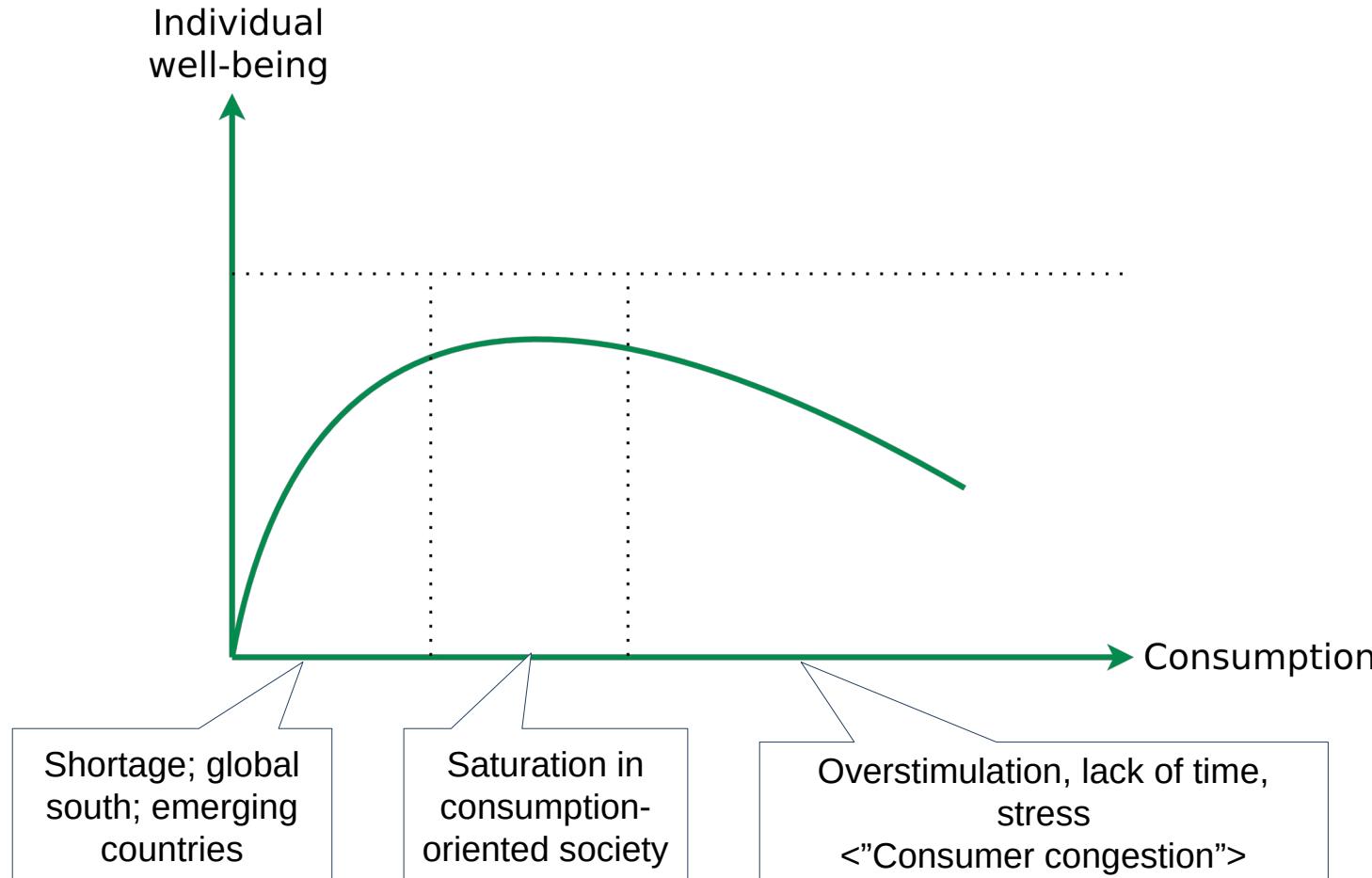
Eco-Sufficiency

Example – New Apartment

- Problem(s):
 - Efficiency and consistency allow us to either:
 - a) continue living a nice life using less resources
 - b) Live even more comfortably using the same amount of resources
 - They promise to maintain your individual freedom (of choices) by fixing ecological challenges/downsides using technological/political action
 - Also personal responsibility by buying yourself out of this mess → just buy high-prices eco-friendly products and everything will be fine. No need to consume less.

