

Today's talk

- The lens of Feminist Political Economy
- The paradigm of economic growth in the context of the current “poly-crisis”:
 - Fordist-Keynesian legacies
 - Tensions & contradictions of economic growth
 - Challenges to and for the growth paradigm
 - Welfare regimes and growth
- Background problems: Economic polarisation
- The care fix in the growth paradigm
- Addressing postgrowth challenges: A research agenda



Feminist Political Economy

Political economy: Power relations congealed in economic relations, along with corresponding political institutions.

Feminist:

- Emancipatory/liberatory critique and transformation of these power relations, and the political and economic structures in which they are embedded.
- Critique of the ways in which existing power relations are rendered natural and desirable

Relationship(s) between productive & reproductive labour:


- Focus on the gendered (and intersectional) forms of exploitation and the relevance of unpaid or underpaid caring and reproductive labour for capitalist economies.
- Analysis of the co-constitutive relationship of production and reproduction, that is the relationship between workplaces, households and communities in the global economy.

Post-war legacy of Fordism-Keynesianism

The rising tide lifts all the boats...

Economic growth (increase in the production of economic goods and services, measured in GDP):

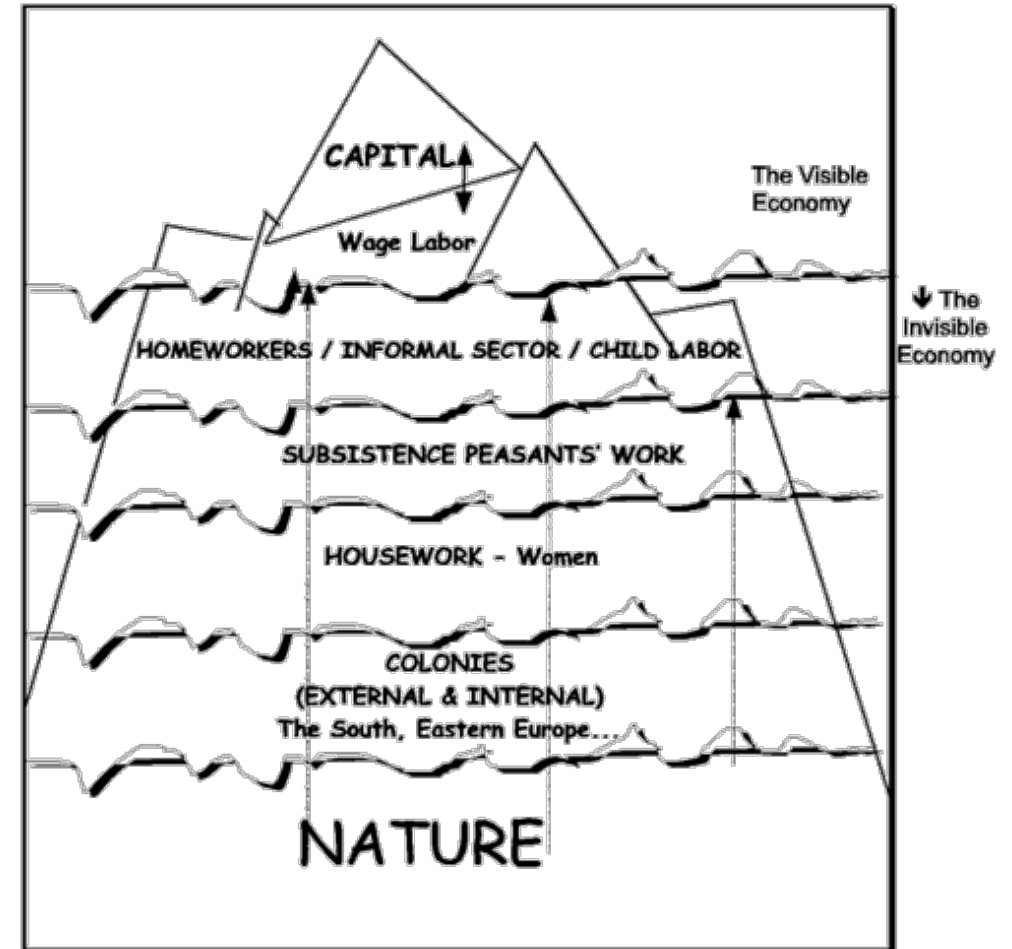
1. Rising wages as dividend of GDP and result of growth in labour productivity
2. More state spending on welfare and public services through taxation
3. Job creation and improvement of living standards through rising consumption of goods and services

