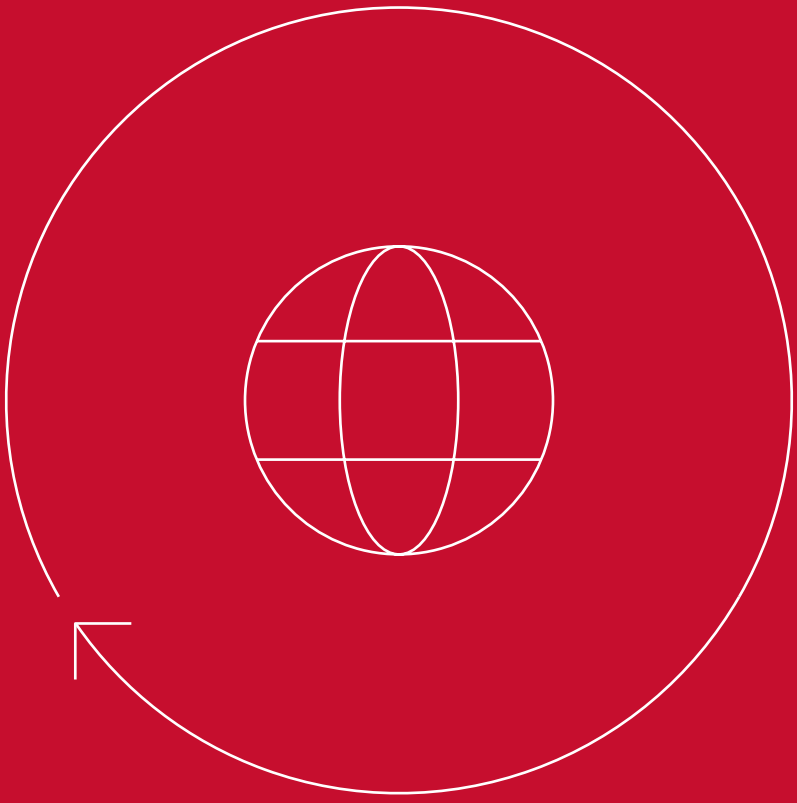
EMBRACING POST-GROWTH:

Sustainable Paths Beyond Conventional Economic Approaches

Edited by Oriol Amat and Marcos Eguiguren



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Triodos Bank

First edition: 2026
Barcelona, Spain

Published by UPF Barcelona School of Management
In collaboration with Triodos Bank

ISBN 978-84-122286-4-9

Editorial design: soyuz.design

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PRESENTATION

The economic, social, and environmental challenges of the twenty-first century have placed humanity at a decisive crossroads. Climate change, biodiversity loss, resource depletion, and rising social inequalities are no longer abstract risks but concrete realities that question the viability of an economic model grounded in continuous and unlimited growth. While this model has delivered undeniable advances in material prosperity and technological progress, it has also generated systemic pressures that increasingly exceed planetary boundaries and undermine social cohesion.

In this context, *Embracing Post-Growth: Sustainable Paths Beyond Conventional Economic Approaches* brings together a diverse group of scholars to reflect on one of the most pressing questions of our time: how can economies continue to generate well-being and social progress without relying on perpetual economic growth as their central objective? The book responds to this question by exploring post-growth as a conceptual, institutional, and practical framework capable of reconciling human prosperity with ecological limits.

This volume has been developed within the framework of the International Chair on Sustainable Finance at UPF Barcelona School of Management, an academic initiative devoted to advancing research, education, and public debate on the role of finance in fostering sustainable and inclusive economic systems. The Chair provides an intellectual space for critically examining dominant financial and economic paradigms and for exploring alternative approaches aligned with long-term societal and environmental objectives.

The International Chair on Sustainable Finance is sponsored by Triodos Bank, whose longstanding commitment to ethical banking,

sustainability, and social impact has made it a reference point in the field of responsible finance. The support of Triodos has been instrumental in enabling the Chair's activities and in fostering rigorous and independent academic reflection on how finance can contribute to a more sustainable economic model.

The objective of this book is neither to offer a single prescriptive model nor to promote simplistic solutions. Instead, it seeks to provide a plural, rigorous, and interdisciplinary exploration of post-growth thinking, positioning it in relation to other dominant and emerging approaches such as unlimited growth, green growth, and degrowth. Through contributions that span economic theory, sustainability science, governance, finance, business, markets, and consumption, the book aims to clarify what post-growth means, why it matters, and how it can be operationalized across different domains of economic life.

A key ambition of this volume is to move the post-growth debate beyond abstract critique and toward constructive engagement with real-world challenges. Rather than treating post-growth as a purely theoretical or ideological position, the chapters illustrate how its principles can inform concrete transformations in public policy, financial systems, business models, and institutional design. In doing so, the book demonstrates that post-growth is not synonymous with economic decline or social regression, but can instead be understood as a pathway toward resilient, inclusive, and sustainable forms of prosperity.

The editors would like to express their sincere gratitude to all the authors who have contributed to this volume. Their diverse perspectives, intellectual rigor, and willingness to engage in interdisciplinary dialogue have been essential in shaping the richness and coherence of the book. Special thanks are also due to the Academic Council of the International Chair on Sustainable Finance, whose guidance,

insights, and ongoing support have played a crucial role in the development of this project.

Embracing Post-Growth is addressed to academics, policymakers, practitioners, and all readers interested in rethinking the foundations of economic progress in an era of planetary limits. By integrating diverse perspectives and grounding normative concerns in analytical and empirical work, the book seeks to contribute to a more mature and constructive conversation about the future of our economies, one in which well-being, sustainability, and resilience take precedence over the narrow pursuit of growth.

01

THE NEED TO CHANGE THE CURRENT ECONOMIC MODEL: DIFFERENT APPROACHES

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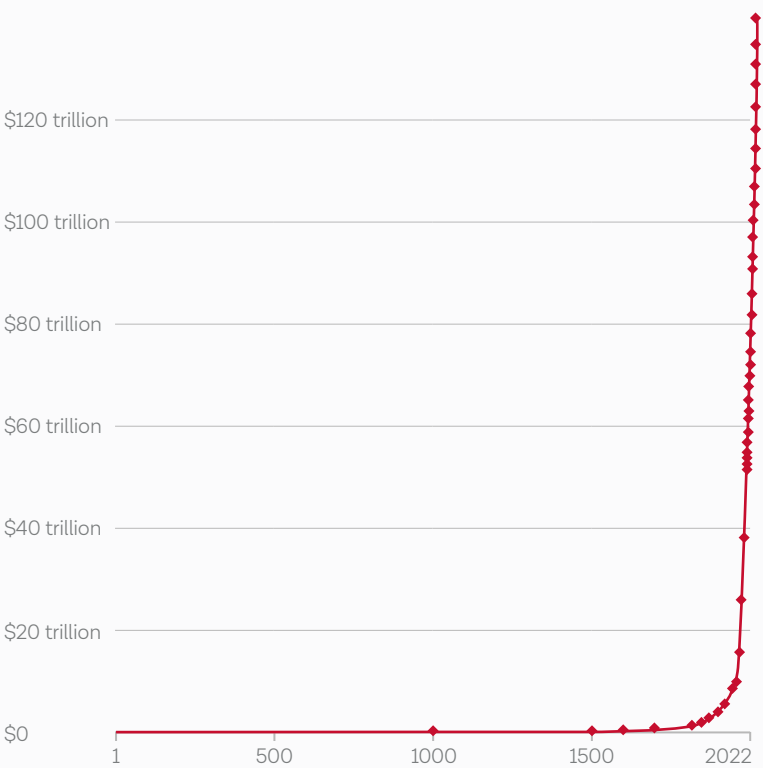
ABSTRACT

This chapter addresses the need to change the economic model as a necessary alternative to the challenges posed by the paradigm of unlimited growth and its supposed consequences, such as climate change, biodiversity loss and increasing social inequalities. The relevance of the topic lies in the unsustainability of the current economic model and the urgency of finding ways to prosper while respecting planetary limits. The objectives of these pages are to raise awareness of the need to change the economic model and to justify the convenience of post-growth, differentiating it from other approaches such as degrowth and unlimited growth. It is a proposal that seeks to balance economic progress with human welfare and environmental sustainability.

01/ INTRODUCTION

Since the First Industrial Revolution at the end of the 18th century, global economic growth has been exponential. As can be seen in FIGURE 1.1. global GDP (Gross Domestic Product) remained relatively stagnant until the beginning of the First Industrial Revolution. This moment marks a drastic change and the beginning of exponential growth driven by technological innovations and industrialization.



Source: World Bank (2023)

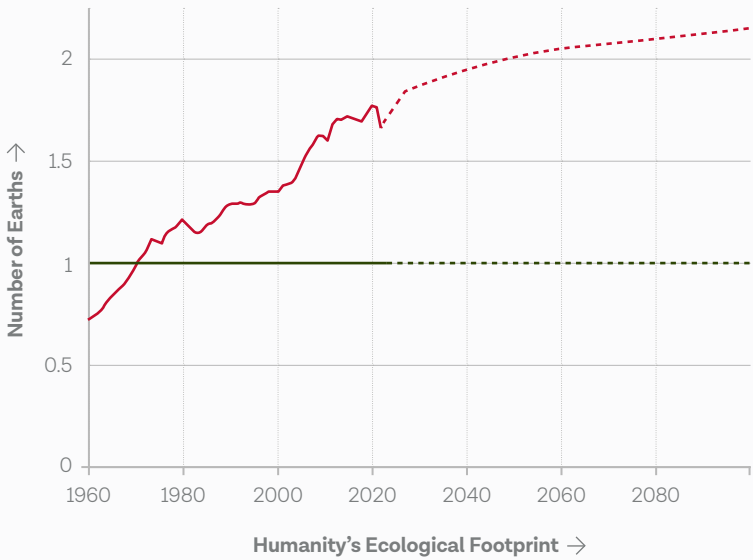
Figure 1.1. World GDP from year 1 to 2022

This growth, driven by a steady increase in production and consumption, has led to important advances in many areas, such as the reduction of extreme poverty, increased life expectancy and improved living conditions for a significant part of the population. However, this exponential growth has generated severe collateral effects that affect humanity and the planet itself.

The Club of Rome's report "The Limits of Growth" (Meadows et al, 1972) is a serious warning regarding the consequences of the growth model. This report, based on sophisticated mathematical models, concluded that natural resource consumption and production trends were unsustainable. According to its conclusions, if these dynamics are not modified, humanity will suffer severe ecological and economic crises during the 21st century. Half a century later, these warnings have proven true: climate change has become a global emergency, with temperatures already rising by more than one degree Celsius above pre-industrial levels; biodiversity loss is reaching unprecedented levels, with one million species at risk of extinction, according to IPBES (2019); and social inequalities are worsening, with the richest 1% of the planet responsible for carbon emissions double those of the poorest 50%, according to data from Oxfam (2020).

The paradigm of continuous growth is at the heart of these crises, fueled by an economic model that measures progress almost exclusively in terms of Gross Domestic Product (GDP) growth. This indicator, while useful for assessing most economic activity, ignores fundamental aspects such as environmental degradation and social inequalities. Jackson (2016) argues that the continued pursuit of economic growth is not only unsustainable from an ecological point of view, but has also proven incapable of ensuring prosperity and well-being for all.

The planet has finite resources and we are going beyond what is sustainable. The Stockholm Resilience Centre (Rockström et al, 2009) has shown that we are exceeding most of the limits related to climate change, biodiversity loss, alteration of nitrogen and phosphorus cycles, and land use. Currently, according to the Global Footprint Network (2024), we would need 1.7 planet Earths to meet our current resource needs, highlighting the unsustainability of our current economic model (see FIGURE 1.2.).



Source: Footprint Scenario Tool - Global Footprint Network (2024)

Figure 1.2. Number of planet Earths required to meet our annual resource needs and evolution of humanity's ecological footprint

The environmental crisis coexists with profound social inequalities. The poorest and most vulnerable, who as has been pointed out are those who contribute the least to carbon emissions and excessive resource consumption, are often most affected by climate disasters and environmental degradation. Crutzen and Stoermer (2000) define a new geological epoch characterized by the significant influence of human activities on the Earth. This influence, especially since the First Industrial Revolution, has irreversibly altered geological, climatic and biological processes, putting an end to the Holocene, the geological era that has been in effect for the last 11,700 years. The main manifestations of the Anthropocene include climate change, with the increase in greenhouse gases, global warming and altered weather patterns; loss of biodiversity, with mass extinctions and the degradation of ecosystems; the transformation of natural landscapes due to urbanization, intensive agriculture and deforestation; the alteration of fundamental cycles such as those of carbon, nitrogen and water; and the accumulation of human waste, such as plastics and metals.

The accumulation of these crises raises a fundamental question: is it viable to continue with the current growth model? Raworth (2017), creator of the theory of the "*donut economy*", stresses the urgency of finding a balance between ensuring fundamental human needs and respecting ecological limits. Her model proposes a framework in which humanity can thrive within a *"safe and just space"*, avoiding both social deficit and environmental excess. Authors such as Martinez Alier (2002), Latouche (2010) and Kallis (2011) argue for the need to rethink our relationship with economic growth. They advocate degrowth as a direct solution to reduce pressure on ecosystems. Others such as Raworth (2017) and Jackson (2016 and 2020) propose a post-growth approach that, while recognizing planetary limits, seeks to reorient the economy towards sustainability and social justice goals without

relying exclusively on economic contraction. In short, humanity is at a historic crossroads, marked by its profound and transformative impact on the planet. This context requires not only a rethinking of economic priorities, but also a profound cultural change that values well-being and sustainability over materialism. The transition to models such as post-growth is not just another option, but an imperative necessity to ensure a future in which humanity can coexist in balance with the planet it inhabits.

Starting from the emergency situation described above, the article is structured in several parts. Following this introduction, three main alternatives are analyzed: unlimited growth, degrowth and post-growth, highlighting their rationale, contributions and limitations.

02/ CONTINUE GROWING WITHOUT LIMITS

Limitless growth is an economic model based on the premise that continuous expansion of production and consumption is possible and desirable. This paradigm holds that technological innovation and the market system are sufficient to overcome any physical or environmental limits. Under this perspective, progress is measured mainly through Gross Domestic Product (GDP), considered a key indicator of economic development and welfare; as well as revenue and profits when we talk about a particular company or a particular industry.

The unlimited growth model has been defended by prominent authors who minimize environmental challenges and prioritize sustained economic progress. Simon (1981) argues that natural resources are practically infinite due to the human capacity to innovate and

adapt. Any problem that arises can be solved with technological advances. Romer (1990), Nobel Laureate in Economics, developed the endogenous growth theory according to which technological progress, stimulated by investment in research and development, guarantees long-term economic growth. Lomborg (2001) argues that many environmental concerns are exaggerated and that efforts should focus on technological and economic solutions to address the challenges, rather than slowing economic growth. Klaus (2007) criticizes contemporary environmentalism, describing it as a threat to economic freedom and progress. Lindzen (2008) questions the reliability of climate models and their attribution of climate change to human activity, suggesting that climate science is influenced by non-scientific interests that amplify the perception of the problem. Michaels (2009) argues that the threat of climate change has been exaggerated and that policies aimed at mitigation may be more harmful than beneficial, advocating an approach based on adaptation rather than mitigation. And if problems arise, the technology will have another ally: the market system. Along these lines, Friedman (1962), Nobel Laureate in Economics, argues that the free market is more effective than government regulation in solving social and economic problems, including environmental protection, because it encourages innovation and the efficient allocation of resources without imposing restrictions on growth.

Unlimited growth has also been actively promoted by political leaders, especially during the 1980s and 1990s. Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom implemented economic policies that prioritized deregulation and market opening, reducing the role of the state in the economy. These measures sought to unleash market dynamism, attracting investment and encouraging competition. And, at present, political discourse in some countries

has increasingly questioned scientific evidence on climate change and environmental limits, contributing to confusion and polarization in public debate. This phenomenon could be framed within the rise of far-right parties in Europe, which tend to minimize the climate crisis, defend energy sovereignty and prioritize national interests over international sustainability commitments, reflecting a rejection of the global scientific consensus on environmental issues.

2.1/ KEY PROPOSALS

The unlimited growth model is based on several fundamental strategies. Firstly, research in areas such as renewable energies, artificial intelligence and biotechnology is promoted, seeking to decouple economic growth from resource consumption. The circular economy also plays a central role, promoting the reuse and recycling of materials to minimize pressure on natural resources. In addition, the exploration of new resources, such as mining in space or the exploitation of unexplored reserves on Earth, is encouraged in order to guarantee a continuous supply of materials. Finally, market incentives are favored through deregulation policies and fiscal stimuli to attract investment and encourage global trade.

2.2/ BUSINESS STRATEGIES

Most companies, and not only large multinationals, adopt strategies to achieve their goals that, in essence, seek to maintain continuous and unlimited growth. Although on the surface many of these companies claim to prioritize sustainability and social responsibility, their environmental and social policies are often oriented more towards marketing than towards deep structural changes, in what is known as *greenwashing*. These strategies seek to improve their public image

while preserving traditional business models based on maximizing profits and constantly increasing production and consumption.

A paradigmatic case is Tesla, led by Elon Musk. Although its contribution to the energy transition with electric vehicles is significant, its approach still revolves around the massive expansion of markets and products, without questioning planetary boundaries. The fact that Tesla can contribute to more sustainable mobility does not necessarily qualify it as a transformative company committed to changing the economic paradigm since its genesis is centered on using its innovative capacity to seize a large market opportunity, probably without seriously questioning its true impact on planetary boundaries. Most large companies have also adopted sustainability policies that emphasize carbon footprint reduction, investment in renewable energy or improved energy efficiency. However, these efforts are often designed to sustain accelerated growth in global markets. For example, Amazon partially offsets its carbon emissions through reforestation projects, but its logistics model and infrastructure rely on a mass consumption that is inherently unsustainable. Similarly, Apple promotes the recycling of its devices through programs such as *"Apple Renew"*, while producing products with programmed obsolescence, encouraging perpetual consumerism. Moreover, these corporate strategies are accompanied by remuneration policies that promote great inequalities, with wide salary differences between top managers and the rest of the employees. According to Kerber (2024), in many multinationals the salary range can exceed 268 times the multiplier between the CEO's salary and that of the average employee. These disparities perpetuate economic inequalities.

2.3/ LIMITATIONS AND MAIN CRITICISMS

Unlimited growth remains the predominant model, supported by the steady economic momentum that generates employment and encourages consumption, and sustained by the current regulatory framework, in virtually every part of the globe. Moreover, unlimited growth motivates continuous innovation, stimulating technological and scientific advances to meet society's growing demands. On the other hand, it generates confidence in markets, attracting investment, which strengthens infrastructure, including transportation, energy and public services. Finally, it promotes knowledge by stimulating the research and education needed to meet emerging challenges.

However, unlimited growth is increasingly unsustainable. There is insufficient evidence to support the lack of a relationship between economic growth and environmental impact, and ample evidence to the contrary. The model ignores planetary boundaries and jeopardizes the continuity of life on Earth. Another critical point is the inequality promoted by the growth model, which reinforces the concentration of wealth and multiplies social disparities (Piketty, 2020). There is also the risk of systemic economic crises; dependence on perpetual growth periodically generates financial bubbles and imbalances that generate much poverty.