Eco-Sufficiency

Sufficiency vs. Overconsumption





DETOUR

Detour Sustainability

Sustainability → Consume less

- Consume less → Less money spend, i.e. lower living costs?

Detour

Sustainability

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- Lower living costs → Less work hours required cover costs, e.g., 20h work week?

Detour

Sustainability

Sustainability → Consume less

- Consume less → Less money spend, i.e. lower living costs?
- Lower living costs → Less work hours required to cover costs, e.g., 20h work week?
- Technological advances reducing workload even further?

Detour

15h Work Week

John Maynard Keynes predicted a 15h work week in his 1930 essay “*Economic Possibilities for our Grandchildren*”

Detour

Why am I working 40+h a week?

- Lively debates pertaining to Keynes prediction – especially among economists.
- Main problem: Keynes did not account for the massive increase in consumerism → Majority of people chooses more toys and pleasure over less work hours

Detour

Why am I working 40+h a week?

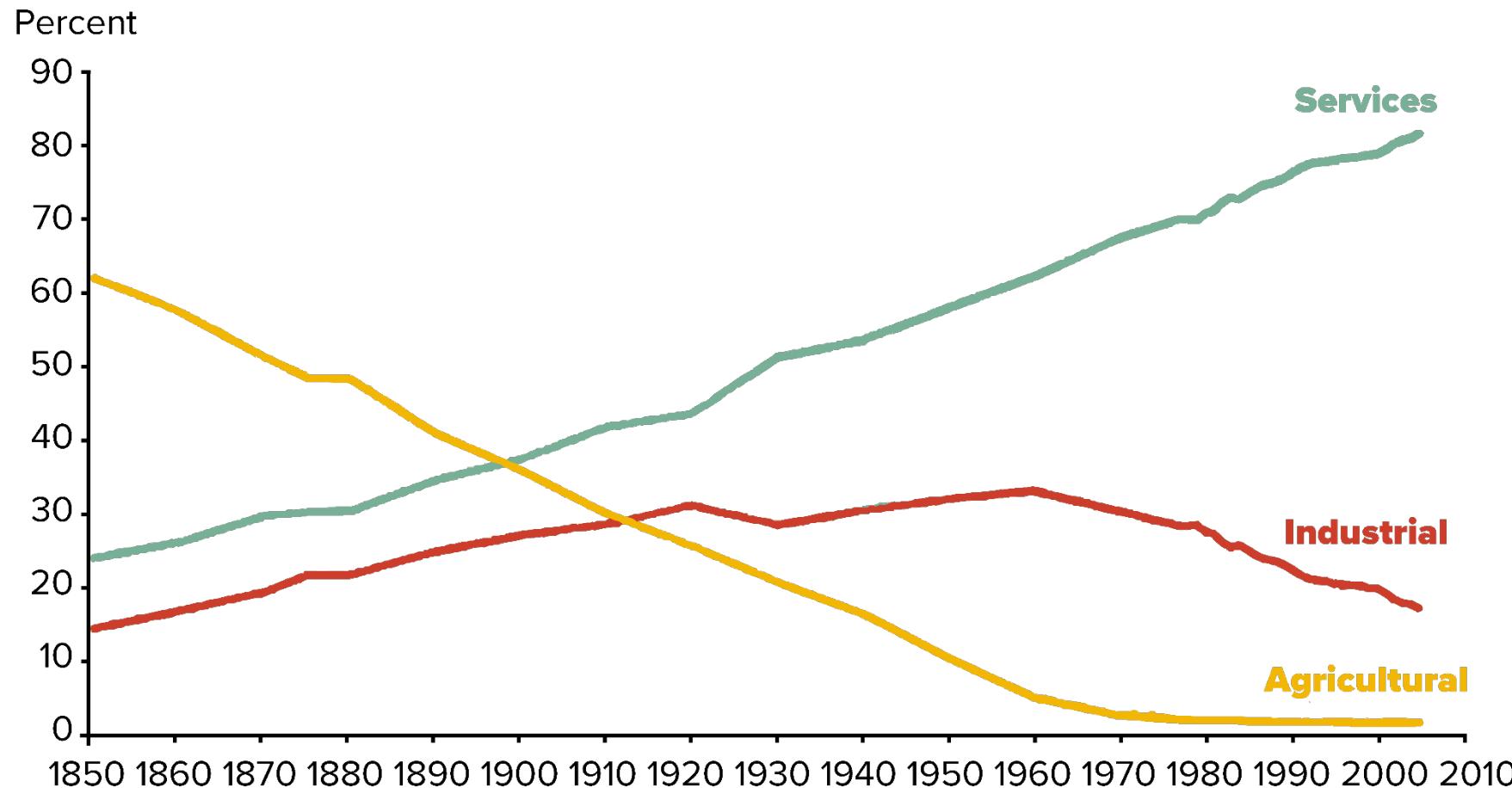
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↔