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- Economic growth is better for everyone due to reduction of social conflict through distribution of social surplus.
 - Temporal displacement of distributive issues



Economic Growth: Tensions & Contradictions(I)

- 1. Appropriation & Depletion:** With the expansion of female labour market participation & concomitant wage stagnation, the resource of unpaid and underpaid gendered and racialised reproductive labour is depleted, leading to a care crisis (Rai and et al. 2011; Fraser, 2016; 2022; Dowling, 2021)
- 2. Unequal Exchange:** Post-colonial global economy facilitates the exploitation of land, labour and resources in the Global South and limits the pursuit of sustainable livelihoods by those affected; “imperial model of living (and producing)” (Brand & Wissen, 2021; cf. Bhabra, 2018; Hickel et al., 2022)
- 3. Ecological Depletion:** Ever-increasing material throughput has enabled rises in productivity; planetary limits of productivism are clearly evidenced in the urgencies of climate change and the transgression of planetary boundaries (Moore, 2015; Schmelzer, 2016; cf. Rockström et al., 2023); one effect is a rising cost of energy.



Source: Maria Mies, 2007: 271

Economic Growth: Tensions & Contradictions (II)

1. Limits to Labour Productivity:

- Dividends of economic growth have depended on rising labour productivity in industrial production, which is slowing down across OECD countries (Jackson, 2019)
- Shift to service economies raises relative costs of labour (Baumol, 1965; 2012).

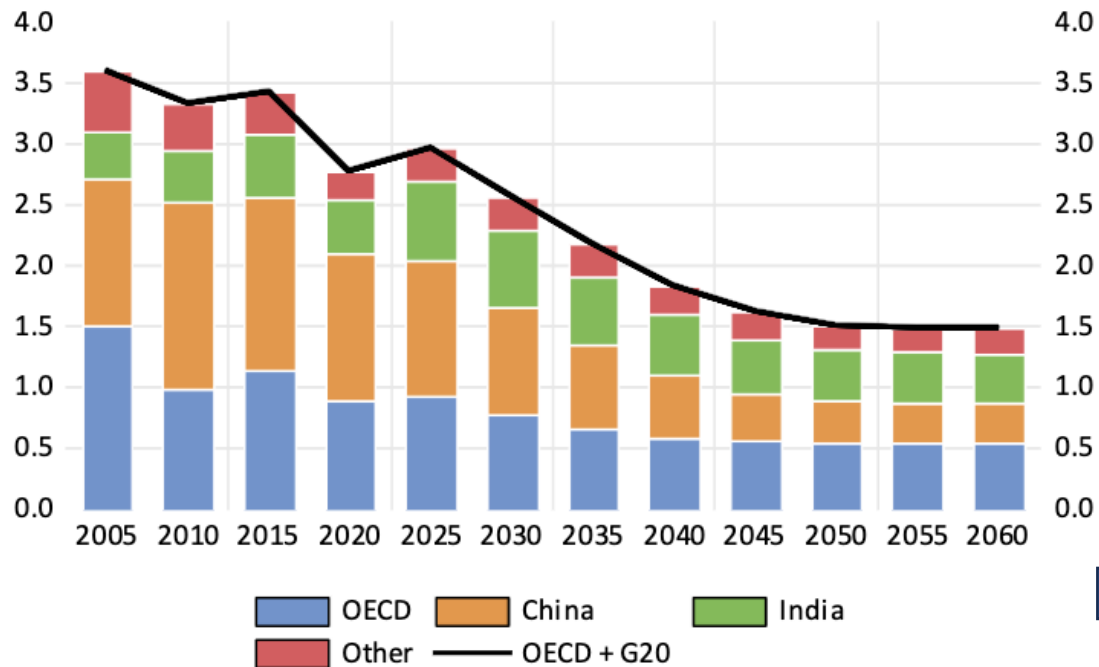
2. Undermining of the (Re)Productive Deal:

- Globalisation and financialisation have weakened the interest of national capital fractions in the reproduction of a particular labour force (Bryan and Rafferty, 2018; Himmelweit, 2020)
- Rising inequality not just between but within national economies (Piketty, 2013; Chancel et al, 2021)
- Financialisation stimulates speculative investment and financial wealth extraction
- Neoliberal reforms: double privatisation; austerity; regressive taxation (analysis of care & welfare in UK: Dowling, 2021).



Challenges *to and for* the Growth Paradigm

C. OECD + G20 trend real GDP growth decomposition by area, % pts



Source: OECD, 2021: 11

Economic limits:

Secular stagnation - Global economy beset by growth problems at least since 2008; capital seeking profitable investment opportunity, low productivity rates across advanced and emerging economies (Summers, 2014; Jackson, 2019; Corlet Walker et al. 2021); tendency for accumulation by dispossession, predatory finance etc.