03/ THE DECLINE IN ECONOMIC ACTIVITY

The commitment to degrowth emerges as an alternative to curb the excesses of unlimited growth. It proposes a transition towards an economy that does not depend on constant expansion, prioritizing ecological sustainability, social justice and collective well-being. Degrowth explicitly advocates a deliberate reduction of consumption and production, especially in developed economies, as a way to ensure long-term sustainability.

Degrowth is rooted in the ideas of economists and thinkers such as Latouche (2009), who stresses the need for a profound cultural change that abandons consumerism and redefines progress in terms of quality of life and sustainability. Martínez Alier (2002) stresses that the overexploitation of natural resources is leading to social and environmental conflicts that can only be resolved through a transition to more local and equitable economies. For his part, Kallis (2019) explores the historical and ethical foundations of degrowth, defending its viability in the face of the current climate and social crises.

Although degrowth has been less adopted in government policies, some political leaders and movements have begun to incorporate its principles. European green and left-wing parties advocate reducing energy consumption and promoting local economies as key strategies for addressing climate change. Among the measures they propose are the reduction of working hours, the implementation of carbon taxes and the redistribution of wealth through progressive tax policies. In France, initiatives such as the hummingbird movement promote changes in individual and community lifestyles towards more sustainable practices, such as agroecology and energy self-sufficiency. Although these ideas

have many detractors, their influence in political and social discourse is growing.

3.1/ KEY PROPOSALS

Degrowth is based on a set of proposals designed to reduce pressure on ecosystems while improving, or at least maintaining, the quality of life. Degrowth proposes a transition towards more sustainable and equitable systems, with concrete measures in several areas. In agriculture, organic and local production is encouraged, supporting agroecological practices that reduce dependence on chemicals and promote food sovereignty. In manufacturing, it promotes the durability and reparability of products, reducing planned obsolescence and encouraging reuse through community workshops and exchange networks. In trade, priority is given to supporting local markets and the shared use of goods, limiting unnecessary transportation of goods and promoting shorter and more sustainable supply chains. In the area of consumption, it seeks models that reduce the demand for superfluous goods, encouraging sufficiency and circular economy practices through recycling and repair systems. In energy, decentralization and the use of renewable sources are promoted, encouraging the installation of solar panels in homes and communities, and promoting a transition towards models that reduce total energy consumption. In the financial sector, the reorientation of credit towards sustainable and low environmental impact activities is proposed, together with the development of local economies that favor fair trade and responsible investment. In education, it advocates an education that criticizes consumerism and values sufficiency, through transformative pedagogies and activities that promote sustainable lifestyles. In addition, degrowth includes specific bans for industries such as arms and tobacco, seeking to reduce their negative impact. In the case of arms, progressive demilitarization is promoted, allocating

resources to more sustainable sectors such as health, education and environmental protection, while in the case of tobacco, stricter policies are proposed to reduce its production and consumption, emphasizing public health and the conversion of industries to less harmful activities. These measures, integrated in different sectors, seek to redefine economic and social priorities to align them with the limits of the planet and the real needs of people.

Another fundamental proposal is the redistribution of wealth and resources, ensuring that all people have access to what is necessary to live in dignity. This implies implementing policies that limit excessive income and incentivize equity, such as progressive taxation and universal basic income systems.

3.2/ BUSINESS STRATEGIES

Degrowth has so far had very limited adoption due to its focus on reducing economic activity in a world where growth is one of the main indications of success. However, there are organizations that have practices aligned with these principles and are successful (Liesen et al, 2014). Successful non-growth companies are characterized by prioritizing sustainability, organizational stability and quality over quantitative growth in revenue, profits or employees. These companies measure their success by non-traditional indicators, such as the quality of their products and services, employee satisfaction, their reduced environmental impact, and their integration into local economies. Their main strategies include operating in niche markets, avoiding dependence on large customers, promoting the repairability and durability of their products, and promoting values such as efficiency and internal cohesion. Some examples that can serve as references are Neumarkter Lammsbräu (see box); Waldviertler, a shoe manufacturer that promotes repair over consumption; and

Richard Henkel GmbH, which offers a lifetime furniture renovation and repair service. These companies exemplify how organizations can operate profitably without pursuing continuous growth, contributing to a more sustainable economic model.

↘ NEUMARKTER LAMMSBRÄU

Founded in 1628 in Neumarkt in der Oberpfalz, Germany, this family-owned company is one of the oldest breweries in the world. Its transformation to a sustainable model began in 1975. It was then that the decision was made to change from conventional to fully organic production, becoming the first brewery in the world to receive organic certification.

Neumarkter Lammsbräu has a wide range of products including organic beers and non-alcoholic beers, all made from certified organic ingredients. In addition, they produce non-alcoholic beverages, including mineral water and natural soft drinks without chemical additives or artificial sugars. It employs 160 people and is Germany's leading company in the organic beer segment. In 2022 it had a turnover of €31.7 million (31.8 in 2021).

Its business model is based on the principles of sustainability:

- **Limits its growth** to locally available raw materials.
- **100% organic production:** all ingredients are sourced from certified organic crops, supporting local farmers and promoting regenerative practices.
- **Circular economy:** implementation of processes that minimize waste and maximize recycling, including reusable packaging and energy-saving technology.

- **Positive social impact:** collaboration with local communities and promotion of fair labor practices throughout the value chain.
- **Transparency and ethics:** publication of annual reports detailing their social, environmental and economic impact.
- **Constant innovation:** development of products and processes to reduce its ecological footprint, such as the adoption of renewable energy systems in its facilities.

Johannes Ehrnsperger, owner and CEO of the company, gives an example of its sustainability strategy:

"We focus on actively reducing emissions locally, rather than offsetting them elsewhere. For this reason, we have not purchased CO_2 certificates since 2021. Since then, we have earmarked the funds previously used for this to our new climate fund, which now acts as an additional driver of transformation."

Neumarkter Lammsbräu operates outside the traditional paradigm of unlimited growth and demonstrates that it is possible to thrive in the global marketplace without compromising ethical values and sustainability.

3.3/ LIMITATIONS AND MAIN CRITICISMS

Degrowth generates numerous criticisms. One of the main ones is the social and economic impact of a planned contraction of the economy. Without adequate measures, a reduction in consumption and production could lead to an increase in unemployment, poverty and social tensions, especially in contexts where the economy is highly dependent on growth. Another relevant limitation is that degrowth strategies are difficult to implement without an interventionist

"planned" economy that has generated much poverty throughout history (Lal, 2002). Moreover, their implementation requires a profound cultural change that may be difficult to achieve in a world highly influenced by consumerism.

Another limitation is the lack of political and social consensus on the need for degrowth. Many governments and businesses see degrowth as a direct threat to their economic interests, which limits the possibility of adopting large-scale policies. It is also argued that while degrowth may be necessary in wealthier countries, its application in developing nations could exacerbate poverty and inequality, as well as increase the difficulty of meeting debts, underlining the importance of adapting strategies to different contexts. Degrowth represents a radical and necessary response to the challenges posed by the climate crisis and the unsustainability of the current growth model. Although it generates strong criticism, its principles offer a basis for rethinking our economic and social priorities, putting human well-being and environmental sustainability at the center of development. Its viability will depend on the ability to build global consensus and design strategies that balance ecological needs with social realities.

04/ POST-GROWTH: PROSPERITY WITHIN PLANETARY BOUNDARIES

Post-growth is an alternative very close to degrowth, but it is basically an intermediate position between unlimited growth and degrowth. Post-growth aims to reorganize economic priorities within planetary limits. It seeks to balance human needs with ecological limits, proposing an economic model that prioritizes collective well-being and sustainability over continued economic expansion. This approach recognizes, as does the degrowth perspective, that perpetual growth is not viable on a planet with finite resources and proposes a shift in economic and social priorities (Bauwens, 2021). Unlike degrowth, which emphasizes an explicit reduction in economic activity, post-growth focuses on redirecting economic dynamics towards sustainable sectors and redefining progress with more comprehensive indicators than GDP.

Post-growth advocates include Jackson (2016), who argues that it is possible to build an economy that does not rely on constant growth to ensure prosperity. He argues that progress should be measured in terms of quality of life, social justice and environmental sustainability, rather than GDP growth. Raworth (2017) proposes a conceptual framework that generates a *"safe and just space"* for humanity. This space lies between an upper environmental boundary, which prevents the degradation of the planet, and a lower social boundary, which ensures the basic needs of all. It is an approach that combines environmental sustainability with social justice, proposing an inclusive and resilient economic model.

Post-growth is beginning to gain attention in the political arena, especially in Europe, where left and green parties have begun to incorporate elements of this vision into their programs. This framework is used to plan

policies that balance social needs with ecological limits, promoting the circular economy, waste reduction and energy self-sufficiency.

4.1/ KEY PROPOSALS

Post-growth proposes a profound transformation in the way the economy is understood and managed. One of its main proposals is the rethinking of progress indicators, complementing GDP with other metrics that better reflect human well-being. These are metrics such as the Gross National Happiness Index (GNH), introduced by the King of Bhutan (Ura et al, 2012), which measures development based on spiritual, cultural and environmental well-being, rather than exclusively economic indicators. The Social Progress Index (SPI), proposed by Porter and Stern (2013), assesses human well-being by considering basic needs, foundations of well-being and opportunities, beyond economic growth. This index is increasingly used by institutions, such as the European Union, which calculates it for European regions as a complement to GDP.

Another proposal is the transition to a sustainable energy model based on renewable energies. Unlike degrowth strategies, post-growth does not advocate reducing overall economic activity, but rather reorienting it toward sectors that are environmentally friendly and generate quality jobs. This includes the promotion of the circular economy, which seeks to maximize the use of resources and minimize waste through reuse, recycling and regeneration.

Another of the proposals of post-growth is the promotion of healthier and more sustainable living habits, less intensive in resources and energy, promoting activities such as walking, cycling, valuing experiences over material possessions and fostering community activities that increase overall happiness (Jackson, 2021).

Post-growth also promotes the redistribution of wealth and equitable access to resources. It proposes measures such as progressive taxation, the reduction of wage gaps and the implementation of universal basic income systems, which would guarantee a minimum income for all, regardless of their employment status.

4.2/ BUSINESS STRATEGIES

Post-growth is being adopted by a growing number of companies that integrate principles of sustainability, social justice and respect for planetary boundaries into their operations. These organizations represent a paradigm shift by demonstrating that it is possible to combine economic success with the promotion of a more equitable and sustainable model. Post-growth companies are characterized by their commitment to environmental and social sustainability, rejecting economic growth as their main objective. These organizations are structured around several key dimensions (Hinton, 2021): relationship to profit, legal structure, governance, strategies, and size and geographic scope. Rather than maximizing profits, they prioritize social and environmental objectives, adopting non-profit or cooperative models that ensure the reinvestment of surpluses in sustainable projects. Their governance is inclusive and democratic, allowing the active participation of employees and communities in decision-making. In addition, they operate locally and reduce their geographic scope to limit their ecological footprint.

Their strategies include practices such as the circular economy, energy efficiency, the use of open technologies and the creation of durable and repairable products. These companies seek to meet essential human needs while respecting planetary boundaries. Unlike degrowth companies, which prioritize reducing economic activity, post-growth companies focus on reorganizing existing economic structures to

avoid dependence on growth. Both share fundamental values, but post-growth firms emphasize more the structural and legal transformation of economic activity.

Let's look at some examples of how companies can align themselves with the principles of post-growth and sustainability. Value Based Banks, as Triodos Bank in several European countries, stand out in ethical banking by financing projects that have a positive impact on the real economy, such as renewable energy and organic farming, while operating with full transparency and prioritizing sustainability over profit maximization. Ørsted, for its part, has led a radical transformation towards renewable energies, becoming the world's largest developer of offshore wind farms and committing to carbon neutrality by 2025, actively supporting the global energy transition. CAMIF applies the principles of the circular economy in the manufacture of sustainable furniture, promoting the use of recycled and local materials, designing durable products and encouraging conscious consumption through transparency in its processes. Prophil helps organizations adopt business models that prioritize social and environmental impact, integrating post-growth values into sustainable business strategies. Patagonia reinforces its commitment to the circular economy through initiatives such as Worn Wear, which encourages the repair and reuse of products, while donating part of its revenues to environmental conservation projects and actively fighting climate change, consolidating its position as a benchmark for ethical and corporate responsibility. These companies demonstrate that it is possible to build a balanced economic model that respects the planet, offering innovative solutions that combine profitability with positive impact. The box describes the case of the Mondragon Group.

↘ MONDRAGON GROUP

The Mondragon Group, founded in 1956 by the priest José María Arizmendiarrieta in the Basque Country, Spain, is one of the main success stories of the cooperative model in the world. It was created with the aim of promoting the economic and social development of the region through a form of business organization based on democracy and cooperation. Since its beginnings, Mondragon has evolved into a global group operating in sectors such as industry, distribution, education and financial services, with a strong presence both in the Basque Country and internationally. The organization is made up of more than 90 cooperatives and employs more than 80,000 people, being a key driver for the economic development of the region and contributing significantly to social and economic welfare.

Mondragon's products and services cover a wide range of sectors. In industry, they stand out for the manufacture of household appliances, machinery, automotive components and advanced technological products. In the distribution sector, they manage networks of supermarkets and department stores. In addition, Mondragon has a strong presence in education with the University of Mondragon, a cooperative educational center that promotes the comprehensive training of people and applied research, and in financial services through Laboral Kutxa, a credit cooperative that supports local businesses and citizens.

The Mondragon Group's business model is characterized by its cooperative approach and its commitment to sustainability.

Some of the main characteristics of its model are:

- **Cooperative and democratic model:** all of the group's cooperatives are democratically managed, which means that each worker is also an owner and has a voice in strategic decisions.

- **Reinvestment of profits:** profits are mainly allocated to reinvestment in the cooperatives, education and social works, development of innovative projects and creation of quality employment, rather than maximizing dividends for external shareholders.
- **Strategic diversification:** Mondragon operates in multiple sectors, which allows it to reduce risks and maintain a more balanced and resilient economy.
- **Commitment to the environment:** the organization prioritizes environmental and social sustainability, focusing on responsible practices and improving the quality of life of its communities.
- **Innovation and education:** through its university and research centers, Mondragon promotes knowledge and technology as drivers of change and transformation.

Its cooperative model demonstrates that it is possible to combine economic development with social equity and sustainability. Mondragon does not seek to maximize growth at any cost, but to generate a positive impact on people and the environment, promoting an efficient and responsible use of resources.

Mondragon is an inspiring example of how companies can adopt more responsible and humane models, contributing to a more balanced and resilient economic system. Its approach not only benefits the Basque Country, but also offers a viable alternative for rethinking economic development in a world with limited resources and growing social and environmental challenges.

These companies exemplify how post-growth principles can be translated into sustainable and fair business models. By prioritizing sustainability, equity and positive impact, they demonstrate that it is possible to build an economic model that balances human needs with the limits of the planet.

4.3/ LIMITATIONS AND MAIN CRITICISMS

Post-growth also generates criticisms. One of the main ones is the resistance of current economic and political structures, which are deeply rooted in the growth paradigm. Changing these structures requires significant institutional reform and cultural change that generates opposition from governments, businesses and citizens alike.

Another important constraint is international coordination. Since environmental problems are global, solutions must transcend national boundaries. However, differences in priorities and resources between developed and developing countries complicate the implementation of common policies. There is also criticism that post-growth may limit development opportunities in countries that still need to grow economically to ensure the basic well-being of their populations.

Post-growth offers a transformative vision for addressing the challenges of the 21st century, combining the need to respect planetary boundaries with the urgency of ensuring human well-being. Its principles represent an opportunity to redefine progress and build more inclusive, resilient and sustainable economies. The transition to this model will not be easy, but it is a necessary response to the climate and social crisis.

FIGURE 1.3. summarizes the proposals, advantages and limitations of the three described models.

SUBJECT	UNLIMITED GROWTH	DEGROWTH	POST-GROWTH
Proposals	■ Growth without limits is possible and desirable. ■ Promote technological innovation, market expansion, economic deregulation, investment in renewable energies and exploration of new resources.	■ Growth is unsustainable, consumption and production must be reduced. ■ Encourage simplicity, resource sharing and local economies. ■ Redistribute wealth through progressive taxation and universal basic income. Replace GDP with indicators that measure well-being and sustainability.	■ Balancing sustainability with welfare improvement. ■ Redirecting the economy towards sustainable sectors (renewable energies, education, culture, care, circular economy). ■ Redistribute wealth through progressive taxes and universal basic income. Complement GDP with indicators that measure well-being and sustainability.
Advantages	■ Promotes the creation of wealth and employment. ■ Promotes technological innovation and global competitiveness. ■ It attracts investment and fosters international cooperation.	■ Promotes a direct reduction of pressure on ecosystems. ■ Promotes social equity and quality of life. ■ Reduces consumerism and waste. ■ It encourages more local and sustainable economic models.	■ Integrates environmental sustainability with social justice. ■ It offers a balanced approach to ensure human well-being within planetary boundaries. ■ It encourages more local and sustainable economic models.
Limitations	■ The risk of climate and social crisis increases. ■ Perpetuates consumerism. ■ Increases social inequality.	■ It can generate unemployment and social tensions. ■ Institutional and cultural resistance to change. ■ Risk of limiting development in countries with lower economic capacity.	■ Institutional and cultural resistance to change. ■ Requires international coordination and deep structural reforms. Risk of limiting development in countries with lower economic capacity.

Source: Own elaboration

Figure 1.3. Proposals, advantages and limitations of the three economic models

05/ CONCLUSION

The current paradigm of unlimited growth, although it has driven significant advances, is unsustainable due to its severe environmental and social impacts. This model, focused exclusively on economic expansion and measured primarily through GDP and growth in sales and profits, ignores planetary limits and the inequalities it generates, threatening ecological and social stability. Against this perspective, degrowth proposes a deliberate reduction of economic activity, prioritizing ecological sustainability and social equity. However, its focus on economic contraction questions its viability, as well as the potential negative impact on employment and poverty.

As an intermediate alternative, post-growth is presented as a transformative vision that combines environmental sustainability with social justice. This model redefines progress in terms of human well-being and ecological balance, proposing to redirect economic dynamics towards sustainable sectors, foster the circular economy, redistribute wealth and adopt more comprehensive indicators of progress than GDP. Unlike degrowth, post-growth does not advocate explicit contraction, but rather reorganizing the economy to ensure prosperity within planetary limits.

However, post-growth presents challenges that require further research and innovation. Its effective implementation depends on a clear definition of the strategies and policies needed to overcome current structural and cultural constraints, such as institutional resistance and differences in priorities between developed and developing countries. It is therefore essential to make progress on how this model can be implemented in different contexts and how to address its limitations, ensuring its viability at the global level.

These aspects will be analyzed in greater depth in the remaining chapters of this monograph, where specific proposals and case studies will be explored to move towards a fairer and more sustainable economy.