Contradicts our sustainability paradigm (consume less).

Detour

Shift in Labor Force 1850 - 2010



Detour

Bullshit Job - Essay and Book by David Graeber

- Essay: *On the Phenomenon of Bullshit Jobs: A Work Rant* (2013) - [Link](#)
- Book: *Bullshit Jobs: A Theory* (2018)

Detour

Bullshit Job - Definition

„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.“

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→ Inefficiencies in capitalism?



Detour

Bullshit Jobs - Categories

D. Graeber (2013) – On the Phenomenon of Bullshit Jobs – Essay – [Link](#)

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Detour

Bullshit Jobs - Categories

- Flunkies: Serve to make their superiors feel important, e.g., receptionists, administrative assistants, door attendants, store greeters, makers of websites whose sites neglect ease of use and speed for looks

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- Taskmasters: Create extra work for those who do not need it, e.g., middle management, leadership professionals

Detour

Bullshitization

Transition of a meaningful job into a bullshit job through corporatization, marketization or managerialism.

Detour

Changes in full-time staff size and student enrollment (1976-2011 and 1976-2018)

	1976	2011	% change 1976–2011	2018	% change 1976–2018
Faculty	434,000	762,114	+76%	832,119	+92%
Executive/Administrative	97,003	231,602	+139%	255,881	+164%
Other Professionals	150,319	699,867	+366%	830,189	+452%
Nonprofessional Staff	630,511	742,445	+18%	631,675	+0.19%
Student Enrollment	11,012,137	21,010,590	+91%	19,645,918	+78%



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Bullshit Jobs - Why?

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(Oxford Dictionary)

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 - Fulfilling those desires → Reward for suffering through pointless work

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 - Fulfilling those desires → Reward for suffering through pointless work
 - Bullshit jobs also serve political ends, in which political parties are more concerned about having jobs than whether the jobs are fulfilling.
 - Also → Populations occupied with busy work have less time to revolt

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Detour

Bullshit Jobs - Now What?

- **Graeber's solution → Universal Basic Income (UBI) → Livable benefit paid to all, thus letting people work at their leisure**

UNIVERSAL BASIC INCOME

Universal Basic Income

Overview

- Short → UBI
- Synonym(s):
 - Basic Income Guarantee (BIG)
 - Unconditional Basic Income

Universal Basic Income

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- Currently not implemented by any country
- Several small-scale pilots and a few large-scale experiments have been conducted or are still being conducted

Universal Basic Income

Overview

- Everyone receives a minimum income in the form of an unconditional transfer payment → no strings attached | no extra conditions (e.g., work, etc.)
- Different forms, e.g.:
 - Guaranteed minimum income → Paid to those who do not make enough money to live
 - Universal basic income → Independent of any other income
 - Full basic income → Sufficient to meet a person's basic needs (above poverty level)
 - Partial basic income → Below poverty level

This is just a very short teaser on UBI → You can do a complete lecture series just on UBI.