Ecological limits:

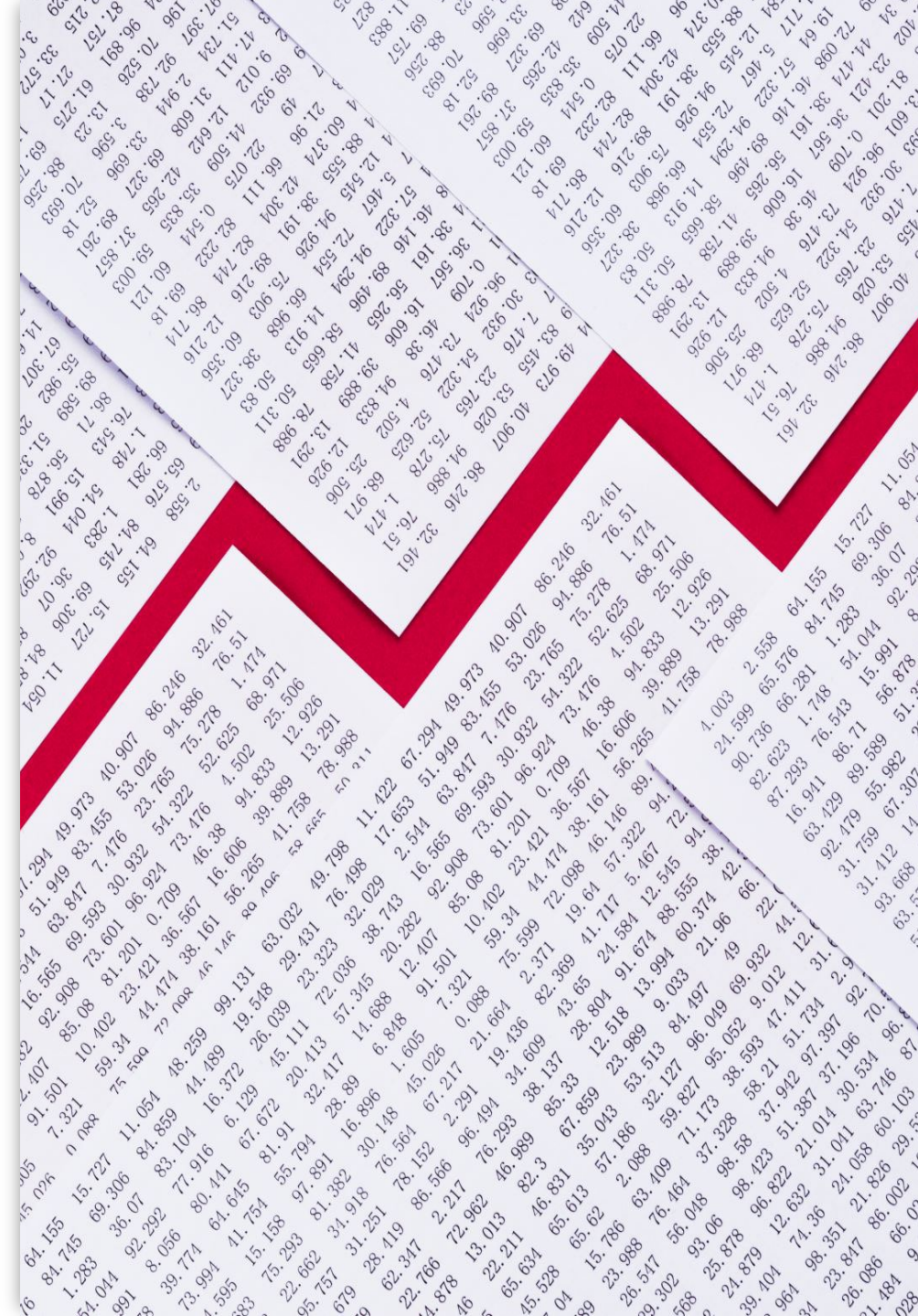
Planetary boundaries and the need to reduce material throughput (Schmelzer et al., 2022); dispute over the possibilities for decoupling of GDP, resource use and emissions (Haberl et al., 2020)

Locked in?

- Economic growth is conducive to – and indeed necessary for – economic stability premised on capital accumulation and financial returns on investment
- All the while: Between 2011 & 2017 average wages rose by 3% while dividends to wealthy shareholders rose by 31% in advanced economies (Coffey, 2020)
- Dividends without growth: Redistribution to the top?