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02

FUNDAMENTALS OF POST-GROWTH FOR SUSTAINABLE WELL-BEING

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ABSTRACT

Given the unsustainability of endless economic growth within ecological (external) and social (internal) boundaries, and the insufficiency of reformist models within the sustainable development framework (such as *green growth* or the *Green Deal*), more transformative alternatives such as *post-growth* and *degrowth*—each with its own interpretations—have gained relevance. This article attempts to examine the theoretical and operational foundations of post-growth, its rationale, and its potential to reorient "growth society" toward planetary health, prosperity, and socioeconomic and environmental well-being. Innovative proposals in areas such as consumption, labor, taxation, and local sustainability help open pathways toward a more adaptive form of capitalism through structural adjustments and balanced transitions more accommodating to the market system, while paving the way for new post-capitalist paradigms.

01/ INTRODUCTION

The current economic model within capitalist systems is predicated on growth, which has become not only the dominant paradigm but also a prevailing "ideology" (Haapanen & Tapio, 2016). This is due not only to its primacy in the economic order, but also because political objectives have increasingly become subordinate to continuous expansion and GDP growth—an overarching trend over recent decades.

Recently, a renewed debate has emerged around alternative models to the hegemonic growth-centric development paradigm. Some of these alternatives are reformist to varying degrees, while others are more radical and transformative. These divergent approaches stem from a range of theoretical traditions and geographic contexts, displaying substantial differences in their origins, underlying principles, and strategies for change.

Indeed, the post-development perspective originating in the Global South (Escobar, 1995; 2015; Esteva, 1992; Rahnema, 1997; Klein & Morreo, 2019) critiques growth as an end in itself and development as a colonial discourse. In contrast, in the Global North—especially in Europe—post-growth (Jackson, 2009; Raworth, 2017) and degrowth (Latouche, 2009a; Martínez-Alier et al., 2010; Martínez-Alier, 2011; Kallis, 2018; 2025) frameworks dominate, offering a structural critique of capitalism in light of social inequality and the global ecological crisis.

Against the backdrop of Global Change[1] —defined as the disruption of planetary-scale systems—a scientific consensus has emerged around the Anthropocene era (Crutzen & Stoermer, 2000). However, considering the unsustainable and inequitable capitalist modes of production, consumption, and distribution, a new real era could be proposed, defined as the Capitalocene (Moore, 2016), which could also be described as the "Econocene" from a co-evolutionary perspective (Norgaard, 2019).

The current "planetary emergency" and the systemic challenges posed by a cascade of interconnected crises demand a "great socio-ecological transformation" (Jiménez Herrero, 2023). This transformation is essential if human systems are to operate within "safe boundaries" and respect "planetary limits," thereby avoiding irreversible and destabilizing "tipping points" (Rockström, 2009; Steffen et al., 2015; 2018; Richardson et al., 2023). Scientific organizations and expert institutions stress the need to secure long-term environmental sustainability, global health, and climate neutrality (UNEP, 2019; 2021; IPCC, 2021; 2022; IPBES, 2022), through integrated approaches that address complex interdependencies and patterns of socio-environmental injustice (Oxfam, 2023).

Several core questions arise from this debate: Can such a transformation be achieved without relying on quantitative material growth or GDP as a benchmark? Are gradualist solutions too slow or inadequate for the scale of change required? And should responses emerge from within capitalism, or must they be implemented in opposition to it?

1 The phenomenon of Global Change is characterized by an alteration of the planet's major balances. So-called global change is a complex phenomenon with clearly interrelated environmental and social dimensions. Scientific analyses related to the human impact on the environment on a global scale have been consolidating in recent decades, among which the pioneering initiatives of the International Human Dimensions Program on Global Environmental Change (IHDP-GEC) stand out.

02/ “BEYOND GROWTH AND GDP”: REFORMIST AND TRANSFORMATIVE MODELS

The economic growth paradigm is ecologically unsustainable, socially inequitable, and insufficient as a pathway to general well-being, even when measured by GDP growth. Although modern critiques of economic growth and GDP as a proxy for welfare have proliferated in recent decades, GDP continues to dominate as the primary economic metric (Stiglitz, Fitoussi, & Durand, 2018). The post-growth movement incorporates intellectual, economic, and socio-environmental arguments with increasing influence in both political and institutional spheres—particularly within the European Union[2].

Alternative frameworks to the dominant growth model are often categorized into distinct groups. In a simplified version, the Forum for a New Economy (Likaj et al., 2022) proposes three main strands in the growth debate: green/inclusive growth, post-growth, and degrowth—an approach also supported by other authors (Lin & Henderson, 2020; Lehmann et al., 2022). From our perspective, this classification can be expanded further: On one side are the early reformist alternatives aligned with the sustainable development paradigm; on the other are more transformative approaches stemming from the “beyond growth and GDP” movement, culminating in post-growth and degrowth frameworks, as explored below.

2 In addition to numerous international congresses and conferences on degrowth and Post-Growth, political debates have proliferated, such as those formally raised in the European Parliament with the conferences “Post-Growth” in 2018 and “Beyond Growth” in 2023.

2.1/ REFORMIST APPROACHES WITHIN THE FRAMEWORK OF SUSTAINABLE DEVELOPMENT

Sustainable development has promoted a relatively benign option for the ecological reform of capitalism, albeit superficially. Within this context, more operational models have emerged, including the UN's Green Economy initiatives (UNEP, 2011a)[3] and the OECD's Green Growth Strategy (OECD, 2009; 2011; 2015)[4], both of which have gradually expanded. More recently, advanced reformist contributions have emerged, aiming for broader structural change.

A prominent example is the Green Deal, an "eco-Keynesian" approach particularly evident in the European Green Deal (EC, 2019), which aims to integrate sustainability across all EU policies and ensure a just transition through an ambitious agenda framed as "a new growth strategy."[5] Complementing this effort, the Circular Economy offers significant value through its principles of eco-design and its aim to make sustainable products the norm (EC, 2020; 2022). When guided by a regenerative perspective, circularity may help decelerate material consumption and save resources[6],

3 Green Economy: "an economy that results in improved human well-being and social equity, significantly reducing environmental risks and ecological scarcities" (UNEP, 2011a), Towards a Green Economy: A Guide to Sustainable Development and Poverty Eradication - A Synthesis for Policymakers. www.unep.org/greeneconomy

4 Green Growth aims to "foster economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being depends" (OECD, 2011), Towards green growth. Monitoring progress; OECD (2009), Green Growth; (OECD (2015), Towards Green Growth?, Tracking progress.

5 The European Green Deal has established an ambitious transformative agenda based on: 1) a higher level of EU climate ambition for 2030 and 2050; 2) the supply of clean, affordable, and secure energy; 3) mobilizing industry for a clean and circular economy; 4) efficient use of energy and resources in building construction and renovation; 5) an accelerated transition to sustainable and smart mobility; 6) a "farm-to-fork" strategy: a fair, healthy, and environmentally friendly food system; 7) preserving and restoring ecosystems and biodiversity; 8) a zero-pollution target for a toxic-free environment (EC, 2019)

6 Approximately half of total greenhouse gas emissions (GHG) and more than 90% of biodiversity loss and water stress are due to resource extraction and the processing of materials, fuels, and food (IRP, 2019). The potential savings are enormous. The "global circularity rate," i.e., the proportion of secondary materials reintroduced into the global economy relative to the 100 billion tonnes per year (IRP, 2019), is around 7.2% (Circle Economy, 2024) and around 12% in the EU (Eurostat, 2024). A key strategic criterion of circularity is based on "sustainable products being the norm" with eco-design criteria (80% of a product's environmental impact is concentrated in the design phase), as the EU has decided (EC, 2022).

potentially acting as a crucial lever for advancing truly transformative post-growth models.

Despite these efforts, reformist models have proven vague and inadequate in articulating a robust alternative to the economic growth paradigm, with limited capacity to confront the challenges of global change and widespread inequality. The reformist alternatives, typically rooted in a conciliatory vision of sustainable development centered on the "three pillars" (environmental, economic, and social) and supplemented by political-institutional governance, are reflected in the corporate ESG (Environment, Social, Governance) framework (UN, 2012). These approaches often lean toward "weak sustainability," relying on internalizing externalities and substituting natural capital with human, artificial, or social capital, all driven by technocratic-economic optimism.

Some policy contradictions persist, such as those embedded in the 2030 Agenda, particularly Goal 8 ("Promote sustained, inclusive and sustainable economic growth") (UN, 2015), which may be fundamentally incompatible with other environmental and climate action objectives. Overall, these reformist models fail to provide a coherent path out of the destructive and inequitable dynamics of the dominant system, either at the necessary scale or speed to drive a true socio-ecological transformation and shift power structures.

Operationally, these models focus on dematerialization and eco-efficiency, yet they fall short in ensuring "absolute decoupling" of growth from environmental impact—achieving only "relative decoupling"[7] at best (UNEP, 2021b). In fact, absolute decoupling appears

7 In relative decoupling, GDP grows faster than material use and emissions and reflects a decrease in the material or carbon intensity of GDP. Absolute decoupling occurs when GDP grows while material use and emissions permanently decline.

highly unlikely, if not biophysically impossible (Wiedenhofer et al., 2020; Haberl et al., 2020), especially at the global scale and within required timeframes (Hickel & Kallis, 2020). Research from the European Environmental Bureau underscores the lack of credible evidence for decoupling to date, with significant discrepancies depending on evaluation methods—whether based on environmental or apparent consumption footprints (Parrique et al., 2019).

In short, reformist models have shown limited capacity to catalyze systemic change. Rather than attempting to transform the growth paradigm, they merely aim to reshape it—though this does not preclude their potential future success.

2.2/ "NO-GROWTH" THEORIES: TRANSFORMATIVE ALTERNATIVES

Although modern "no-growth" theories trace their roots back over five decades—originating from Georgescu-Roegen's (1971) seminal work on the entropic nature of economic processes and the Club of Rome's *Limits to Growth* report (Meadows et al., 1972)—these critical approaches are now gaining momentum with greater conceptual clarity, empirical support, and social resonance. As a result, a broad economic, social, and intellectual movement is emerging to go "beyond growth and GDP," opening the door to a post-growth framework centered on alternative paradigms such as post-growth and degrowth.

These transformative alternatives aim to address the shortcomings and blind spots of revisionist sustainability approaches. While they embrace a more ecocentric worldview and a commitment to "strong sustainability"—which emphasizes ecological integrity and the maintenance of natural capital—they also incorporate elements of traditional policy mechanisms: regulatory controls, price signals, and technocratic solutions to mitigate environmental and social harm. However, their defining

characteristic lies in a distinct narrative with an explicitly transformative mission. They advocate for a structural shift in the social metabolism by redefining core priorities: redirecting productive economies from material growth to socioecological sustainability, and shifting from intensive consumption to quality of life, well-being, and life satisfaction.

Within this broad landscape, degrowth emerges at one end of the spectrum as a radical, often anti-capitalist alternative—particularly relevant to the Global North. It proposes a deliberate reduction in production and consumption to shrink the ecological footprint of Western societies, which bear historical responsibility for global environmental and social imbalances. This rebalancing aims to enable more inclusive and sustainable development pathways in the Global South, which still depends on economic growth to foster sustainable and inclusive development styles. This perspective echoes long-standing arguments (Goodland & Daly, 1992) and is reaffirmed today by scholars like Jason Hickel (2020, 2022) and Giorgos Kallis (2018), who contend that the Global North must shoulder most of the degrowth burden to stay within planetary boundaries. However, as Enrique Leff (2008) points out, it is a fallacious solution for developing countries as they awaken to modernity.

The critical discourse on degrowth now promotes a democratic reorganization of economic life to reduce production and consumption while achieving social and ecological goals. Ideologically, it centers the notion of *sufficiency* over *eco-efficiency*, emphasizing lower ecological footprints, reduced inequality, and improved well-being (Latouche, 2009a; 2009b; Taibo, 2009; Martínez-Alier, 2011; Demaría et al., 2013).

A parallel perspective could include other trends defined as "post-capitalist," as noted by (Lijak et al., 2022). In this field, authors such as Paul Mason (2015), Naomi Klein (2014), and Yanis Varoufakis (2021) stand

out, whose focus is not primarily on economic growth, but rather on a political discourse about the economic reorganization of the capitalist system, which is environmentally and socially unsustainable.

The post-growth model tends to fit into an intermediate position with its own identity. This approach incorporates more moderate and politically less contentious visions, as it does not identify with an anti-capitalist position, but rather seeks to overcome the economic orientation subordinated to the GDP target (also assumed to be a primary political objective) and abandon the addiction to the great "growth fetish" (Hamilton, 2003). Its driving idea is to propose an economy that focuses on "global sustainable well-being."

This option clearly differentiates itself from the negative growth of a recession, which is an economically disruptive and socially destabilizing situation. It also clearly distinguishes itself from secular stagnation, which involves permanently low growth rates as a result of low investment and deficient aggregate demand. This can occur in periods of crisis or recession, such as the 2008 financial crisis (Stigltiz, 2018), or due to shocks such as the coronavirus pandemic. After these, an important debate is reignited over how to manage the recovery phases, taking into account the existence of certain "secular limits" to growth (Jackson, 2019), which favors an approach to the challenging theses of post-growth.

Post-growth can find common ground with the more flexible and generally more widely accepted degrowth proposals. This is the case when "sustainable degrowth" or even "socially sustainable degrowth" (Martínez-Alier, 2011) is proposed to differentiate it from unsustainable degrowth, which would be unviable and inconceivable if it entails a systematic and indefinite reduction of economic and social conditions with the risk of collapsing the economy and, consequently, jeopardizing prosperity and social progress. Degrowth, defined more precisely as

sustainable, emphasizes an equitable reduction in the scale of production and consumption that increases human well-being and improves ecological conditions locally and globally, in the short and long term. It does not imply mere decline, but rather maintaining a healthy "diet" in terms of resource consumption and social justice without sacrificing well-being until ecosystem stability is achieved, even if GDP does not increase (Schneider et al., 2010). The dilemma of how long it will take to degrowth to adjust production levels to a state of ecosystem equilibrium without severely destabilizing or even collapsing the economy necessarily arises, compounded by the doubts of how explicitly anti-capitalist disruptive transitions can be planned.

First-generation degrowth theories ("degrowth capitalism") focus more on a gradual evolution and cultural change in society and decentralized politics (voluntary simplicity, including the relocalization of the economy and the reduction of consumption and production) (Latouche, 2007; Demaria, 2013). If, by definition, capitalism and degrowth are not compatible, the key lies in overcoming capitalism with a new (second-generation) degrowth proposal that is clearly anti-capitalist, as suggested by Kohei Saito in his definition of "communist degrowth" (Saito, 2022). Thus, a radical transformation of property and production is proposed with an approach based on self-management and democratic economic planning to ensure real sustainability. Along these lines, "ecosocialist degrowth" also emerges, proposing a participatory civilizational transformation capable of meeting social needs while respecting planetary limits "for a new way of life" (Löwy et al., 2022).

A relevant issue is the vision of the "final destiny" of non-growth models to configure a stable economy. The steady state is a concept that is little explained in the field of post-growth, although it shares the idea of achieving economic stability that is environmentally and

socially sustainable, without a drastic economic downsizing. For its part, degrowth considers it a possible objective only achievable after a phase of economic reduction in consumption and production until healthy levels are achieved, adjusting to the ecological limits of the planet, such that the system finally reaches its "stable final destiny" (Parrique, 2023). The idea, inspired by John Stuart Mill's (1848) classic vision of economic development that does not rely on unlimited expansion, has been extensively developed and adapted by Herman Daly (1971, 1972; 1977) and is now being reconfigured from a degrowth perspective. Only a steady-state economy that limits the rate of production of materials and energy to the regenerative and assimilative capacities of the global ecosystem can preserve ecological health within planetary boundaries (Daly 1996; 2019). However, John Stuart Mill's original idea that "the stationary condition of capital and population does not imply the stationary state of human improvement" is rescued, as Daly (2005) summarized. In this way, degrowth is seen as a transitional phase towards a sustainable and globally compensated equilibrium point.

03/ AGNOSTIC, RESILIENT, AND SUSTAINABLE POST-GROWTH FOR DECOUPLED WELL-BEING

In the current system, post-growth is emerging as a conceptually more impartial and operationally balanced option compared to the extreme positions. As Tim Jackson asserts, "growth is unsustainable and degrowth is unstable." In the former, rising resource consumption

and rising environmental costs are exacerbating deep disparities in social well-being, while in the latter, declining consumer demand can lead to rising unemployment, a decline in competitiveness, and a downward spiral into recession. However, between the two options, it is feasible to achieve "prosperity without growth" (Jackson, 2009). This intermediate positioning precisely establishes the conceptual foundations of post-growth, although further economic and sociopolitical elaboration is still needed.

This innovative option emphasizes the possibility for societies to define their real production and consumption needs, regardless of whether their satisfaction implies growth or degrowth. This approach does not mean abandoning growth as a policy objective, but neither does it seek to focus on this objective. In reality, an "a-growth" strategy is being adopted, that is, orienting the economy with a more "agnostic" attitude. This represents a true cultural revolution, moving away from the "fervent" pursuit of economic growth with its idolized GDP. This option could help depolarize the debate and reduce resistance to the structural reforms needed to address climate and environmental policies (Van den Bergh, 2017), and should be interpreted from a sufficiently flexible and open position to avoid sterile dogmatisms.

The main argument of this position is that specific growth rates do not automatically correlate with social benefit or environmental damage, because everything depends on what is growing or shrinking, that is, how production and consumption are organized (OECD, 2020). An increase in GDP would not necessarily imply greater environmental deterioration as long as it does not entail greater consumption of natural resources at rates exceeding the capacity for sustainable regeneration. However, from an environmental perspective, it seems clearer that it is not possible for GDP to grow indefinitely and exponentially without

ultimately creating a growing and unsustainable environmental impact due to the ecological structure of the economy (Czech, 2019). Nor does an increase in GDP automatically translate into better distribution and greater equality if it is not accompanied by social policies. In this case, the social criticism is less evident because, although some recent growth patterns are associated with rising inequality, there is no evidence that a low-growth or degrowth regime reduces inequality without strong and deliberate political action.

Perhaps the question is doubly rhetorical, as Kate Raworth (2017) suggests, but a troubling one: How can we transform economies that need to grow, whether they make us prosper or not, into economies that make us prosper, whether they grow or not?

The key lies in how to design a stable economy that achieves environmental and social objectives to generate prosperity, improve well-being, and sustainability, whether this is accompanied by economic growth or not, but without abandoning the capitalist market economy.