Universal Basic Income Overview

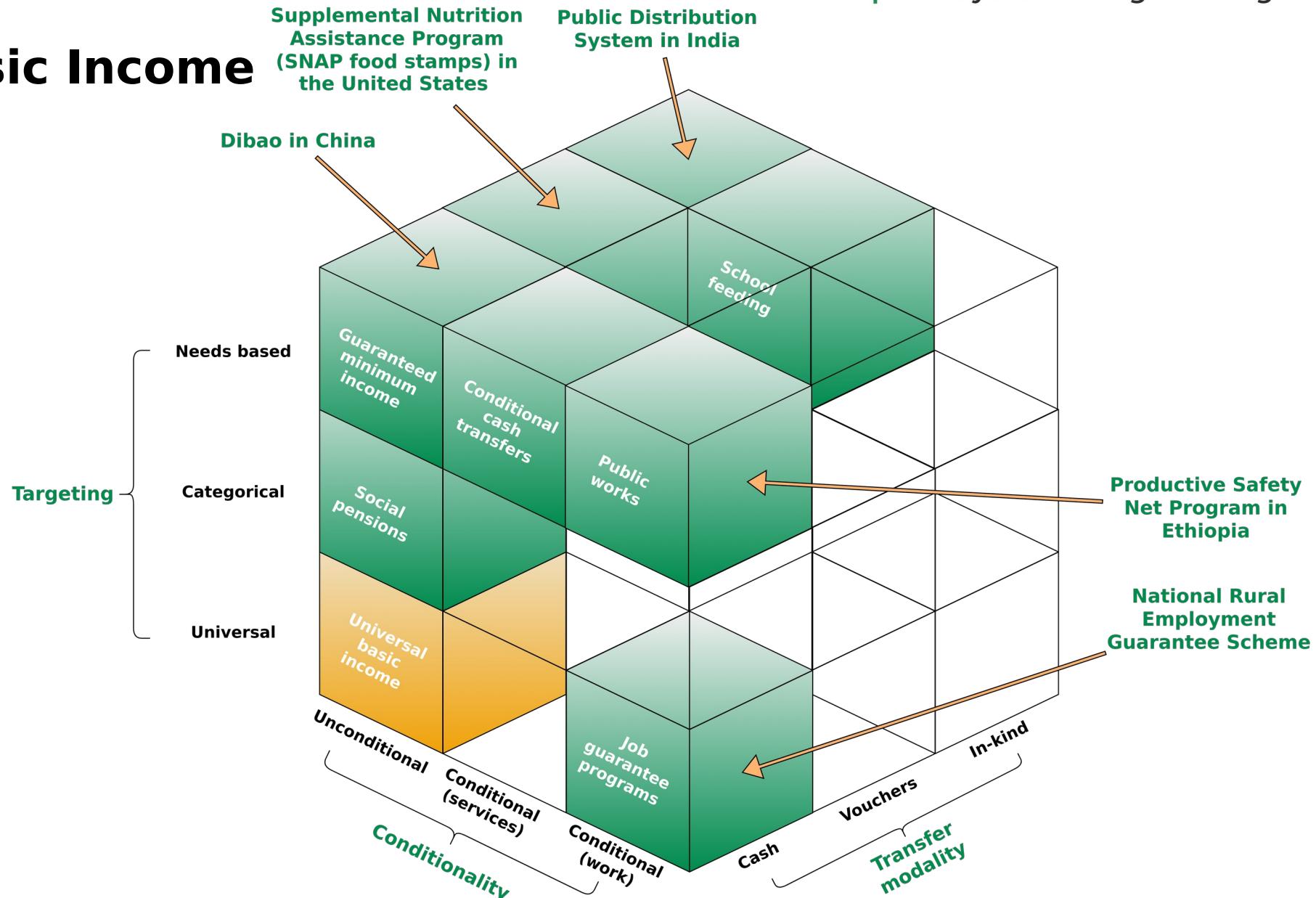


Figure adapted from Gentilini, Ugo, Margaret Grosh, Jamele Rigolini, and Ruslan Yemtsov, eds. Exploring universal basic income: A guide to navigating concepts, evidence, and practices. World Bank Publications, 2019.

