

Neoclassical, postkeynesian and neomarxian perspectives on degrowth

Special session: Macroeconomics of Degrowth I

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neoclassical theories – I (traditional)

- model of the economy (textbooks, Blanchard, Walras):
 - firms produce according to production function
 - households consume according to preferences
 - savings determined by savings rate
 - savings determine investments
 - relation of input factors determined by exogenously given technology
- consequences for post-growth economy
 - increase preference for freetime (awareness)
 - decrease savings rate (makes no sense)
 - influence technology (unclear)



neoclassical theories – II (endogenous)

- new elements
 - growth not solely explained by more inputs and technology but human capital
 - role of research, innovation important
- model of the economy (Aghion, Acemoglu, etc.):
 - firms invest and innovate in order to increase profits
 - investments depend on profit-opportunities, determined by research, property-rights etc.
 - relation of input factors determined by prices and availability of inputs (directed technological change theories)
- consequences for post-growth economy
 - change prices of input factors (political level)
 - change availability of input factors (political level)
 - promote research in desirable technologies (political level)



postkeynesian theories

- model of economy (Keynes, Davidson, Binswanger):
 - firms produce and invest according to profit expectations
 - households consume based on distribution
 - growth driven by investments, which depend on demand
 - demand determined by (1) government expenditures, (2) household consumption rate, (3) demand for capital goods
- consequences for post-growth economy
 - government expenditure into desirable production (political level)
 - household consumption less and different goods (awareness, commercials)
 - change company structures (company and political levels)



neomarxian

- model of the economy (Marx, Sweezy, Foster):
 - competition between firms lead to compulsion to invent and implement cost-efficient technologies
 - spare capital seeks new investment opportunities → new products and their marketing
 - exploitation and concentration of wealth and power
- consequences for post-growth economy
 - replace the market (and therefore competition by need-oriented forms of production
 - collectivize production (collective firms, commons)
 - redistribute income and wealth



synthesized results

- supply side
 - change input prices by taxes, subsidies etc.
 - research in sustainable and convivial production
 - infrastructural measures
 - collective instead of private forms of decisions-making and ownership
- demand side
 - redistribute
 - decrease working hours
 - change consumption patterns (less, different)
 - regulate commercials
- left out: questions of power, lobby, etc.



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thank you for your attention

**questions?
discussion!**

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