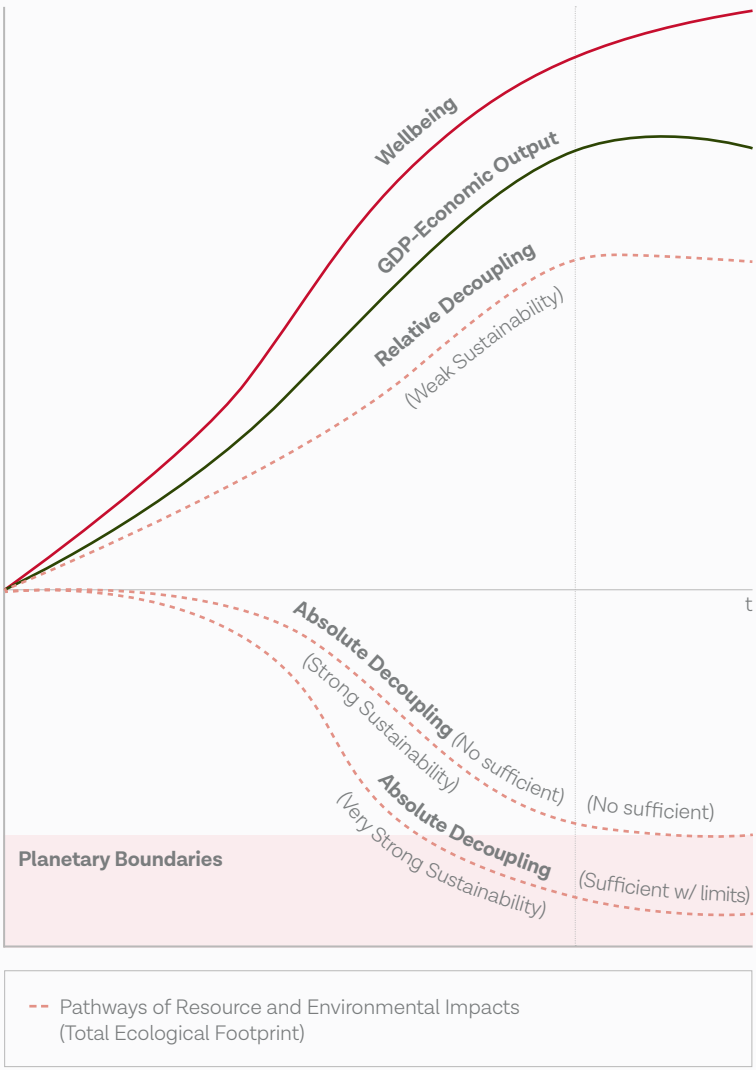
With growth, without growth. The dilemma of post-growth is summed up in the legendary phrase by the Spanish poet **Antonio Machado**:

> “Neither with you nor without you, my ills have a remedy; with you because you kill me, and without you because I die.”

Ultimately, an economic system focused on sustainable well-being must be strategically decoupled from material growth and from the total ecological footprint derived from the use of natural resources and environmental impact. As already mentioned, the relative or absolute decoupling proposed from the perspective of green growth does not provide quick and satisfactory solutions, especially when considering

the risks associated with exceeding planetary boundaries. Relative decoupling implies that the footprint per unit of GDP decreases, but not enough to offset the increase in production. On the other hand, absolute decoupling, even if it implies a permanent reduction in the footprint relative to the economic variable, may not be sufficient to achieve environmental objectives. In an attempt at a less conflicting narrative, Stoknes and Rockström (2018) attempt to unite ecological limits with the concept of green growth in a version described as "strong" that is summarized as "genuine green growth." This requires not only absolute decoupling ("weak" version) but also sufficient decoupling to avoid exceeding planetary limits.

From the post-growth perspective, a "higher-order" decoupling is pursued, compared to the conventional green growth proposal (relative and absolute). The key lies in decoupling sustainable well-being from economic growth using sufficiency criteria and respecting the real limits of resources and ecosystems to ensure compliance with sustainability, security, and equity objectives within planetary boundaries. The ultimate goal, as outlined in FIGURE 2.1., is to achieve "absolute decoupling that is sufficient and within limits" to achieve a sufficiently rapid and decisive reduction in the footprint. Under this premise, irreversible effects can be avoided while operating safely within the ecological thresholds of the Earth's closed system to meet needs and ensure a fair and democratic distribution of resources and opportunities.



Source: Prepared by the author, adapted from UNEP (2011b); Raworth (2017); Fedrigo-Fazio et al (2016)

Figure 2.1. Absolute decoupling sufficient within limits

3.1/ NEW ECONOMIES SUPPORTING POST-GROWTH THROUGH SUSTAINABILITY, RESILIENCE, AND WELL-BEING

Within the post-growth framework, a variety of initiatives aimed at "rethinking the economy" can be included, as proposed by the Rethinking Economics movement[8]. New ideas are emerging around important concepts related to "global well-being," based on a multidimensional conception that incorporates three main areas of economics, quality of life, and environmental sustainability, with several specific dimensions (Stiglitz et al., 2009)[9]. Increasingly, the consideration of subjective well-being as an approach to the concept of happiness gains prominence.

This line also includes the approaches of the "Doughnut Economy" (Raworth, 2017) where between an ecological ceiling and a social floor, an economy is proposed that functions in balance within a safe and fair space for humanity, avoiding a social deficit and an environmental excess. Likewise, the Wellbeing Economy fits into the post-growth framework, as proposed by the Wellbeing Economy Alliance (WeAll), which is described as one that provides "an equitable distribution of wealth, health and well-being, while protecting the planet's resources for future generations and other species" (WeAll, 2019a; 2019b). This framework emphasizes that the economy should be at the service of people and the planet and not the other way around, as is the case now, incorporating five fundamental

8 Rethinking Economics is a global network of students and organizers fighting for a new economy that addresses the real-world challenges of climate breakdown and inequality. https://www.rethinkeconomics.org/about/

9 Measures of well-being should focus on at least seven dimensions simultaneously: Material standard of living (income, consumption, and wealth); Health; Education; Personal activities, including work; Political voice and governance; Social contacts and relationships; Environment (present and future conditions); Insecurity, both economic and physical (Stiglitz et al., 2009).

needs for human well-being, including the distribution of wealth and nature[10].

The core of this approach is shifting focus from "means" to "ends," such as environmental sustainability, increased well-being, inequality reduction, and system resilience, as proposed by the OECD. These goals should not be subordinated to growth but integrated into the economic structure from the outset, rather than awaiting incremental and corrective reforms afterward (OECD, 2020).

Precisely along these lines, the European Union favorably positions itself with the goal of placing people and their well-being at the center of policies, explicitly supporting the concept of the Well-being Economy[11] (endorsed by the EU Council in October 2019) but still emphasizing "the mutually complementary nature of well-being and economic growth" as mutually reinforcing objectives (CEU, 2019).

Consequently, other models are encouraged, such as Bioeconomy in the biophysical, thermodynamic, and evolutionary sense of Georgescu-Roegen (1971); the "Solidarity and Collaborative Economy"; and the Economy for the Common Good, which promotes ethical and sustainable enterprises with social and environmental criteria (Felber, 2015). These align with the idea of "prosperity without growth" (Jackson, 2009) without entirely eliminating the market structure. Broadly, the post-growth approach—which shares much with degrowth—seeks

10 The five fundamental needs for human well-being according to WeAll are: human dignity; a restored and safe environment; connection and a sense of belonging to institutions that serve the common good; equity in the distribution of goods and wealth; and active citizen participation (WeAll, 2019b). Based on the principles of WeAll, to reflect the interdependence of human well-being and a healthy planet, the Earth4All Well-being Index has been developed and included in the 2022 Club of Rome report A Planet for All (Dicson-Declève et al., 2022).

11 The Well-being Economy is based on a sound and sustainable economic policy. It emphasizes the importance of investing in effective, efficient, and equitable policy measures and structures that ensure access for all to public services, including health and social services, long-term care, health promotion and preventive measures, social protection, as well as education, training, and lifelong learning. Council of the European Union Brussels, 15 July 2019, 11164/19. (CEU, 2019).

compatibility with Buen Vivir theories, implying ways of life that ensure greater human satisfaction based on equity, social cohesion, and sustainability (Unceta, 2014).

Moreover, the improvement of well-being is increasingly prioritized in political goals, driven by rising future demand (Jensen et al., 2023). Many social benefits (particularly employment, pensions, and public services) remain tied to the current growth model, so powerful levers of change are needed to define formulas based on "growth independence" (Zoe Institute, 2021). In a post-growth scenario, the strategic objectives of well-being and environmental and social sustainability would have to be prioritized in order to define systems that prioritize the satisfaction of needs over quantitative growth and economic interests.

One key question in a post-growth context is how to sustain the welfare state and its financing through sustainable, growth-independent methods capable of maintaining controlled public expenditure and deficits. Examples include new financing sources such as taxes or reducing service needs, among other possibilities (Jensen et al., 2023). Many societal institutions, rules, and norms are growth-dependent and require it (Kreinin et al., 2022). Consequently, welfare systems without economic growth need a deeper understanding of political barriers that hinder the transition to "sustainable well-being" (Walker, Druckman & Jackson, 2021). The role of economic and financial elites in accepting change processes must also be considered.

A more evolved conception of sustainability must be fully embedded in the heart of new alternative models for growth to ensure the satisfaction of social needs and place well-being at the heart of policies. In this sense, it is essential to consider the most advanced vision of the logic of sustainability in its "strongest" version, defending ecosystems and ecoservices as fundamental elements of well-being (UNEP-MEA,

2005) and protecting "critical natural capital" (Pearce, et al.,1989). Furthermore, from a strategic and forward-looking perspective, it is crucial to establish a coupled relationship with the objective of "transformational resilience" (Giovannini et al., 2020; Manca, 2017) in order to better focus operational decisions on self-organization, self-regeneration, and adaptation to create resilient systems not only in the face of external fluctuations, but also in the face of economic growth itself.

Post-growth models must delve deeper into the contributions of *sustainability science (*Kates, 2011) with a transdisciplinary vision, a systemic approach, and a mindset open to scientific knowledge and other forms of knowledge. In particular, it is necessary to move beyond the classic view of the sustainable use of resources and environmental assimilation capacity to define a "new hierarchy of priorities": the integrity of the biosphere; jointly overcoming socioeconomic inequalities and ecological deterioration; and considering economic systems as means to the end of well-being (Jensen et al., 2023). Likewise, other ethical considerations are shared with new systems of social and cultural values from a more ecocentric perspective and more committed to intergenerational solidarity. Some of these considerations are intended to be implemented through the limitation of excessive consumption, social justice, and a reorganization of the economy to prioritize collective well-being and ecological regeneration. In this regard, post-growth maintains a more ambiguous position than degrowth when it comes to embracing a new ethic of consumption ("strong sustainable consumption") and promoting a "sufficiency society" (Spangenberg & Lorek, 2019). It involves moving beyond the idea of "doing more with less" (eco-efficiency, productivity, decoupling) to focus on producing what is "necessary and sufficient," although the underlying question remains: how much is enough?

This aspect is less defined in post-growth, although it advocates lifestyle changes in high-income societies to achieve sustainable processes, emphasizing healthy and self-sufficient consumption (healthy diets, renewable energy, public transport), and fostering demand for "relational goods," as Bonaïuti (2003) proposes—such as personal services (care, well-being, assistance), cultural services, or solidarity economy. The need for not only habit and lifestyle changes but also overall consumption reduction is becoming clearer, as openly discussed in the European context (EEA, 2021a; 2021b).

Complementing these advanced sustainability views, an important step for consolidating post-growth theories is addressing the complexity of the socioecological or socioecosystem system (Ostrom, 2009). Thus, post-growth approaches can be reinforced by accepting a hierarchical approach of the ecological system over the social system and the economic system considered as subsystems that enjoy adaptive capacity (Ostrom, 2009; Berkes & Folke, 1998, Fischer-Kowalski & Haberl (2007)). Thus, socio-ecological reality can be framed within a "co-evolutionary vision" between the biophysical-ecological system and the socio-economic-cultural system in an integrated and inseparable way (Gowdy, 1994; Norgaard, 1994). This perspective focuses on the dynamic sustainability of the entire socio-ecological system over time, the management of which must take into account a range of thresholds that should not be crossed to prevent the system from incurring in unsustainable or irreversible processes (Carpenter et al., 2015; Leach et al., 2018). As we have pointed out in previous work, the only option that makes the most sense is to strive to "achieve the comprehensive sustainability of the socio-ecological system with the capacity for self-organization, self-regeneration, and adaptation" (Gallopín, Jiménez, Rocuts, 2014).

3.2/ VIABILITY OF POST-GROWTH IN THE MARKET ECONOMY

The post-growth approach is likely presented as the most viable medium-term alternative for addressing the environmental and social crisis and ensuring well-being, under the premise of not depending on growth (Raworth, 2017; Hickel, 2020). Potentially, it offers a scenario of more balanced transitions that do not generate abrupt economic crises and do not imply an immediate break with the capitalist system (Kallis, 2018), providing economic alternatives more compatible with existing policies and institutions or ways of managing without growth or slower growth by design (Victor, 2019). It would not entail a drastic reorganization of the socioeconomic system based on changing the modalities of production, consumption, and citizen behavior, including the transformation of fiscal and financial systems as required by the degrowth model, which not only advocates abandoning growth, but also capitalism itself.

Post-growth, by proposing an economy more focused on equity and social and ecological well-being, may have a greater acceptance of the status quo governing the market economy because it offers a middle ground to challenge the myth of economic growth with a more connected vision of the reality of the socio-ecological system. This modality generates less resistance from the business world to transformative change to the extent that it allows companies, at least theoretically, to gradually adapt to more eco-efficient, socially responsible, and sustainable models, which can also be more competitive. In fact, it is already influencing democratic, participatory, and cooperative forms of governance, which are already emerging in the productive and financial sectors, where there are interesting examples ((see the article by Amat&Eguiguren in this work). Political orientations in the EU have been moving positively in this direction in

recent years, especially in the wake of the European Green Deal (EC, 2019) to continue prioritizing the ecological and digital transition, with an emphasis on the efficient use of resources, the circular economy, and climate neutrality. In particular, approaches to supporting the operations of private companies in regulations environmental, social and governance (ESG) standards, as well as strengthening obligations for "detailed reporting of environmental activity and due diligence in the area of "corporate sustainability" that have already been raised in EU directives.

The post-growth framework also offers greater adaptability and compatibility with market systems through economic reforms favoring structural adjustments for social progress. Its proposals appeal to progressive public policies (defending commons and public goods) such as work redistribution, shorter workweeks, job sharing, ecological taxes, and strengthening resilient local economies, while prioritizing balanced consumption reduction (D'Alisa, Demaria & Kallis, 2015), alongside a process of decommodification of basic goods. Some post-growth ideas converge with the application of a "universal basic income" as a redistributive instrument requiring deep fiscal reform and institutional planning to guarantee economic security in a society no longer focused on growth as a priority. In this vein, the Club of Rome proposes managing commons with a structural vision on collective ownership beyond fiscal redistribution, suggesting capturing economic rents from commons via taxes, managing them through a citizen fund, and distributing a "universal dividend" ("fee and dividend") (Dickson-Declève et al., 2022).

While the most advanced and sustainable policies of the Green Deal typically focus on renewable energy, green infrastructure, electric mobility, or pollution reduction, the post-growth approach is more

incisive in proposing more innovative objectives aimed at reducing unnecessary production and replacing environmentally destructive sectors (such as fossil fuels, polluting "brown" industries, or unsustainable intensive agroindustry), emphasizing the improvement of public services, guaranteeing green industries and green jobs, without forgetting international cooperation to facilitate the sustainable development of low- and middle-income countries (Hickel, 2022).

In all cases, there is a call for defining new metrics to coherently measure sustainability, resilience, and general well-being alongside macroeconomic indicators (Stiglitz et al., 2009; OECD, 2020; Terzi, 2021), including new indicators of strategic autonomy and self-sufficiency (JRC, 2023).

Despite conceptual advances, post-growth requires deeper research into ecological macroeconomic models for no-growth management policies linked to social well-being, which are already being actively explored (Kallis et al., 2025), alongside greater sociopolitical elaboration to improve public understanding and acceptance.

04/ POST-GROWTH AS A PRELUDE TO POST-CAPITALISM

The idea of transforming growth economies into sustainable economies of well-being and social progress, regardless of whether GDP grows more or less (or even at all), is attractive for renewing progressive, participatory, and democratic policies. In this sense, post-growth paves the way for advancing through gradual transformations toward an adaptive post-capitalist scenario. The key to success lies in avoiding the risk of the post-growth approach becoming a mere tool for managing the Capitalocene and neglecting to change the

structures of the dominant system in order to facilitate a transition toward true “co-evolutionary progress.”

Post-growth is not a utopian approach because it serves to advance toward a society based on the sustainable well-being of people and the planet. But as **Eduardo Galeano (2023)** states:

> “Utopia is on the horizon. I walk two steps, it moves two steps away, and the horizon moves ten steps further. So, what is utopia for? That’s what it’s for: walking.”

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03

CONSUMERS AND CITIZENS IN THE POST-GROWTH ECONOMY

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ABSTRACT

The paper starts with the observation that in the Post-Growth Economy the difference between the role of consumer and the role of citizen can vanish as consumers – similar to citizens – increasingly take a broader view on the mission and function of business. Becoming conscious of environmental and social issues, consumer-citizens require ecological, prosocial, and ethical functioning from companies. The paper argues that in the Post-Growth Economy businesses and other organizations should develop close collaboration with the consumer-citizens to harness their support for their functioning. The paper presents innovative cases of community-based enterprises to show the beneficial effects of the active involvement of consumer-citizens in business functioning. The paper concludes with some suggestions for businesses for developing deep collaboration with the consumer-citizens to change their business models fitting in the Post-Growth Economy.

01/ INTRODUCTION

In his book on "The Economy of the Earth", Mark Sagoff (2007) made a sharp distinction between the role of the consumer and the role of the citizen. Consumers express economic desires while citizens express political views. In the role of the consumer, individuals act to get what they want for themselves. In the role of the citizen, individuals act to achieve what they think is right or best for the society as a whole.

In the Post-Growth Economy the difference between the role of the consumer and the role of the citizen can vanish as growing numbers of consumers take a broader view on the mission and functioning of businesses, similar to citizens. Consumers are not any more passive receivers of goods and services, rather they want to influence the decisions and policies of organizations with which they interact. Becoming more conscious of environmental and social issues, consumer-citizens require ecological, prosocial, and ethical functioning from companies.

Boda and Gulyas (2006) emphasize that ethical consumption connects personal consumption with environmental and social concerns while ethical consumerism is a political movement by which people seek to consciously influence economic and social institutions. Today ethical consumer movements go beyond the logic of single-issue movements. Boycotts are still launched against companies, and "specialized" NGOs exist which focus their activities on particular topics. But, more and more conscious consumer organizations emphasize complex objectives promoting social and environmental sustainability, global justice and fairness. Ethical consumerism might significantly contribute to raising the ethicality of business, because consumers are supposed to be the most important stakeholders of firms, on which the companies' survival largely depends.

In their book on "The Collaborative Enterprise" Tencati and Zsolnai (2010) argue that enterprises should build long-term, mutually beneficial relationships with all their stakeholders and produce sustainable values for their whole business ecosystem. Tencati and Zsolnai also suggest that "the strength and sustainability of enterprises come from their ability to fit into the environmental, social, and cultural context in which they operate. By creating values for all stakeholders, enterprises can involve them and gain deep support based on their commitment. This may lead to superior performance from a multiple-bottom-line perspective." (Tencati & Zsolnai, 2009: 367)

The central aim of this paper is to demonstrate that business and social enterprises can involve the consumer-citizens in their functioning in meaningful ways to create ecological and human well-being in the Post-Growth Economy.