Universal Basic Income

Definition(s)

“A transfer that is provided universally, unconditionally, and in cash” – World Bank

“A Basic Income is a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement.” - Basic Income Earth Network

- 1.) The World Bank (2020) – Exploring Universal Basic Income : A Guide to Navigating Concepts, Evidence, and Practices - [Link](#)
- 2.) BIEN (Basic Income Earth Network) – <https://basicincome.org/about-basic-income>

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- Unconditional → Paid without means test and without a requirement to work or to demonstrate willingness-to-work

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Universal Basic Income Detour - AI Propaganda

FORBES > LEADERSHIP > LEADERSHIP STRATEGY

Universal Basic Income: A Thoroughly Wrongheaded Idea

Milton Ezrati Senior Contributor *I write on finance and economics.*[Follow](#)

Jan 15, 2019, 11:34am EST

 This article is more than 5 years old.**TWEET THIS** Though in some contexts the idea has a surface appeal, it is otherwise wrongheaded. Though in some contexts the idea has a surface appeal, it is otherwise wrongheaded.<https://www.forbes.com/sites/miltonezrati/2019/01/15/universal-basic-income-a-thoroughly-wrongheaded-idea/>

Universal Basic Income

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FORBES > LEADERSHIP > LEADERSHIP STRATEGY

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Universal Basic Income

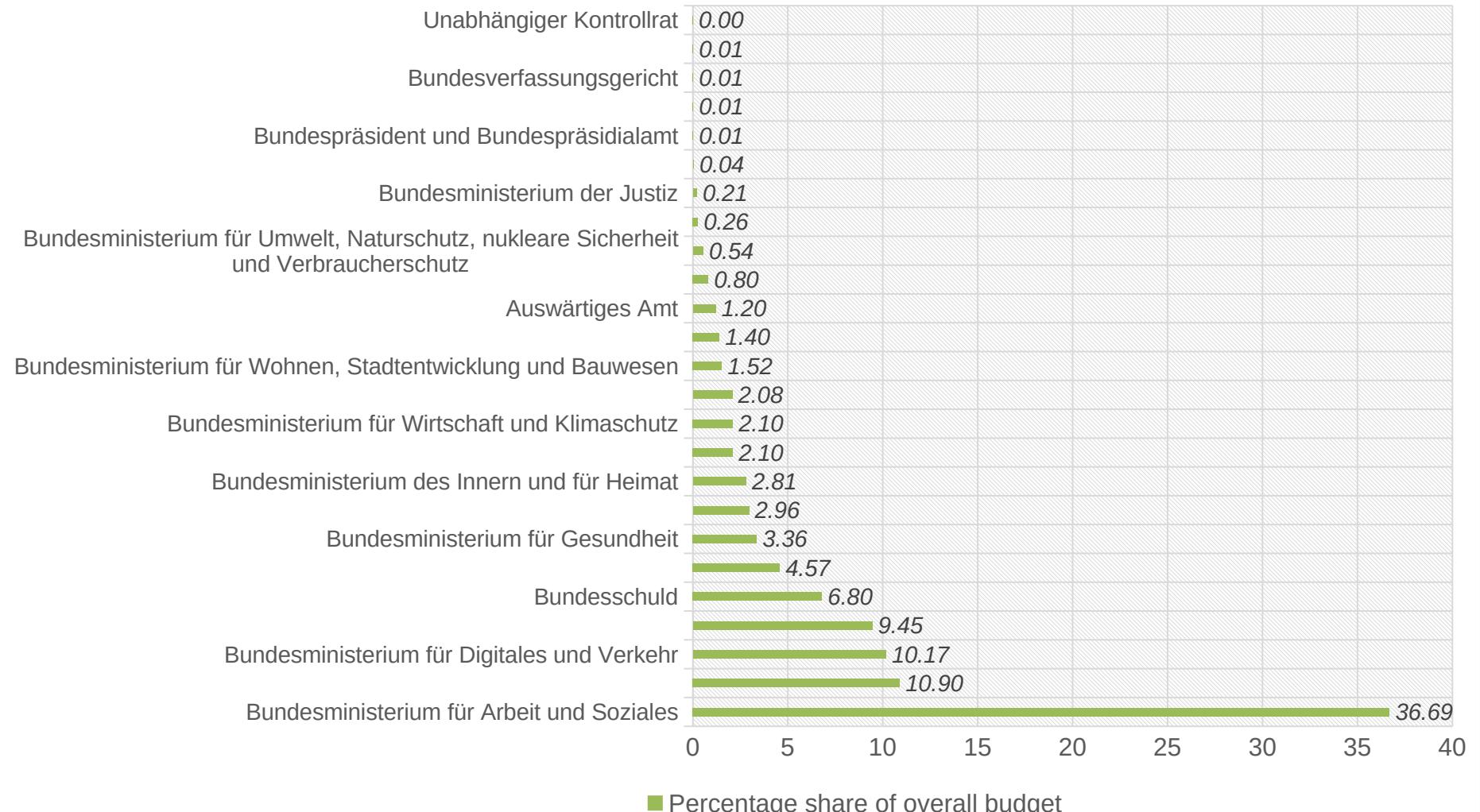
Funding (Germany)