Welfare Regimes: Locked In to Growth Imperatives?

- **Sources of welfare and public services funding:** Dependence on taxation of GDP (e.g. national insurance/social security contributions; income tax, corporation tax) (Koch und Buch-Hansen, 2021; Koch, 2022)
- **Instability & volatility:** Economic downturns reduce available funding while making welfare and welfare-related spending more necessary (e.g. unemployment, support for low-income households) (Büchs, 2021)
- **Demographic changes:** Ageing populations (rising need for care & rising cost of pensions)
- **Rising relative costs of services:** This includes welfare, health and social services (Baumol, 1965; 2012; Jackson, 2019; OECD, 2021)
- **Marketisation as growth incentive:** Entry of profit motive in welfare and public services incentivises growth imperative (Corlet Walker et al., 2021)
- **Background problem:** Polarisation of the economy between profitable and costly sectors of welfare, health and social care



Post-Industrial Economies: Cost Disease 1.0

- William Baumol's observation (1965; 2012):
 - In contrast to industrial production, limited scope for efficiency and productivity gains in labour- and time-intensive services that include forms of caring and relational labour.
 - 'Progressive' sectors can achieve productivity gains: more output is possible in the same amount of time; therefore, consumer goods can be sold more cheaply and/or wages and profits increase.
 - 'Stagnant' sectors are mired by relative cost increases because comparable efficiency and productivity gains are not possible, yet wages have to rise in line with other sectors if labour supply is to be maintained.



Rent-seeking in the Financialised Economy: Cost Disease 2.0

- Companies currently dominating the market, including those in the health and care system, rely on rent extraction (dividends, rents, income from service delivery)
 - Monopolies on intellectual property, e.g. patented drugs and vaccines (Mazzucato, 2019; Mazzucato and Roy, 2019)
 - Financialisation, e.g., shareholder value orientation in investing in care homes and other facilities (Froud et al., 2000; Lazonick et al., 2019; Kotecha, 2019; Horton, 2022)
 - Profit-seeking shifts from the production of goods to the trading of assets, e.g. real estate (Aalbers, 2019; Adkins, Cooper, Konings, 2020)
 - Returns on investment sought in technological innovation, e.g. diagnostics and robotics in health and social care (e.g. AI in health and social care)
- The pursuit of rents in the health and care sector drive up costs (because returns need to be generated), while profits often come at the expense of (1) employment and working conditions, (2) the quality of provision (e.g. care).



The Interlinked Dynamics of Cost Disease 1.0 and 2.0

- Baumol's cost disease is not only confronted with the profit logic of industrial capitalism, but also the profit/rent logic of financialised capitalism.
- Activities of caring become more and more expensive compared to everything else and the capital-intensive activities are more and more concentrated in the (rather careless!) area of the rent-seeking sectors (e.g. pharmaceuticals & technology; real estate)



The Care-Fix within the Growth Paradigm

Crisis management through:

1. Displacement and externalisation:

- Logics of cost savings and 'cost efficiency' lead to restructuring in employment relationships, work and organisational processes, accompanied by devaluation of caring labour
- Caring labour is shifted to invisible and unpaid private areas (e.g., restriction of admission capacities in hospitals and shift to outpatient services → acute shortage of beds and staff)

2. Individualisation, moralisation and exploitation:

- Reliance on gendered tropes with regard to caring responsibilities
- Reliance on a sense of responsibility and compassion of workers, family and friends
- Exploitation of low bargaining power along with structural discrimination in the labour market.

3. Temporary solutions are offered as permanent solutions, but in the longer-term they prove to be short-sighted.

Addressing Postgrowth Challenges: A Research Agenda

- **Hitherto solutions:** Activation for the labour market (raise pension age, enable more female labour market participation...); redistribution of economic gains (“Bidenomics”); problem: “growth dependency” (cf. Corlet Walker et al., 2021)
- **Supply-side solutions:** Tax reforms to make welfare spending less dependent on economic fluctuations (Koch, 2022); could go hand in hand with other ecological tax reforms (cf. Chancel et al., 2023)
- **Demand-side solutions:** Prevention of welfare needs (Koch, 2022); develop non-profit models for welfare and public services.



Research agenda:

- Specific growth dependencies of:
 - Different welfare regimes
 - Institutionalised configurations of the social partnership
 - Configurations of unpaid & underpaid care and reproductive labour (family/household)
- Requirements of ecological sustainability
- What do we need more of, what less of (also: debates about working time reduction)

Thank you for your attention!

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