The paper proceeds as follows. After this introduction, Section 2 presents innovative cases of community-based business and social enterprises which work in fields related to basic human needs such as food, water, shelter, clothes, energy, transportation, health, education, art and regeneration, tourism, banking, and technology. Section 3 discusses the learnings from the presented cases and shows the virtuous circle of the functioning of community-based enterprises. Finally, Section 4 concludes with some suggestions for businesses and other organizations for developing deep collaboration with communities to change their business models fitting in the Post-Growth Economy.

02/ COMMUNITY-BASED ENTERPRISES

Peredo and Chrisman (2006) developed the concept of "community-based enterprises" which represent a strategy for sustainable local development. This type of enterprises is typically rooted in community culture and integrates natural and social capital in economic considerations. Community-based enterprises transform the community into an entrepreneur and an enterprise.

Sanna (2018) speaks about community-based initiatives. She observed that community-based initiatives are increasingly promoting systemic transition towards sustainability, and as leading the Post-Growth transformation. They deliver essential services, often contribute to creating jobs within their communities, and contribute positively towards community development.

Celata et al. (2019) studied the contribution of community-based or grassroots initiatives to a transition towards a low-carbon society. These authors characterized and quantified the impact of activities across many different domains of community engagement, such as community gardens, solidarity purchasing groups, community-supported agriculture, alternative food networks, recycling, sustainable mobility, and renewable energy.

In grassroots initiatives and innovations (Middlemiss & Parrish, 2010) citizens mobilize capacities and resources to collectively define and carry out actions which aim at providing public goods or services for their community, and they control the aims, the means, and the actual implementation of their activities (Edelenbos et al., 2021: 1692).

Hidayat and Stoecker (2018) and Veress (2025) use the term "community-based organizations" for organizations which substantially

and meaningfully involve the communities of people in their activities and harness the power of the communities in their functioning. These community-based organizations are as meso-level entities where the sustainable behavior of consumer-citizens can be impacted by their socioecological-oriented way of operation (Veress et al. 2024).

We selected twelve cases of innovative community-based enterprises which prioritize basic human needs. These examples of business and social enterprises show the viability of community-based functioning in the Post-Growth Economy.

We used the methodology of the "requisite variety" (Ashby, 1963) to select the cases to be as diverse as possible in the terms of industry, geography, organization form, and size. FIGURE 3.1.

	INDUSTRY	COUNTRY	ORGANIZATIONAL FORM	SIZE
Green Monday	Food	China	Social enterprise & business enterprise	500 employees
Water Temples of Bali	Water	Indonesia	Religious-based, informal network of communities	Thousands of people
Mietshäuser Syndikat	Shelter	Germany	Association and Limited Liability Company	3800+ residents
Swappis	Clothes	Hungary	Limited Liability Company	4 people
Lumituuli	Energy	Finland	Customer-owned Limited Liability Company	1200 shareholders
Riversimple	Transportation	UK	Private limited Company	24 employees

	INDUSTRY	COUNTRY	ORGANIZATIONAL FORM	SIZE
Buurtzorg India	Health	India	Private Limited Company	Hundreds of people
SEKEM	Education	Egypt	Holding company	2000 employees
Echigo-Tsumari Art Field	Art & Regeneration	Japan	Cooperative	100 employees
Fairbnb	Tourism	Italy	Cooperative	Thousands of properties listed
Grameen Bank	Banking	Bangladesh	Members-owned corporation	23000+ employees
OpenBionics	Technology	USA	Open-source initiative	Thousands of people

Source: Authors' own construction

Figure 3.1. Characteristics of Selected Community-Based Enterprises

2.1/ FOOD – GREEN MONDAY

Green Monday, based in Hong Kong, is a multi-faceted ecosystem of social and business enterprises producing and distributing plant-based food dedicated to being a global change maker for a sustainable future, aiming at tackling issues of climate change, food insecurity, public health crisis, planetary devastation, and animal suffering.

David Yeung and Francis Ngai, economists and Zen Buddhist practitioners, founded Green Monday on the Earth Day in 2012 with the mission of revolutionizing the ecosystem of future food. Green Monday promotes low-carbon, sustainable, plant-based lifestyles, and local and global community building parallelly implements triple-bottom-line approach. As an innovative platform of social and economic businesses it guides individuals, communities, a variety of companies and educational institutions, and brings together their efforts to advance social and environmental responsibility and feasible lifestyle change around the world. Green Monday emphasizes the beneficial impacts of vegetarianism, but does not expect people to make a sudden and drastic dietary transition, but instead inspires and empowers all stakeholders to contribute to a global impact through seemingly small but easy-to-implement steps.

Green Monday supports a green and healthy lifestyle both in terms of demand, providing information for consumers and partner companies and driving awareness-raising campaigns, and the supply side, through active market participation to provide solutions to increase supply of sustainable and ethical choices by ways of food retail and distribution, food technology innovations, corporate consulting, and impact investing.

To make real social change happen, Green Monday is committed to serve the common good and the well-being of all stakeholders and capitalize on the power of community via accumulating efforts of individuals, communities and businesses that share the same core values (Green Monday, 2025; Ócsai, 2023).

2.2/ WATER – WATER TEMPLES OF BALI

The Water Temples of Bali is an ancient but still living, spiritual-based, community centered practice of water management. For centuries, a complex system of water temples, watched over by Buddhist priests, governs a system separate from government efforts (Chamberlain, 2019).

In the rice terraces of Bali, a water ecosystem is functioning. Carefully using the 170 rivers and streams flowing down the slopes of sacred volcanoes, the system conserves water while also controlling pests: conservation by cooperatives, called “subaks,” planting at different time, but pest control by every farm going fallow at the same time; the pests are then starved of food (Chamberlain, 2019).

Such a complicated schedule and communal management demands a spiritual discipline of the communities. The people consider the flow as sacred; its management is through the decisions of the priests. A regional hierarchy exists among the various “subaks” and local water temples which finally are under the direction of the high priest at the Temple of the Goddess of the Lake (Zurik, 2002; Lansing, 1987).

2.3/ SHELTER – MIETSHÄUSER SYNDIKAT

The Mietshäuser Syndikat (MHS) was established in 1992 in Freiburg, Germany. It is a federation of housing commons that has effectively decommodified housing by removing 167 apartment buildings from the real estate market. Each building is managed through an innovative legal structure that prevents properties from returning to market speculation. (MHS, 2025).

The key to MHS's success lies in its distinctive socio-legal arrangement. Each property is owned by a limited liability company with exactly two owners: the residents' association for that specific housing complex and the Mietshäuser Syndikat itself. This structure creates a mutual veto mechanism that ensures "capital neutralization" (Bollier & Helfrich, 2019). While residents maintain full self-determination over their daily affairs, any fundamental changes affecting property ownership require agreement from both parties, preventing unilateral decisions to sell or convert buildings into condominiums. MHS's governance remains volunteer-driven, with only minimal paid administrative support (MHS, 2025).

The MHS model redefines ownership in fundamental ways that challenge conventional property relations. The syndicate's structure creates a form of property stewardship where residents have secure, permanent use rights to their specific living spaces while participating in the collective governance of their building through the residents' association. At the same time, they belong to the broader federation of housing projects, where solidarity transfers connect established and emerging communities. Through this arrangement, residents develop allegiances not just to their immediate housing community

but to the entire network of projects, creating an environment where individual and collective interests naturally align rather than compete (MHS, 2025).

Residents pay monthly contributions which reflect actual maintenance costs rather than market prices. As mortgages are paid off, surplus revenues flow into a Solidarity Fund that finances new housing projects—implementing a pay-it-forward approach that helps the federation to expand. (Bollier & Helfrich, 2019).

2.4/ CLOTHES – SWAPPIS

Swappis (its Hungarian name is “Ruhaforgó”) is a small vintage clothing shop that operates in the city center of Budapest, Hungary. The shop is run by its founder and aims to build a sustainable clothing operation. Its business model is serving social aims and integrating business into the community (Edőcsény & Harangozó, 2021). This small business serves not only ecological aims with its operation but also serves social sustainability as a small-sized enterprise. The business model of this store is to build a community in the urban context to “swap” clothes. The ecological reasons behind its aims are to reduce the consumption of new clothes and promote the sharing and swapping of “preloved” clothing instead of buying new ones. With this, they suggest reducing waste generated by clothes and reducing the environmental and social harm of the fashion industry by reducing consumption and demand for their products.

The small shop builds a community base, and their customers become not consumers but members of the community. Customers were encouraged to join this community for better prices. Members

bring their “preloved” products to the store and can buy things at reduced prices from its supply. In this way, the business helps local citizens in swapping, by organizing the space and the community for this sharing. The store secures the standard quality for the products and controls it during the process. The unsold products will also be in circulation as they give them to charity and recycling in a transparent way (Swappis 2025).

The members of the community are engaged not only with pricing, but also pushing messages on sustainable fashion, sharing or renting instead of buying new things. In its communication and social media presence, the store raises awareness of the social and environmental dangers of the current fast fashion industry and thus informs its community members about its impact. It also offers its members an alternative way of living that emphasizes the circular economy model in clothing products with a community feeling (Swappis, 2025).

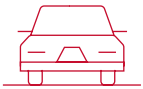
2.5/ ENERGY – LUMITUULI

Lumituuli Ltd. was established in 1998. It represents Finland’s first nationwide, customer-owned wind power producer. It emerged following the liberalization of Finland’s energy market, which enabled consumer choice among electricity suppliers and challenged centralized generation systems (Jalas & Makinen, 2018). With approximately 1,200 shareholders—primarily private citizens, firms, associations, and municipalities—Lumituuli stands as one of Finland’s most successful crowdfunding initiatives in the energy sector (Lumituuli, 2025).

The organization originated as a joint effort between local people of Lumijoki municipality and the Finnish environmental association Dodo. The founding vision was to utilize the high winds of the coastal district while enabling citizens to participate actively in renewable energy production. The company has consistently paid promised dividends, attracting shareholders and bondholders with 5-6% annual interest rates on newly issued bonds (Veress, 2025; Jalas & Makinen, 2018). Through multiple share and bond issues, Lumituuli has raised approximately €3.7 million in crowdfunding (Lumituuli, 2025).

Although the founders envisioned active citizen involvement in governance, after two decades, Lumituuli primarily engages those already well-positioned for energy policy participation. Its operations rely mainly on a small core group of volunteers working without compensation, with only one part-time paid manager. Despite this, the organization maintains political influence by challenging unfair grid connection prices and lobbying against administrative practices that disadvantage small companies (Jalas & Makinen, 2018).

The community-supported nature of Lumituuli offers several advantages for both shareholders and the broader society. This model demonstrates how citizen participation can effectively transform energy production systems, moving from centralized corporate models toward distributed, community-owned renewable energy initiatives, providing democratic control over essential infrastructure (Jalas & Makinen, 2018).



2.6/ TRANSPORTATION – RIVERSIMPLE

Riversimple is a UK-based startup whose mission is: "To pursue, systematically, the elimination of the environmental impact of personal transport." The Riversimple vehicle known as Rasa is an electric car powered by hydrogen. It is primarily designed as an affordable transportation option for two people. The car is lightweight, user-friendly, and operates efficiently (Riversimple, 2025).

The company provides its customers with mobility services in a completely new way (Rana et al, 2017). The business they have created reinterprets economic operations in several aspects in a post-growth perspective (Wells, 2018). Their approach is based on technological innovation and extends to business operations. Sustainability is not only interpreted in a technological innovation, but the entire operation and transportation are designed in a post-growth perspective.

Ecological sustainability is built on full circularity in the use of materials and energy, and long-lasting service-based usage of vehicles. The use of materials already makes sense in the design phase, since both the use of materials in production is placed on local resources, recyclability is considered as a central design element and resource consumption is minimized. The fuel is hydrogen-based, so the energy use also builds on circularity, as it places emphasis on completely avoiding emissions and the use of fossil fuels (Riversimple, 2025).

In business operations, the involvement of stakeholders is essential, and their involvement is also fulfilled in a governance model. Thus, the consideration of social aspects and consumers, as the most important stakeholders, also finds a place in business operations. The interpretation of social inequalities and global colonization takes

shape in the use of materials and the localization of production. Their low-volume manufacturing can potentially reduce the risk of overproduction, enabling the company to establish a presence in the market despite competition from established players. Their business model integrates low-impact technologies for minimalist mobility, alongside innovations in governance and business strategies to create a holistic 'triple alliance' structure (Wells, 2018).

2.7/ HEALTH – BUUTZORG INDIA

Buurtzorg, established in the Netherlands in 2006. It introduced a nurse-led approach to holistic care that transformed community healthcare. The model has been adapted in India to address unique cultural contexts where elderly care traditionally occurs within families. Buurtzorg India (BI) provides home healthcare services in a predominantly private healthcare system, often leaving many without access to quality care (Veress, 2025).

Operating with the principle of "humanity over bureaucracy," BI collaborates with EduGreen to train primarily women from rural areas as caregivers, addressing healthcare access and employment needs. These caregivers learn essential non-invasive tasks covering approximately 80% of nursing needs, including medicine management, body fluid management, eating assistance, wellness upkeep, and psychological support (Veress, 2025).

BI forms teams of 12 members, typically comprising three market-hired nurses and nine EduGreen-trained caregivers. This structure enables a dual impact: empowering rural women through employment while providing accessible healthcare. Through high team autonomy, BI

maintains low management overhead (8% versus an industry standard of 25%). Patient care focuses on well-being over profit, including educating patients and families in self-care and facilitating physician communication. The home-based treatment costs one-tenth of hospital-based care. This approach enables genuine human connections, reflected in low abuse rates and staff turnover (10% versus the industry's 40%) (Buurtzorg India, 2020). Staff receive stable wages and sick leave while gaining respect within patient families and communities (Veress, 2025).

BI innovates digital solutions including online education platforms and specialized IT systems supporting team coordination and knowledge sharing across distributed healthcare teams. In collaboration with EduGreen, BI is developing emergency medical technician protocols specifically designed for India's largely unregulated emergency care environment. These protocols aim to standardize response procedures while maintaining flexibility in diverse rural and urban settings. This technological infrastructure supports BI's decentralized team model while ensuring *consistent quality of care delivery* (Veress, 2025).

2.8/ EDUCATION – SEKEM

Egyptian pharmacologist and social entrepreneur Ibrahim Abouleish founded the organization SEKEM in Cairo in 1977 with the idea of sustainable development in accordance with ecological, ethical principles and giving back to the community in which every human being can unfold his or her individual potential. Inspired by the values of Islam and Anthroposophy, SEKEM's mission is to restore and maintain the vitality

of the soil and food, the biodiversity of nature through sustainable, organic agriculture, and to catalyze social and cultural development in Egypt.

The SEKEM Group is now a producer, processor and marketer of organic and biodynamic groceries, dried food, textiles and natural pharmaceuticals in Egypt and the international market. It consists of several business enterprises together with educational and non-governmental organizations, including SEKEM Development Foundation, Society for Cultural Development in Egypt, the Centre for Organic Agriculture in Egypt and the Egyptian BioDynamic Association. SEKEM's network employs more than 2,000 people, unites efforts of more than 5,800 farmers, over 800 farms in Egypt, Sudan and Uganda, and trading companies to produce and process food, herbal teas and beauty products, medicinal herbs, medicines, organic cotton products. SEKEM operates a medical center, schools, a nursery, a vocational training center, a college, a research center and a university focusing on sustainable development.

SEKEM integrates economic success with promotion of social and cultural development and has a significant impact on the region's agriculture through its decade-long efforts to actively cooperate with, educate and advise thousands of farmers and their families about the transition to and the maintenance of organic and regenerative, biodynamic farming practices. All its social and business organizations follow the policy of ensuring transparency, health and stability in their relationships and combining traditional and innovative educational approach (SEKEM 2025; Zsolnai, 2015).

2.9/ ART AND REGENERATION – ECHIGO-TSUMARI ART FIELD

Echigo-Tsumari Art Field is a successful attempt in Japan to create a regenerative community and economy by using art-based interventions in villages and rural landscapes (Shrivastava and Cucuzzella, 2017). Echigo-Tsumari Art Field consists of a region of 200 hamlets or villages called “shuraku”. Nearly a quarter of these villages are considered “dying” as more than the half the population is over 65 years old.

The art-led development project was initially directed by Fram Kitawa, the owner of Front Gallery in Tokyo, who is a native of this region. He invited many of his contacts - international artists - with the goal of encouraging people to activate their imagination and bring alternative artistic points of view from the outside. The Echigo-Tsumari Art Triennale is the most important initiative. Youth volunteers work with the old residents who have spent their entire lives on farming sparsely populated lands. The youth seeking purpose find it meaningful to engage farm work and art in the service of nature (Shrivastava & Zsolnai, 2022).

The Echigo-Tsumari pursues community building based on artistic engagement. The 760 sq. km. area is covered with over 160 artworks indicating that this space unveils its natural and historical abundance. Each of the artworks is selected to highlight the beauty of the place and its history. The Echigo-Tsumari project has been very successful. The Echigo Tsumari Art Trienniale is the second largest in the world (after Venice) attracting more than one million visitors. Moreover, the project has established a self-sustaining financial base (Shrivastava & Zsolnai, 2022).

The Echigo-Tsumari Art Field project is significant in enlivening the once desolate space. With more than one million visitors per year and over 3.000 volunteers, the socio-cultural enlivenment of the region is substantial. In addition, the art interventions were embedded within the rice paddy fields, the riverbeds, and mountains creating an eco-systemic enlivenment where the artwork seems to emanate right out of the natural habitat.

2.10/ TOURISM – FAIRBNB

Fairbnb.coop originated as a collaborative initiative among various groups from European cities seeking socially sustainable alternatives to problems arising from short-term rentals in the tourism sector. The founding groups included activists from Bologna focused on using platform revenues to fund social projects, an Amsterdam initiative supporting municipalities in regulating short-term rentals, a Barcelona group aiming to create a collectively managed accommodation platform, and a Venice collective intending to keep tourism revenues within the local economy (Foramitti et al., 2020).

By 2018, Fairbnb established an initial workers' cooperative in Italy, owned by the platform's developers and administrators and governed by a board of five elected members. Unlike conventional accommodation platforms that extract wealth from communities, Fairbnb.coop embodies what they call "Community Powered Tourism," where 50% of the platform's commission fees directly fund local social projects chosen by visitors, while the remainder supports the platform's operations (Fairbnb, 2025).

The platform's distinctive governance model places decision-making power with those affected by tourism: hosts, guests, local business owners, and residents. This collective ownership approach ensures profits remain within communities rather than flowing to remote investors. Fairbnb.coop collaborates with local authorities to verify accommodation listings and establish sustainability rules that protect communities from tourism's negative effects, particularly gentrification and housing affordability issues (Fairbnb, 2025).