- German population: 84 million
- UBI per person → 1.200€
- Cost for a German UBI ~ 1 trillion Euro

Universal Basic Income

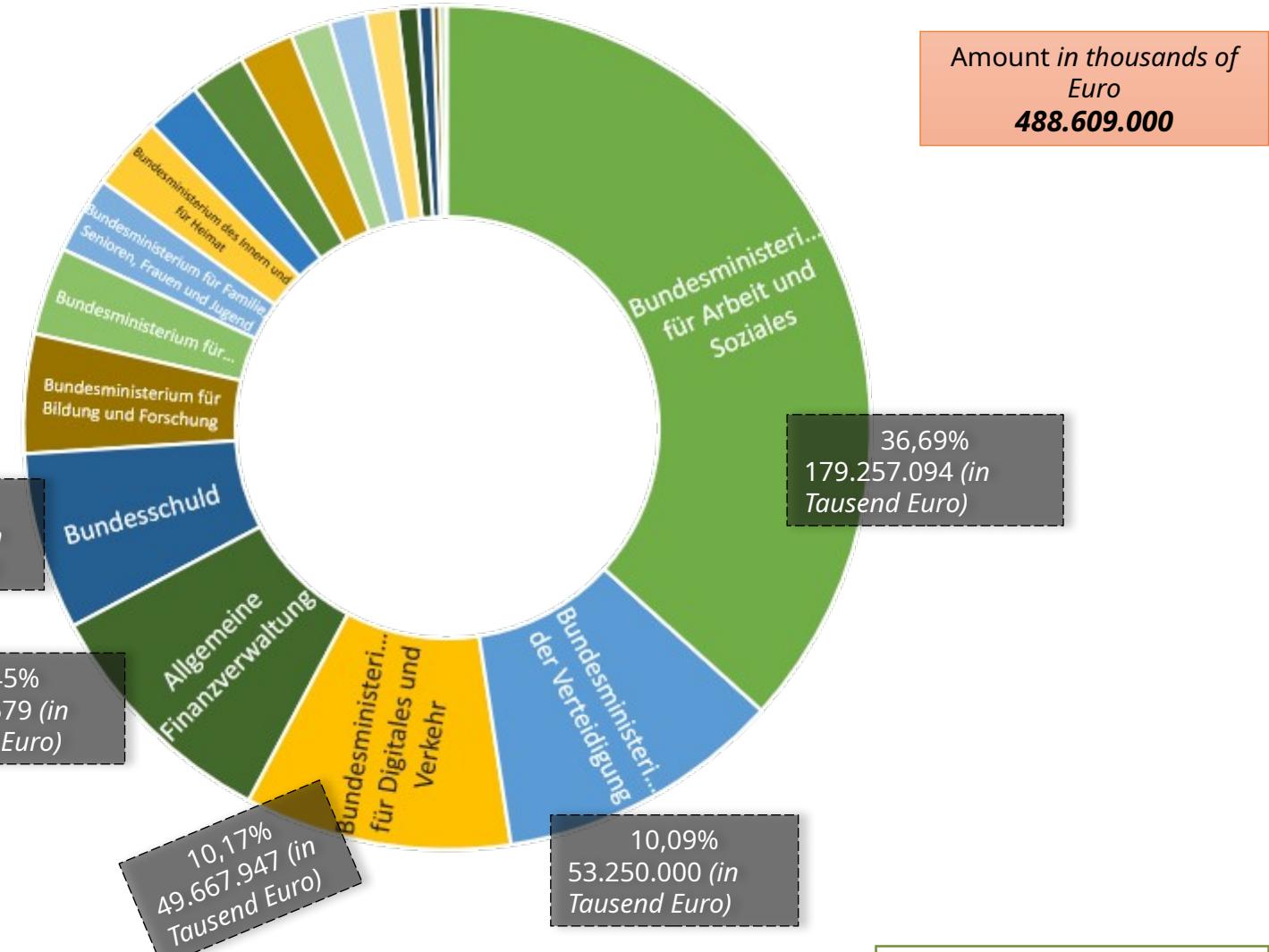
Funding (Germany)

Distribution of Federal Expenditures by Sector



Universal Basic Income Funding (Germany)

Distribution of Federal Expenditures by Sector



Adapted from <https://www.bundesaushalt.de/DE/Bundesaushalt-digital/bundesaushalt-digital.html>

Bundesministerium der Finanzen 2025

Universal Basic Income

Funding (Germany) - Financial Transaction Tax

- Financial transaction tax
 - Tax financial transactions (stock exchange, etc. - not everyday transactions, e.g., supermarket)
 - Prevent financial market speculation from being more profitable than investments in the real economy.

Universal Basic Income

Funding (Germany) - Financial Transaction Tax

- Financial transaction tax
 - Tax financial transactions (stock exchange, etc. - not everyday transactions, e.g., supermarket)
 - Prevent financial market speculation from being more profitable than investments in the real economy.
 - Less gambling in the finance sector
 - Only professional finance gamblers loose money, nobody else

Universal Basic Income

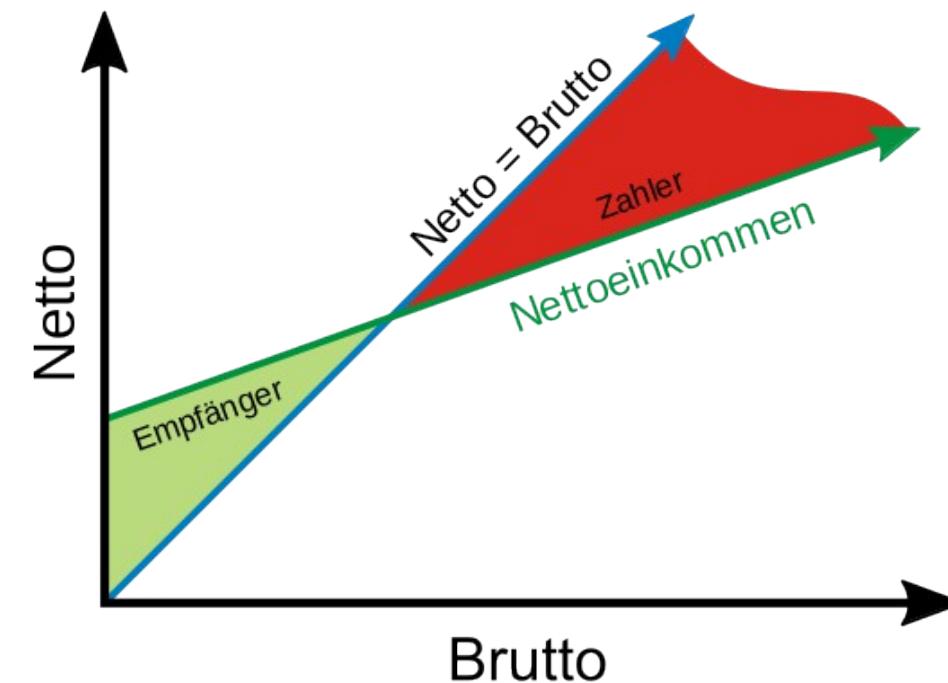
Funding (Germany) - Various Other Tax Approaches

- Negative income tax
 - → Individuals earning below a certain threshold receive supplemental pay from the government instead of paying taxes

Universal Basic Income

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Universal Basic Income

Funding (Germany) - Various Other Tax Approaches

- Negative income tax
 - → Individuals earning below a certain threshold receive supplemental pay from the government instead of paying taxes
- Taxation of consumption
 - → Financed by a value-added tax (VAT), which replaces all other taxes and social security contributions levied to date.
- Taxation of natural resources
- Etc.

Universal Basic Income

UBI Raffle - Get a UBI for Free



Die nächste Verlosung: 14. Februar 2024

Jetzt kostenlos anmelden und ein Utopisches oder Realistisches Grundeinkommen gewinnen.