Unlike Airbnb's extractive model, which funnels profits to shareholders and can drive gentrification in popular destinations, Fairbnb's business model creates a fundamentally different scenario. While hosts earn the same and guests pay comparable rates to conventional platforms, Fairbnb redirects profits back into the communities' travelers visit. This stark contrast with Airbnb's wealth extraction approach allows Fairbnb to actively counteract mass tourism's negative impacts on housing affordability, local cultural identities, and ecosystems. Fairbnb keeps resources within the communities that generate them. Fairbnb demonstrates how accommodation platforms can operate within a Post-Growth Economy framework (Fairbnb, 2025).

2.11/ BANKING – GRAMEEN BANK

The Grameen Bank is a microfinance organization and community development bank started in 1983 in Bangladesh. It makes small loans (known as "microcredit") to the impoverished without requiring collateral (Grameen Bank, 2025).

A group-based credit approach is applied which utilizes the peer-pressure within the group to ensure the borrowers follow through

and use caution in conducting their financial affairs with strict discipline, ensuring repayment eventually and allowing the borrowers to develop good credit standing. The distinctive feature of the bank's credit program is that the overwhelming majority (98%) of its borrowers are women.

Grameen Bank was founded by Muhammad Yunus, an economics professor from the University of Chittagong. The bank and its founder, Muhammad Yunus, were jointly awarded the Nobel Peace Prize in 2006.

Grameen Bank believes that charity is not an answer to poverty. It only helps poverty to continue as it creates dependency and takes away individuals' initiative to break through the cycle of poverty, whereas loans offer people the opportunity to take initiatives in business or agriculture, providing earnings and enabling them to pay off the debt.

Grameen regards all human beings, including the poorest, as endowed with endless potential, and that unleashing the creativity in each individual should be the answer to poverty. Grameen has offered credit to many poor, women, illiterate and unemployed people. It created access to credit on reasonable terms such as the group lending system and weekly-installment payment with reasonably long term of loans, enabling the poor to build on their existing skill to earn a better income in each cycle of loans. Grameen's objective has been to promote financial independence among the poor. Yunus encourages all borrowers to eventually become savers so that their local capital can be converted into new loans (Zsolnai, 2012).

The bank targets the poorest of the poor, with a particular emphasis on women. Women represent a suitable clientele, because they have an inequitable share of power in household decision making. Lending to women also generates considerable secondary effects, including empowerment of a marginalized segment of society.

Solidarity lending is a cornerstone of the philosophy of Grameen Bank. Each borrower must belong to a five-member group, but the group as a whole is not required to give any guarantee for a loan to its member. Repayment responsibility solely rests on the individual borrowers, while the group and the center oversee that everyone behaves in a responsible way and none gets into a repayment problem (Zsolnai, 2012).

There is no written contract between Grameen Bank and its borrowers: the system works based on trust. To supplement the lending, Grameen Bank also requires the borrowing members to save very small amounts regularly in a number of funds like emergency fund, group fund etc. These savings help serve as an insurance against contingencies. The bank claims a loan recovery rate above 95%.

One unusual feature of the Grameen Bank is that it is owned by the poor borrowers of the bank, most of whom are women. Of the total equity of the bank, the borrowers own 94%, and the remaining 6% is owned by the Government of Bangladesh.

2.12/ TECHNOLOGY – OPENBIONICS

OpenBionics is an open-source initiative representing a transformative approach to prosthetic technology that prioritizes human needs over profit-maximization in healthcare innovation. Access to quality prosthetic limbs remains severely limited in the conventional prosthetics market due to prohibitive costs. For many amputees, particularly those uninsured or underinsured, high costs create insurmountable barriers to acquiring and maintaining prosthetic limbs (Kostakis et al., 2018).

The OpenBionics initiative produces a digital commons of designs, software, and know-how for developing anthropomorphic, modular, adaptive, lightweight, and customizable robot and prosthetic hands of low complexity and cost. These hands can be fabricated with desktop manufacturing technologies such as 3D printing and CNC machines, using off-the-shelf, low-cost materials available worldwide. The resulting prosthetic hands are as functional as commercial solutions but cost only 0.1-1% of their price (Kostakis et al., 2018).

OpenBionics follows "design-embedded sustainability" by avoiding planned obsolescence strategies. Instead, it provides robust, modular, reusable, and easily maintainable solutions that facilitate cooperation and replication. For example, the modular structures enable users to repair devices with minimal tools and expertise, eliminating professional maintenance costs (Kostakis et al., 2018).

To support global accessibility, OpenBionics aims to establish a network of makerspaces where designs can be built on demand and users can receive repair assistance. This relocalizes production, minimizing transportation, advertising costs, and environmental impact (Kostakis et al., 2018).

The initiative offers designs under Creative Commons licenses that allow sharing, adaptation, and commercial use. This empowers grassroots innovation—the more people modify and improve the designs, the more efficient and dexterous the hands become. The OpenBionics designs have been acquired by researchers, makers, hobbyists, and professionals in 174 countries and 7,500 cities worldwide, creating a global commons-oriented community focused on prosthetic innovation (Kostakis et al., 2018). FIGURE 3.2. shows the key aspects of the functioning of the selected community-based enterprises.

GREEN MONDAY

VALUES

- Vegetarianism

PURPOSE

- Plant-based food ecosystem against food insecurity, natural degradation, animal suffering.

STRATEGY

- Raising consumer awareness, inspiring other businesses, knowledge sharing and value transfer, strengthening sustainable food industry cooperation.

OUTCOMES

- Green Common store chain, OmniFoods innovations, impact investment fund.
- Annually saved: 1.2+ million tons of carbon emission, 390+ million animal lives, 380+ billion liters of fresh water.

WATER TEMPLES OF BALI

VALUES

- Buddhist spirituality

PURPOSE

- Sustaining a centuries-old, complex water governance system.

STRATEGY

- Values based collaboration between Buddhist monks and the local communities.

OUTCOMES

- Preserving 170 rivers and streams, defending the ecology of the land, and assisting the spiritual renewal of communities.

MIETSHÄUSER SYNDIKAT

VALUES

- Solidarity, dignity, and autonomy in housing

PURPOSE

- Providing access to stable and quality housing.

STRATEGY

- Removing housing from the real estate market and ensuring affordability and autonomy for residents.

OUTCOMES

- 167 buildings decommodified, providing housing for thousands of people.

SWAPPIS

VALUES

- Circular economy and sustainable lifestyle

PURPOSE

- Reduce consumption in fashion and clothing, keep circularity, and embed business in the local community.

STRATEGY

- Developing community-based business model for clothing.

OUTCOMES

- Two shops operated in Budapest since 2018 with local members.

LUMITUULI

VALUES

- Self-sustaining energy autonomy

PURPOSE

- Providing renewable wind energy for households

STRATEGY

- Customer-ownership model with crowdfunding through shares and bonds

OUTCOMES

- Successful renewable energy production, consistent dividends to shareholders, political influence on energy policy

RIVERSIMPLE

VALUES

- Sustainable transportation and innovation

PURPOSE

- Elimination of the environmental emissions of personal transport.

STRATEGY

- Whole System Design approach: the design, operation, and people serve the aim of the business.

OUTCOMES

- Technological and business innovation in personal transportation with a post-growth economy approach.

BUURTZORG INDIA

VALUES

- Care and dignity in health provision

PURPOSE

- Providing accessible healthcare services while empowering rural women.

STRATEGY

- Self-organizing teams of nurses and trained caregivers, focus on home-based care.

OUTCOMES

- Provides accessible quality healthcare, and satisfying employment.

SEKEM

VALUES

- Anthroposophy and Islam

PURPOSE

- Fostering sustainable development, respecting ecological, ethical values.
- Giving back to the community.

STRATEGY

- Restoring, maintaining the vitality of the soil and natural biodiversity.
- Organic, regenerative agricultural methods.

OUTCOMES

- Catalyzing social and cultural development.
- Community of social and business organizations, 12,000+ hectares of regenerative farmland
- 20,000+ tons of total CO_2 sequestration.

ECHIGO-TSUMARI ART FIELD

VALUES

- Japanese philosophy of art and nature

PURPOSE

- Creating a regenerative community and economy through art-based interventions in villages and rural landscapes

STRATEGY

- Organizing the Echigo-Tsumari Art Triennale and other art projects involving international artists and large scale of volunteer work

OUTCOMES

- More than one million visitors per year, successful socio-economic and ecological enlivenment of the region

FAIRBNB

VALUES

- Sustainability and autonomy

PURPOSE

- Creating a sustainable alternative to profit-maximizing accommodation platforms

STRATEGY

- Collective platform ownership, redistributing 50% of commission fees to local projects, collaboration with local authorities

OUTCOMES

- Sustainable tourism development, community empowerment, local wealth circulation, funding of social and ecological projects

GRAMEEN BANK

VALUES

- Solidarity with the poor, mutual help within small communities

PURPOSE

- To empower impoverished people (mostly women) to get out of poverty

STRATEGY

- Providing micro-loans for people in groups to start their own small businesses and to create their financial independence

OUTCOMES

- Millions of Bangladeshi risen out of acute poverty and numerous positive impacts on the rampant rural areas of Bangladesh.

OPENBIONICS

VALUES

- Care and dignity

PURPOSE

- Creating accessible, affordable prosthetic technology through open designs

STRATEGY

- Establishing a global network of makers and sharing designs under Creative Commons licenses

OUTCOMES

- High quality prosthetic hands at fraction of commercial cost, available to those in need worldwide

Source: Authors' own construction

Figure 3.2. Key aspects of the functioning of the selected community-based enterprises

03/ THE VIRTUOUS CIRCLE OF COMMUNITY ENGAGEMENT

The presented community-based organizations demonstrate a self-reinforcing virtuous circle. FIGURE 3.3.

The key features of community-based enterprises include the following:

1/ **Strengthening relationships with communities**
builds trust and understanding

2/ **Prosocial and pro-environmental purpose and functioning**
align business activities with community values

3/ **Developing community support**
creates backing for the organization's mission

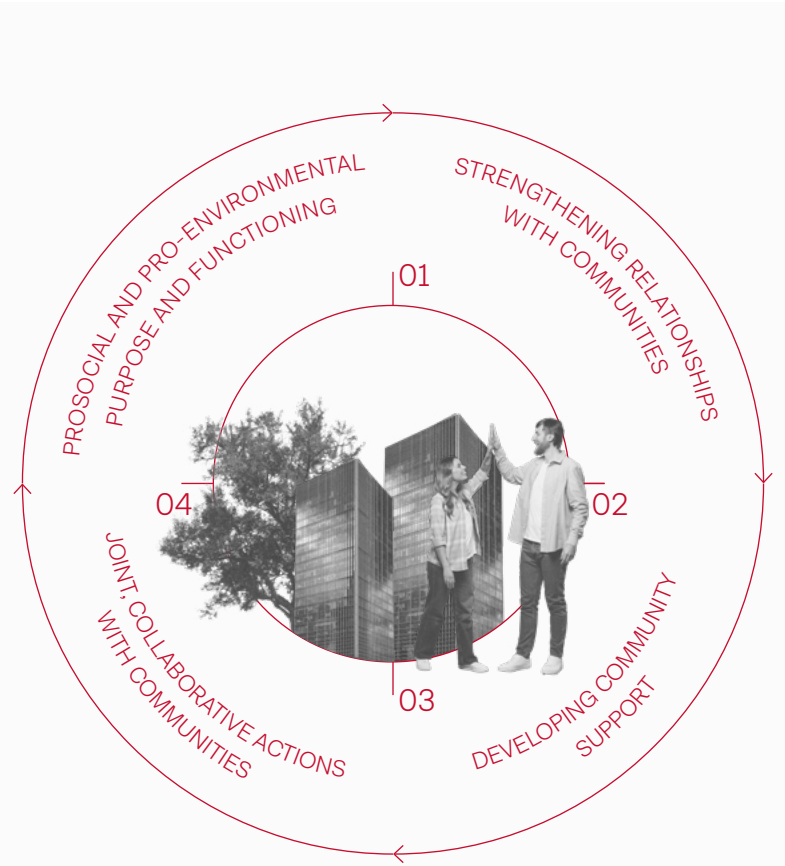
4/ **Joint, collaborative actions with communities**
produce tangible benefits that further strengthen relationships.

In a Post-Growth Economy, the goal and value system is supportive to prioritize securing basic needs, to provide dignity, and contribute to ecological preservation and regeneration. These features could be significantly supported by arrangements that provide people time, capabilities and ideas to act as citizens, to maintain a civil economy (Bruni and Zamagni, 2007).

In the working models of community-based enterprises, the primary guiding question is "how can we contribute to socially and ecologically positive outcomes?" instead of "how can we exploit profit opportunities?".

The presented organizations demonstrate how enterprises can thrive while prioritizing the fulfilment of human needs rather than pursuing growth or profit-maximization as their primary objective. The community-based character of these organizations helps to prevent mission

drift over time. By remaining accountable to and partially governed by their consumer-citizens, these enterprises maintain their original purpose and values.



Source: Authors' own construction

Figure 3.3. The Virtuous Circle of Community-Based Enterprises

04/ HARNESSING THE POWER OF COMMUNITIES

Involving communities in their functioning provides major benefits for business and social enterprises. First of all, it can create commitment and trust of the people involved in the organization. People are ready to identify themselves with noble goals of organizations if those are executed in fair ways and bring some desirable results for them. In this case, business and social enterprises can get "deep support" from their customer-citizen stakeholders. Also, community engagement can be a source of innovation and make community-based enterprises more transparent, democratic, and accountable.

Today's mainstream businesses have an extractive working model and their functioning is largely destructive. They produce considerable values for society as they satisfy customers' wants, provide jobs, and drive technological innovation. However, in many cases, mainstream businesses are "free riders" on society and nature as they appropriate values from common natural and societal resources without paying the price for it, and externalize most of the costs of their functioning upon society, nature, and future generations (Sethi 2013, Marquis 2024).

The key problem is the nature, form and scale of mainstream business operations. Mainstream business models vary but none of them are compatible with the flourishing life on Earth (including human, non-human and future life). To achieve meaningful change in the humanity–nature nexus we have to reinvent the way business functions. How can business become ecologically conscious agent which operates within limits, that is, uses only its "fair earth share" and contributes to the flourishing of human and non-human life on Earth? (Shrivastava and Zsolnai, 2023).

Community engagement can help the required transformation of business in various ways. By entering into dialogue with consumers-citizens and other communities' businesses can get inspiration and even force to rethink their working model and to transform their functioning toward a planet positive mode.

People are social beings who live in and by relationships. The functioning of business and other organizations should reflect this basic fact of the "human condition". However, socialness is not just a predicament but also a huge opportunity for organizations. As the relational view of the firm (Tencati & Zsolnai, 2013) and relational ethics (Keiser, 1996) suggest, organizations can thrive if they are embedded and fit in the social and environmental context in which they are functioning.

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04

POST-GROWTH ECONOMICS FOR HUMAN FLOURISHING THROUGH A HUMANISTIC LENS:

A focus on Governance and Institutions in Education and Business Education

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ABSTRACT

This paper advances a comprehensive framework for transitioning from growth-dependent economic systems to post-growth models centered on human flourishing. Drawing on humanistic economics, positive psychology, and dignity-based governance theory, we argue that sustainable prosperity requires fundamental institutional transformation across governance structures, educational systems, and business practices. Through theoretical analysis and comparative case studies, we demonstrate that flourishing-oriented frameworks offer viable alternatives to GDP-centered development paradigms. We examine psychological, cultural, and structural barriers to transformation while identifying interdisciplinary pathways for implementation. Our analysis reveals that post-growth economics is not merely an ideological position but a pragmatic necessity for addressing the interconnected crises of ecological degradation, social inequality, and psychological malaise in the twenty-first century.

KEYWORDS:

POST-GROWTH ECONOMICS | HUMAN FLOURISHING | HUMANISTIC MANAGEMENT | DIGNITY-BASED GOVERNANCE | SUSTAINABLE PROSPERITY | EDUCATIONAL REFORM | BUSINESS ETHICS

01/ INTRODUCTION.[12] THE GROWTH PARADIGM IN CRISIS

The twenty-first century is witnessing an intensifying recognition that the global economy cannot indefinitely sustain its dependence on perpetual material growth. The environmental, social, and psychological consequences of overconsumption and inequality have prompted economists, philosophers, and policymakers to question the growth paradigm that has dominated global governance since the Industrial Revolution (Hasselbalch & Kranke, 2024; Demaria et al., 2019). Climate disruption, biodiversity collapse, resource depletion, and widening wealth gaps signal not merely policy failures but systemic contradictions within the logic of infinite growth on a finite planet.

The post-growth paradigm—emerging from degrowth, steady-state, and human development discourses—challenges the traditional notion that progress equates to economic expansion. Instead, it advances a more holistic and sustainable understanding of human prosperity centered on well-being, justice, and dignity. This reorientation requires not simply tweaking existing systems but fundamentally reimagining the purpose and structure of economic institutions.

1.1/ HUMANISTIC ECONOMICS AS FOUNDATION

Humanistic perspectives on economics offer profound insights into how societies can transition toward post-growth models. Humanistic economics, drawing from the works of Schumacher, Fromm, and contemporary thinkers, emphasizes that economic systems should

12 I acknowledge the help of ChatGPT and Claude.ai in the creation and development of this paper which is based in large part on my prior work on humanistic management and leadership.

serve people—not the other way around. It prioritizes the inherent dignity of each person and advocates for structures that foster autonomy, meaning, and community. As Pirson (2017, 2022) argues in his work on humanistic management and organizational dignity, flourishing must be treated as a governance commitment rather than a market byproduct.

These ideas have practical implications for governance and institutional design, particularly in education and business, where future leaders and citizens are cultivated. The question is not whether growth can continue indefinitely—empirical evidence increasingly suggests it cannot—but rather how societies can create alternative institutional frameworks that enable human thriving within ecological boundaries.

1.2/ FLOURISHING AS A BRIDGE CONCEPT

Human flourishing, as conceptualized by VanderWeele and deeply advanced by Pirson's scholarship on dignity-based organizational design and humanistic business leadership (2017) and Fowers et al. (2024), captures the multidimensional nature of human well-being. It encompasses emotional, physical, moral, and social domains of life, reflecting both personal fulfillment and communal thriving. Flourishing thus serves as a bridge concept linking economics, education, and governance—domains traditionally treated as separate but increasingly recognized as interdependent.

Unlike narrow metrics such as GDP or consumption levels, flourishing incorporates dimensions that reflect what people actually value: meaningful relationships, purposeful work, physical and mental health, moral development, and connection to community and nature. This expansive understanding challenges reductionist economic models that treat humans primarily as utility-maximizing consumers.

1.3/ THESIS AND STRUCTURE

The thesis of this paper is that post-growth economics must prioritize governance and institutional frameworks that promote human flourishing in both educational and business contexts. By grounding these systems in humanistic values—dignity, compassion, and purpose—societies can cultivate sustainable, just, and flourishing futures. We proceed in five sections: first establishing theoretical foundations of flourishing CHAPTER 02/, then examining governance structures that support it CHAPTER 03/, exploring education's transformative role CHAPTER 04/, analyzing business education and institutional change CHAPTER 05/, and finally addressing challenges and opportunities for implementation CHAPTER 06/.