[Ich möchte gewinnen](#)

Wir sind gemeinnützig und crowdfunding-finanziert

Was macht Mein Grundeinkommen?

Wir wollen wissen, was Grundeinkommen mit Menschen macht. Darum probieren wir es einfach aus. Wir sammeln per Crowdfunding Geld und verlosen es als Grundeinkommen. Ohne Bedingungen. Für alle.

Wo kommen die Grundeinkommen her?

Die Teilnahme an der Verlosung ist kostenlos. Dass unser Grundeinkommenstropf regelmäßig so gut gefüllt ist und wir unsere Vereinsarbeit machen können, haben wir vor allem unseren zahlreichen [Crowdhörnchen](#) zu verdanken. Sie unterstützen uns monatlich. Wofür wir das Geld verwenden, kannst du [hier nachlesen](#).

349.871

Menschen haben bisher 1.671
Grundeinkommen finanziert

CONCLUSION

Conclusion

- Everyone receives a minimum income in the form of an unconditional transfer payment → no strings attached | no extra conditions (e.g., work, etc.)
 - Different forms, e.g.: Guaranteed minimum income vs. Universal basic income (full | partial)
- UBI funding is challenging, various approaches have been discussed
- Currently not implemented by any country
- Several small-scale pilots and a few large-scale experiments have been conducted or are still being conducted

Additional Resources

- Manfred Follers, Niko Paech (2020) - All you need is less
- Christian Felber (2010) - Die Gemeinwohl-Ökonomie – Das Wirtschaftsmodell der Zukunft
- Christian Felber, Gus Hagelberg (2017) – The Economy for the Common Good: A Workable, Transformative Ethics-Based Alternative – [Link](#)
- Rutger Bregman (2017) – Utopia for Realists: And How We Can Get There
- Mein Grund Einkommen (Berlin based non-profit organization) – [Link](#)
- David Graeber. *Debt: The First 5000 Years* (2011).
- David Graeber. On the Phenomenon of Bullshit Jobs – Essay (2013) – [Link](#).
- David Graeber. *Bullshit Jobs* – Book (2018).

Questions?