02/ THEORETICAL FOUNDATIONS OF HUMAN FLOURISHING

2.1/ CONCEPTUALIZATIONS OF FLOURISHING

The idea of human flourishing has deep roots across philosophy, psychology, and sociology, yet only recently has it emerged as a unifying framework for institutional design. In positive psychology, Seligman's (2011) **PERMA model**—Positive emotion, Engagement, Relationships, Meaning, and Accomplishment—provides a scientific framework for understanding well-being. This model emphasizes both hedonic and eudaimonic dimensions of happiness, suggesting that flourishing is not just about pleasure but about living meaningfully. The hedonic dimension concerns subjective experiences of joy and satisfaction, while the eudaimonic dimension relates to purpose, virtue, and self-realization.

Similarly, Ryff and Singer's (1998) model of psychological well-being outlines six dimensions: autonomy, environmental mastery, personal growth, positive relations, purpose in life, and self-acceptance. These dimensions emerge from empirical research on what distinguishes psychologically healthy individuals from those experiencing distress or stagnation. VanderWeele (2017) integrates these perspectives into a unified multidimensional approach, including virtue and physical health as essential components, creating a framework suitable for both research and policy application.

Umucu et al. (2018) note that flourishing frameworks share a common moral assumption—that human life has intrinsic value beyond instrumental utility. In contrast to reductionist views of humans as economic agents (homo economicus), the humanistic paradigm views people as moral, relational, and creative beings capable of cooperation and compassion. This reorientation challenges the metrics by which progress and success are measured in economic systems, suggesting that prosperity should be evaluated not by production volume but by quality of lived experience.

2.2/ HISTORICAL PERSPECTIVES ON THE GOOD LIFE

Historically, flourishing finds its origins in **Aristotle's eudaimonia**, the idea that the purpose of human life is to live virtuously and fulfill one's potential in accordance with reason. For Aristotle, eudaimonia was not a subjective feeling but an objective condition achieved through habituation in virtue and participation in civic life. The flourishing person exhibits practical wisdom (phronesis), moral virtue (arete), and lives in accordance with their rational nature. Importantly, Aristotelian flourishing was inherently social—realized through participation in the polis and contribution to collective good.

Later thinkers such as Aquinas, Rousseau, and Mill expanded this notion, integrating theological, social, and utilitarian interpretations. Aquinas synthesized Aristotelian philosophy with Christian theology, arguing that ultimate flourishing involves union with the divine. Rousseau emphasized the role of social structures in either enabling or constraining human potential, arguing that inequality and property relations corrupt natural human goodness. Mill's utilitarian framework sought the greatest happiness for the greatest number, though his conception of happiness included higher pleasures of intellect and moral sentiment.

Modern humanistic psychologists, notably Maslow and Rogers, revived these ideas in the 20th century by emphasizing self-actualization and authentic human development. Maslow's hierarchy of needs posited that once basic physiological and safety needs are met, humans naturally seek belonging, esteem, and ultimately self-actualization—the realization of one's full potential. Rogers emphasized the importance of unconditional positive regard and congruence between self-concept and experience for psychological health.

Ryan et al. (2013) linked these traditions to contemporary **self-determination theory (SDT)**, which posits that autonomy, competence, and relatedness are universal psychological needs essential for flourishing. As Pirson (2017) similarly argues in the context of dignity-centered institutional logics, when applied to institutions and governance, these principles suggest that systems promoting participation, competence-building, and social connection are vital to collective well-being. SDT has been validated across diverse cultural contexts, suggesting that while expressions of these needs vary, their fundamental importance is cross-cultural.

2.3/ CRITIQUE OF ECONOMIC REDUCTIONISM

Traditional growth-based economics assumes that more production and consumption equate to higher living standards. This assumption rests on several problematic premises: that human desires are unlimited, that technological progress can overcome all resource constraints, that market prices accurately reflect value, and that aggregate measures like GDP capture societal welfare. However, as Demaria et al. (2019) argue, this model ignores ecological limits and human satisfaction thresholds.

Beyond a certain point, economic growth ceases to contribute to happiness or flourishing—a phenomenon supported by the **Easterlin paradox**. Research across numerous countries shows that once basic material needs are met, additional income produces diminishing returns to subjective well-being. Moreover, growth-oriented systems generate negative externalities—environmental degradation, social fragmentation, time poverty, and stress-related illness—that directly undermine flourishing.

The assumption of homo economicus—the rational, self-interested utility maximizer—has been thoroughly challenged by behavioral economics, neuroscience, and social psychology. Humans are deeply social beings whose well-being depends on relational quality, not just material consumption. We are motivated by fairness, reciprocity, meaning, and identity—factors largely excluded from neoclassical economic models. Furthermore, our cognitive limitations and emotional responses often lead to decisions that maximize neither individual utility nor collective welfare.

2.4/ POST-GROWTH ECONOMICS AS FLOURISHING ECONOMICS

Post-growth economics therefore redefines prosperity not as the accumulation of goods but as the ability to live meaningful, dignified lives within planetary boundaries. Fowers et al. (2024) emphasize that a flourishing-oriented economy must measure progress through indices of well-being, equality, and ecological health rather than GDP alone. This requires developing alternative metrics such as the Genuine Progress Indicator, Happy Planet Index, and multidimensional poverty measures that capture what GDP obscures.

Critically, post-growth economics does not necessarily mean zero growth or economic contraction. Rather, it means decoupling human welfare from GDP growth, prioritizing qualitative development over quantitative expansion. In wealthy nations, this might involve selective degrowth in resource-intensive sectors while expanding care, education, arts, and ecological restoration—all of which contribute to flourishing without requiring material throughput increases.

For developing nations, the framework suggests pursuing development pathways that leapfrog the resource-intensive industrialization model, directly building economies structured around renewable energy, circular production, and human capability development. This requires challenging the assumption that all countries must follow the same developmental trajectory that enriched the Global North, recognizing both the ecological impossibility and social undesirability of universal adoption of consumer capitalism.

03/ GOVERNANCE STRUCTURES SUPPORTING FLOURISHING

3.1/ THE ROLE OF GOVERNANCE IN HUMAN FLOURISHING

Governance refers to the systems and processes through which societies make collective decisions and allocate resources, power, and opportunity. For flourishing to occur at scale, governance structures must ensure fairness, participation, and accountability. Hwang (2020) argues that governance systems grounded in transparency and inclusion enable equitable resource distribution, which is a prerequisite for both social justice and individual well-being. A flourishing society thus requires both democratic participation and moral integrity within its institutions.

Traditional governance theory focuses primarily on efficiency, stability, and legitimacy. While these remain important, a flourishing-centered approach adds additional criteria: Does governance promote human dignity? Does it expand capabilities and freedoms? Does it foster trust, reciprocity, and solidarity? Does it enable people to participate meaningfully in decisions affecting their lives? These questions shift evaluation from procedural correctness to substantive outcomes related to human thriving.

Humanistic governance extends beyond procedural democracy to include relational and ethical dimensions. It emphasizes care, trust, and shared responsibility as organizing principles. This approach aligns with **Amartya Sen's capability framework**, which views freedom—the ability to pursue one's chosen life path—as both a means and an end of development. Governance that promotes capabilities enhances citizens' dignity and agency, enabling them to be and do what they have reason to value.

3.2/ INSTITUTIONAL FRAMEWORKS FOR FLOURISHING

Institutions shape the social fabric through which individuals interact, learn, and innovate. They establish rules, norms, and expectations that structure economic activity, political participation, and social relationships. Chertkovskaya and Paulsson (2020) note that existing institutional frameworks often reinforce competition, growth dependency, and extractive logic. Quarterly earnings pressures, electoral cycles favoring short-term thinking, and educational systems oriented toward credentialing rather than learning all exemplify how institutions can undermine flourishing.

By contrast, humanistic institutions—such as cooperatives, community-based organizations, and ethical universities—operate on principles of mutual respect and collective flourishing. Worker cooperatives, for example, distribute ownership and decision-making power among employees, creating conditions for autonomy, competence, and relatedness—the core psychological needs identified by self-determination theory. Credit unions and mutual societies similarly organize financial services around member benefit rather than profit maximization.

In education and business sectors, institutional structures that prioritize dignity, care, and participation—as demonstrated in Pirson's (2017) humanistic management research—can transform the lived experience of work and learning. Kontos and Grigorovich (2018) show how care institutions structured around relational autonomy rather than efficiency metrics enable both workers and clients to flourish. Universities organized as scholarly communities rather than corporate brands create environments conducive to intellectual exploration and personal growth.

3.3/ POLICY MECHANISMS AND INSTRUMENTS

Translating flourishing principles into governance practice requires specific policy mechanisms. Several approaches have shown promise:

- **Well-being budgets:** New Zealand, Iceland, Scotland, Wales, and Finland have adopted well-being frameworks that evaluate policy proposals based on impacts to mental health, social connection, environmental quality, and other flourishing dimensions rather than GDP contribution alone. This reorients government activity toward outcomes people actually value.
- **Participatory budgeting:** Processes enabling citizens to directly decide public spending priorities have expanded from Porto Alegre, Brazil to over 11,000 communities globally. These mechanisms enhance both procedural justice and substantive outcomes by ensuring resources address community-identified needs.
- **Universal basic services:** Guaranteeing access to healthcare, education, housing, transportation, and internet regardless of ability to pay creates foundational conditions for flourishing. Unlike means-tested welfare, universal provision reduces stigma and administrative complexity while ensuring no one lacks basic necessities.
- **Maximum working hours and guaranteed rest:** Regulations limiting working time and ensuring paid leave, sabbaticals, and parental leave protect time for relationships, rest, and personal development—all essential to flourishing yet systematically eroded by competitive labor markets.
- **Progressive taxation and wealth limits:** Reducing extreme inequality through taxation not only funds public goods but also

reduces status competition, improves social trust, and diminishes political distortions from concentrated wealth.

3.4/ COMPARATIVE ANALYSIS OF FLOURISHING GOVERNANCE

Global examples illustrate how governance frameworks can support flourishing. Bhutan's **Gross National Happiness** (GNH) index provides an alternative to GDP by integrating psychological well-being, environmental conservation, and cultural integrity (Simangan, 2024). The GNH framework evaluates policies across nine domains: psychological well-being, health, education, time use, cultural diversity, good governance, community vitality, ecological diversity, and living standards. While Bhutan faces challenges in implementation, the framework demonstrates how national development strategy can be explicitly oriented toward flourishing.

Similarly, Nordic countries' governance models—characterized by high social trust, egalitarian education systems, and welfare policies—demonstrate how equitable governance fosters collective well-being. These nations consistently rank highest on happiness, health, and social capital measures while maintaining competitive economies. Their success derives not from GDP size but from institutional arrangements that prioritize security, equality, and work-life balance.

Costa Rica offers another model, achieving life expectancy comparable to wealthy nations with fraction of the resource consumption through investments in universal healthcare, education, and environmental protection. The country abolished its military in 1948, redirecting defense spending to social services and ecological conservation. These examples underscore that flourishing is achievable when institutions align policy objectives with human and ecological values.

Conversely, nations pursuing growth-at-all-costs models often experience deteriorating social indicators despite GDP increases. Rising inequality, environmental degradation, mental health crises, and political polarization plague many high-GDP countries, suggesting that economic growth divorced from flourishing considerations generates social pathologies.

04/ EDUCATION AS A TOOL FOR HUMAN FLOURISHING

4.1/ EDUCATIONAL PHILOSOPHIES FOR FLOURISHING

Education is not merely the transmission of knowledge or preparation for labor markets—it is a formative project concerned with the cultivation of the whole human being. Wolbert et al. (2021) argue that flourishing-oriented education prioritizes moral imagination, empathy, purpose discovery, and the ability to contribute meaningfully to society. This view resonates with Paulo Freire's (1970) pedagogy of liberation, which rejects passive memorization ("banking education") and emphasizes dialogical learning that affirms dignity and agency.

Freire argued that authentic education involves co-creation of knowledge through dialogue between teachers and students, both learning from lived experience and critical reflection. This process develops critical consciousness—the ability to perceive social, political, and economic contradictions and take action against oppressive elements of reality. Applied to flourishing education, this suggests learning should enable students to recognize and transform systems that undermine human thriving.

Schinkel et al. (2022) call for education that helps learners ask "what is worth wanting," rather than simply "what is profitable." This philosophical shift moves education beyond utility to the realm of existential and ethical becoming—nurturing not just skills, but wisdom, character, and solidarity. It recognizes that education shapes not only what people can do but who they become and what they value.

Martha Nussbaum's capabilities approach to education emphasizes cultivating capacities for critical thinking, imagining the lives of others, and recognizing common humanity across difference. She argues that education for flourishing must develop practical reason (the ability to think critically about life plans), affiliation (the capacity for empathy and justice), and the ability to participate politically. These capabilities enable individuals to function as free and equal citizens rather than merely skilled workers.

4.2/ THE CRISIS OF CONTEMPORARY EDUCATION

Current educational systems in many contexts operate under assumptions antithetical to flourishing. Standardized testing regimes reduce learning to measurable outcomes, privileging memorization over understanding and compliance over creativity. Competition for grades, admissions, and credentials generates stress, anxiety, and instrumental relationships with knowledge. The increasing cost of education creates debt burdens that constrain life choices for years.

Moreover, curricula often reflect outdated assumptions about what knowledge matters. Industrial-era education emphasized discipline, hierarchy, and specialized knowledge suitable for factory or bureaucratic work. Contemporary economies require different capacities—systems thinking, collaboration, adaptability, and ethical judgment—yet pedagogical methods often lag behind rhetorical commitments to these skills.

The hidden curriculum—implicit lessons about authority, competition, and conformity embedded in educational structures—often contradicts explicit goals of developing autonomous, critical, engaged citizens. When students learn that success requires gaming systems, minimizing curiosity to maximize efficiency, and treating peers as competitors, education actively undermines flourishing.

4.3/ PRINCIPLES OF FLOURISHING-CENTERED EDUCATION

Transforming education to support flourishing requires several shifts:

- **From content coverage to depth of understanding:** Rather than surveying vast amounts of information, flourishing education emphasizes deep engagement with fewer topics, developing genuine comprehension and ability to transfer knowledge to new contexts.
- **From individual competition to collaborative learning:** Structuring learning as collective inquiry rather than individual achievement develops capacities for cooperation, communication, and shared meaning-making essential to community flourishing.
- **From extrinsic motivation to intrinsic purpose:** Reducing emphasis on grades, rankings, and credentials in favor of authentic engagement with meaningful questions and real-world problems develops internal motivation and sense of purpose.
- **From disciplinary silos to interdisciplinary integration:** Complex challenges require integrating insights across domains. Flourishing education emphasizes connections between fields and application of multiple perspectives to multifaceted problems.
- **From abstract knowledge to embodied wisdom:** Incorporating experiential learning, reflection practices, artistic expression, and

nature connection develops whole-person understanding rather than merely cognitive information.

- **From teacher-centered instruction to learner-centered facilitation:** Recognizing students as knowledge-creators with valuable experience and perspectives positions education as dialogue rather than transmission.

4.4/ INTEGRATING FLOURISHING INTO BUSINESS EDUCATION

Business education is a critical arena for transformation because of its outsized influence on economic systems. MBA programs and business schools shape the worldviews, values, and practices of future managers, entrepreneurs, and leaders. Yet traditional business education often perpetuates narrow focus on shareholder value, competitive strategy, and financial optimization—reinforcing precisely the mindset that degrades human and ecological flourishing.

Ekman and Simon-Thomas (2021) promote compassion-based leadership education incorporating emotional intelligence, neuroscience, and reflective practices. Their approach integrates contemplative practices like meditation and dialogue circles with scientific understanding of how compassion functions neurologically and organizationally. Research shows that leaders high in compassion create more engaged, innovative, and loyal workforces while maintaining strong performance.

Fowers et al. (2024) emphasize virtue ethics in business, advocating for programs that cultivate humility, justice, courage, and relational responsibility. Rather than viewing ethics as constraint on profit-seeking, virtue ethics positions character excellence as constitutive of business success rightly understood. Virtuous businesses create

value for all stakeholders, build trust and reputation, and contribute to flourishing communities.

Forward-looking business schools—particularly those influenced by Pirson's (2022) humanistic leadership frameworks—integrate sustainability, systems thinking, and social innovation, reframing business as a tool for human and ecological flourishing instead of mere profit extraction. The Humanistic Management Network and similar initiatives redesign curricula to emphasize stakeholder responsibility, dignity-based management, and regenerative enterprise models.

4.5/ CASE STUDIES IN EDUCATIONAL REFORM

Finland's education system offers a model built on trust-based autonomy, collaborative learning, and intrinsic motivation—producing both high achievement and high well-being. Finnish schools minimize standardized testing, provide substantial teacher autonomy, integrate arts and nature into curriculum, ensure equitable funding across regions, and emphasize collaborative problem-solving over individual competition. Teachers are highly trained professionals trusted to adapt pedagogy to student needs rather than prescribed curricula.

Results demonstrate that flourishing-oriented education need not sacrifice academic outcomes. Finnish students perform excellently on international assessments while reporting lower stress and higher satisfaction than peers in test-intensive systems. Perhaps more importantly, Finnish education cultivates engaged citizens with strong social trust and civic participation—capabilities essential for democratic flourishing.

The Humanistic Management Association and Humanistic Leadership Academy redesign MBA-style education to center dignity, stakeholder responsibility, and planetary ethics. Programs emphasize reflection,

dialogue, and practical application in organizational settings. Graduates report transformed understanding of business purpose and their role as leaders, moving from narrow profit focus to broader consideration of how enterprises contribute to human and ecological thriving.

Expeditionary Learning schools in the United States emphasize character development, outdoor education, service learning, and authentic assessment through portfolios and public presentations rather than standardized tests. Students engage in sustained projects addressing real community needs, developing competence, contribution, and connection simultaneously—core elements of flourishing.

These examples demonstrate that flourishing is not theoretical—it is institutionally achievable when educational structures align with humanistic values.

05/ BUSINESS EDUCATION AND INSTITUTIONAL CHANGE

5.1/ THE SHIFT TO HUMAN-CENTRIC BUSINESS MODELS

In the emerging post-growth paradigm, business cannot remain a neutral vehicle for wealth extraction—it must become a relational institution oriented toward human dignity and planetary regeneration. Fowers et al. (2022) characterize human-centric business models as those that explicitly balance profit with flourishing—not as a trade-off, but as a transformation of purpose. These models reject shareholder primacy in favor of **stakeholder stewardship**, where employees, communities, ecosystems, and future generations are treated as moral beneficiaries of business practice.

The shareholder primacy doctrine—the idea that corporate purpose is maximizing shareholder returns—emerged relatively recently in corporate history and reflects particular ideological commitments rather than legal requirements or economic necessity. Alternative corporate forms have always existed: cooperatives, mutual societies, benefit corporations, and social enterprises demonstrate that business can be structured around multiple purposes.

Regenerative enterprises, benefit corporations, social cooperatives, and indigenous-led circular economies—frequently examined through Pirson's dignity-based institutional lens—illustrate this shift. Rather than competing for extraction, such enterprises participate in **ecologies of reciprocity**, where value is co-created through relationships of trust, responsibility, and care. This challenges conventional MBA curricula that train managers to optimize efficiency rather than **nurture life systems**.

Patagonia's commitment to environmental stewardship, employee well-being, and supply chain transparency demonstrates that purpose-driven business can achieve financial sustainability while contributing to broader social and ecological goals. The company's decision to restructure ownership to ensure perpetual dedication to environmental mission exemplifies institutional innovation for flourishing.

Mondragon Corporation, the world's largest worker cooperative federation, demonstrates that democratic ownership and governance can operate at scale across diverse industries. Employee-owners participate in strategic decisions, share profits equitably, and reinvest in education and community development. This structure creates conditions for autonomy, competence, and relatedness—

psychological needs essential for flourishing—while maintaining competitive performance.

5.2/ INNOVATION IN PEDAGOGY

To cultivate leaders capable of stewarding flourishing-centered institutions, educational methods must mirror the values they seek to instill. Ekman and Simon-Thomas (2021) advocate for **contemplative and compassion-based pedagogy**, integrating reflective silence, emotional literacy, embodied learning, and deep listening into business leadership formation. These practices develop self-awareness, emotional regulation, and capacity for presence—foundations for wise decision-making and ethical leadership.

Contemplative practices like meditation, journaling, and dialogue create space for examining assumptions, recognizing habitual patterns, and accessing deeper wisdom. Neuroscience research shows these practices strengthen neural networks associated with attention, emotional regulation, and perspective-taking—capabilities essential for navigating complex organizational challenges with wisdom and compassion.

Hwang (2020) emphasizes **participatory governance simulations**, where students practice democratic decision-making, conflict transformation, and ethical negotiation. By experiencing the challenges and possibilities of participatory systems firsthand, students develop practical competence and appreciation for governance approaches that honor dignity and enable voice.

Experiential learning—through community immersion, social entrepreneurship labs, and indigenous knowledge partnerships—fosters what some scholars term **epistemic humility**: the awareness that not all value is measurable, and not all knowledge is extractive. This

is critical for cultivating leaders who act with moral imagination rather than managerial entitlement.

Service-learning placements where students work alongside community organizations addressing poverty, environmental degradation, or social justice develop empathy, systems awareness, and understanding of lived realities beyond classroom abstractions. These experiences challenge instrumental relationships with knowledge and reveal how business decisions affect human lives and communities.

Indigenous knowledge partnerships offer opportunities to learn from civilizational traditions that have sustained human flourishing for millennia within ecological limits. Concepts like reciprocity, intergenerational responsibility, and relationship with land offer alternatives to extractive economic logic, expanding students' conceptual repertoires for imagining sustainable enterprise.

5.3/ CURRICULUM REDESIGN FOR FLOURISHING

Transforming business education requires not merely adding ethics modules but fundamentally reconceiving what business students need to know and become. Several curricular innovations show promise:

- **Systems thinking and complexity:** Rather than linear cause-effect models, teaching students to recognize feedback loops, emergent properties, and unintended consequences. Understanding businesses as nested within social and ecological systems enables more sophisticated strategic thinking.
- **Stakeholder theory and practice:** Moving beyond rhetorical commitment to stakeholder consideration toward practical methods for identifying stakeholders, understanding their concerns, and incorporating them into governance and strategy.

- **Ecological economics and regenerative design:** Teaching how economies function within biophysical limits and how enterprises can contribute to ecological regeneration rather than merely reducing harm. Concepts like circular economy, biomimicry, and cradle-to-cradle design offer practical frameworks.
- **Dignity-based management:** Following Pirson's framework, examining how organizational structures, leadership practices, and cultural norms either promote or undermine human dignity. Practical tools for assessing and enhancing workplace dignity.
- **Ethical reasoning and moral imagination:** Developing capacity to recognize ethical dimensions of business decisions, analyze them from multiple moral frameworks, and imagine creative solutions that honor competing values.
- **Emotional and social intelligence:** Cultivating self-awareness, empathy, communication skills, and relationship capacities essential for collaborative leadership.
- **Social entrepreneurship and innovation:** Methods for identifying social needs, designing interventions, mobilizing resources, and measuring impact. Understanding how business models can address poverty, inequality, and environmental challenges while achieving sustainability.

5.4/ EVALUATION METRICS FOR HUMANISTIC BUSINESS EDUCATION

Standard performance indicators—ROI, salary outcomes, rankings—cannot capture the true footprint of humanistic education. Logan et al. (2023) propose **multi-axis flourishing assessments**, measuring growth in empathy, civic responsibility, resilience, ecological literacy, and relational accountability. Hojabrian et al. (2018) similarly recom-

mend longitudinal narratives assessing how graduates contribute to **societal well-being and institutional healing** rather than simply market success.

Assessment might include:

- **Personal flourishing trajectories:** Self-reported measures of meaning, engagement, relationships, and growth over time following graduation.
- **Organizational impact:** Evidence that graduates create workplaces characterized by dignity, participation, and stakeholder consideration. Metrics might include employee satisfaction, turnover, stakeholder relationships, and environmental performance.
- **Civic and community engagement:** Participation in governance, volunteering, and community-building activities indicating commitment to collective flourishing beyond individual success.
- **Ethical reasoning development:** Longitudinal assessment of sophistication in recognizing and reasoning through ethical dilemmas, measured through case analysis or critical incident reflection.
- **Systems thinking capacity:** Ability to recognize interdependencies, anticipate unintended consequences, and design interventions that address root causes rather than symptoms.
- **Transformation narratives:** Qualitative analysis of how educational experience shaped values, identity, and life trajectory, collected through interviews and narrative inquiry.

This multi-dimensional assessment approach recognizes that education's ultimate purpose is cultivating human flourishing—graduates who live meaningful lives and contribute to others' thriving—rather than merely high-status employment.

06/ CHALLENGES AND OPPORTUNITIES

6.1/ RESISTANCE TO CHANGE: PSYCHOLOGICAL, CULTURAL, AND STRUCTURAL BARRIERS

The transition toward flourishing-centered systems faces resistance on multiple interlocking fronts—psychological, cultural, economic, and political. At a psychological level, individuals and institutions confront what Fowers et al. (2024) describe as **narrative inertia**: the deep internalization of success as material accumulation and competitive advantage. This worldview is reinforced through education, media, and policy, shaping desire itself. People socialized into consumerist identities experience anxiety when growth-dependent structures are questioned, fearing loss of status, security, or meaning.

Loss aversion—the tendency to weigh potential losses more heavily than equivalent gains—creates psychological resistance to post-growth transitions even when evidence suggests flourishing would improve. The familiar discomfort of current systems often feels less threatening than uncertain alternatives, even when current systems demonstrably undermine well-being.

Culturally, societies have normalized scarcity thinking and fear-based economic narratives that equate sufficiency with failure. The cultural valorization of wealth, consumption, and status creates powerful social pressures to participate in growth-dependent systems. Alternative values—sufficiency, solidarity, stewardship—exist but remain culturally marginalized.

Structurally, Hasselbalch and Kranke (2024) point out that neoliberal political and financial systems are designed to *financialize risk and privatize reward,* punishing institutions or governments that deviate

from GDP-led growth. Even well-intentioned leaders often remain constrained by global trade agreements, credit rating agencies, and investor expectations. Capital mobility allows financial actors to punish nations pursuing alternative development models through capital flight and currency speculation.

International institutions like the IMF and World Bank often condition lending on growth-oriented reforms, limiting policy space for alternative approaches. Trade agreements restrict governments' ability to prioritize local economic development, environmental protection, or social equity over market access. Thus, resistance is not merely attitudional—it is infrastructural.

6.2/ POLITICAL ECONOMY OF TRANSFORMATION

Vested interests benefit from existing arrangements and actively resist change. Fossil fuel companies, financial institutions, and industries dependent on cheap labor and resource extraction mobilize political influence to maintain regulatory frameworks favorable to their continued operation. This creates structural obstacles even when popular majorities support transition.

The revolving door between government and industry positions, lobbying expenditures, campaign financing, and media ownership concentrate political power among those benefiting from growth-dependent systems. This creates significant barriers to policy reforms that would redistribute power or resources toward flourishing outcomes.

Short electoral cycles incentivize politicians to prioritize visible near-term results over longer-term structural transformation. Policies promoting flourishing—investments in education, social infrastructure, ecological restoration—often require sustained commitment across multiple electoral cycles to bear fruit, creating political risk for leaders who initiate them.

However, political opportunities also exist. Growing social movements demanding climate action, economic justice, and democratic renewal create pressure for change. Visible failures of growth-dependent systems—financial crises, ecological disasters, mental health epidemics—undermine legitimacy and create openings for alternative narratives. Strategic organizing can leverage these moments to advance flourishing-oriented reforms.

6.3/ INTERDISCIPLINARY AND TRANS-CIVILIZATIONAL PATHWAYS

Logan et al. (2023) and Moore et al. (2024) argue for *trans-civilizational governance*, where indigenous, ecological, feminist, and spiritual wisdom traditions actively shape institutional design—not as metaphor, but as operational logic. Examples include Latin American *buen vivir*, African *ubuntu*, Confucian relational ethics, and Buddhist interdependence.

Buen vivir (good living), emerging from Andean indigenous cosmology and enshrined in Ecuador's and Bolivia's constitutions, emphasizes harmony between humans and nature, community solidarity, and cultural diversity. It rejects development as linear progress toward Western consumption patterns, instead proposing culturally-rooted alternatives centered on reciprocity and balance.

Ubuntu, an African philosophical tradition, emphasizes that personhood is relational—"I am because we are." This perspective challenges individualistic assumptions underlying Western economics, suggesting that flourishing is inherently communal. Applied to economic institutions, ubuntu principles support cooperative ownership, resource sharing, and prioritizing community well-being in decisions.

Buddhist economics, articulated by E.F. Schumacher, emphasizes right livelihood, sufficiency, and recognition of interdependence. It views work

as opportunity for human development and service rather than merely means to consumption. This perspective supports post-growth economics by questioning whether more consumption actually enhances well-being and by emphasizing qualitative development.

Confucian relational ethics emphasizes harmony, reciprocity, and moral cultivation through relationships. Applied to governance and business, this tradition supports stakeholder approaches, long-term thinking, and ethical conduct as foundational to legitimate authority.

Integrating diverse wisdom traditions enriches post-growth frameworks, preventing them from replicating Western cultural assumptions and offering time-tested insights into sustainable human flourishing.

6.4/ TECHNOLOGICAL CONSIDERATIONS AND DIGITAL TRANSFORMATION

Technology presents both opportunities and challenges for flourishing-centered transitions. Digital platforms enable new forms of coordination, knowledge-sharing, and democratic participation that could support post-growth governance. Open-source software, collaborative commons, and distributed renewable energy systems demonstrate how technology can decentralize power and enable community self-determination.

However, current technological development often reinforces growth dependency. Platform capitalism extracts value from user data and attention, social media amplifies consumption desires and status competition, and artificial intelligence threatens to displace workers while concentrating ownership. Algorithmic management systems reduce worker autonomy and dignity in pursuit of efficiency.

A flourishing-oriented technology agenda would prioritize:

- **Convivial tools:** Following Ivan Illich, technologies that enhance human agency and community self-reliance rather than creating dependencies on expert systems or corporate platforms.
- **Digital commons:** Shared knowledge resources, open-source software, and collaborative platforms governed democratically by users rather than shareholders.
- **Labor-enhancing automation:** Technologies that reduce drudgery and expand human capabilities rather than displacing workers or intensifying surveillance.
- **Appropriate technology:** Context-sensitive technological choices that consider social, ecological, and cultural implications rather than assuming more advanced is better.
- **Democratic governance of AI:** Ensuring artificial intelligence development serves human flourishing through public participation in priority-setting, value alignment, and benefit distribution.

6.5/ MEASUREMENT AND ACCOUNTABILITY

Transitioning to flourishing-centered systems requires developing robust measurement frameworks that make flourishing visible and actionable for policy. Several initiatives demonstrate possibilities:

- **Genuine Progress Indicator (GPI):** Adjusts GDP by adding beneficial activities (volunteering, household labor) and subtracting harmful ones (pollution, crime, inequality), providing more accurate picture of economic welfare.
- **OECD Better Life Index:** Multidimensional framework measuring housing, income, jobs, community, education, environment, civic engagement, health, life satisfaction, safety, and work-life balance.

- **Bhutan's Gross National Happiness Index:** Comprehensive assessment across nine domains using 33 indicators, conducted through periodic surveys enabling policy evaluation against flourishing criteria.
- **Happy Planet Index:** Combines life expectancy, well-being, and ecological footprint to measure sustainable well-being, revealing which countries achieve good lives within environmental limits.
- **Social Progress Index:** Measures social and environmental outcomes independently of economic indicators, assessing basic human needs, foundations of wellbeing, and opportunity.

Beyond national indicators, institutional-level metrics enable businesses, universities, and governments to assess their contribution to flourishing. B Corporation certification evaluates companies on stakeholder governance, worker treatment, environmental impact, and community contribution. JUST Capital ranks companies on issues Americans care about, creating market incentives for stakeholder-oriented business.

Accountability mechanisms must ensure metrics translate to action. Participatory evaluation involving those affected by institutions, transparency in reporting, and governance structures linking outcomes to decision-making authority all strengthen accountability.

6.6/ STRATEGIC PATHWAYS FOR IMPLEMENTATION

Jordaan (2023) and Fowers et al. (2024) outline strategic directions for transitioning toward flourishing-centered systems:

- **Prefigurative experimentation:** Creating flourishing-centered institutions at smaller scales—cooperatives, community land trusts, alternative schools, municipal initiatives—that demonstrate viability and generate learning. These experiments model possibilities and build capacity for broader transformation.

- **Policy innovation:** Governments implementing well-being budgets, universal basic services, maximum inequality ratios, and ecological taxation create precedents and generate evidence for scaling. Progressive jurisdictions can lead, creating pressure and models for others.
- **Narrative transformation:** Shifting cultural stories about good life, success, and progress through media, arts, education, and public discourse. Alternative narratives emphasizing sufficiency, relationships, meaning, and ecological belonging challenge growth-dependent worldviews.
- **Coalition building:** Connecting diverse constituencies—labor, environmental, faith-based, community organizations—around shared flourishing agenda. Building broad coalitions creates political power for systemic change.
- **Institutional reformation:** Working within existing institutions to shift purpose, governance, and practice toward flourishing orientation. Changes in corporate governance, educational accreditation, professional ethics, and public sector mandates can redirect powerful institutions.
- **International coordination:** Given global economic integration, national transitions are easier with international cooperation. Alliances like the Wellbeing Economy Alliance create networks for sharing knowledge, coordinating policy, and building alternative international institutions.

6.7/ THE ROLE OF CRISIS AND OPPORTUNITY

Paradoxically, the escalating crises generated by growth-dependent systems—climate disruption, biodiversity loss, inequality, alienation—create opportunities for transformation. Crisis moments disrupt

business-as-usual, opening space for alternative arrangements previously dismissed as unrealistic. The COVID-19 pandemic, for instance, demonstrated that rapid, comprehensive policy change is possible when recognized as necessary.

However, crisis can catalyze either progressive transformation or authoritarian regression. Ensuring crisis leads toward flourishing rather than fascism requires proactive organizing, compelling alternative narratives, and institutional capacity to implement alternatives. Preparing for transformation means developing detailed policy proposals, building organizational infrastructure, and cultivating leadership capable of navigating complex transitions.

The window for managed transition toward sustainable, flourishing-centered systems is narrowing as ecological and social stresses intensify. Yet possibilities remain. Human societies have undergone profound transformations before—abolishing slavery, extending suffrage, establishing social welfare systems. What once seemed impossible became inevitable through sustained organizing, moral argument, and institutional innovation.

6.8/ EDUCATION AND CAPACITY BUILDING AS FOUNDATION

Fundamental to all transformation pathways is developing human capacities for creating and sustaining flourishing-centered institutions. This returns us to education's central role. Educational systems must cultivate:

- **Systems literacy:** Understanding how social, economic, and ecological systems interact, recognizing leverage points for intervention, and anticipating unintended consequences.

- **Democratic competence:** Skills and dispositions for participating effectively in collective decision-making—deliberation, negotiation, conflict resolution, and collaboration.
- **Moral imagination:** Capacity to envision alternatives to existing arrangements, recognize ethical dimensions of choices, and create solutions honoring multiple values.
- **Emotional and relational capacities:** Self-awareness, empathy, communication skills, and ability to build and maintain healthy relationships—foundational to collaborative flourishing.
- **Practical skills for sustainable living:** Knowledge and abilities for meeting needs sustainably—growing food, maintaining shelter, producing renewable energy, repairing goods—reducing dependence on growth-dependent systems.
- **Critical consciousness:** Ability to recognize how power operates, identify contradictions between rhetoric and reality, and imagine structural alternatives rather than merely individual adaptations.

Developing these capacities at scale requires transforming educational institutions as discussed in Chapter 3. Education both depends on and enables broader systemic transformation—a positive feedback loop where reformed education produces citizens capable of advancing further reforms.

07/ CONCLUSION

7.1/ SYNTHESIS: TOWARD INTEGRATED FLOURISHING FRAMEWORKS

This paper has argued that post-growth economics centered on human flourishing requires comprehensive reorientation of economic, educational, and governance systems. We have demonstrated that flourishing—grounded in philosophical, psychological, and empirical research—provides a viable alternative to GDP-centered development paradigms. The framework integrates material sufficiency, relational quality, meaningful activity, psychological well-being, moral development, and ecological sustainability as interdependent dimensions of thriving.

A comprehensive reorientation of economic, educational, and governance systems toward human flourishing—aligning with Pirson's thesis that dignity must become an institutional design principle rather than an ethical afterthought—demands not merely incremental policy adaptations but a foundational reframing of institutional purpose. The transition from growth-dependent to flourishing-centered systems represents not a return to pre-modern poverty but advancement toward sophisticated post-industrial arrangements where technology, knowledge, and social organization serve human thriving within planetary boundaries.

The escalating environmental crisis—manifested in climate disruption, biodiversity collapse, ocean acidification, and resource depletion—creates urgent necessity for economic transformation. Continuing current trajectories leads toward ecological breakdown that would undermine all human flourishing. Yet crisis also creates suffering and vulnerability that undermine well-being. The challenge is navigating rapid, comprehensive transition in ways that minimize disruption while maximizing justice.

This requires both pragmatic incrementalism—achievable reforms that improve conditions and build capacity—and visionary imagination of fundamentally transformed systems. Prefigurative institutions demonstrate possibilities while practical reforms expand political horizons. Both are necessary.

Importantly, post-growth transition offers not sacrifice but liberation—freedom from meaningless work, status anxiety, time poverty, and ecological destruction that characterize growth-dependent systems. It promises more rather than less: more time, relationships, meaning, beauty, and security, even if less consumption. Communicating this promise effectively is crucial for building transformative coalitions.

7.2/ A VISION FOR FLOURISHING FUTURES

Human flourishing within planetary boundaries is achievable. Societies have always faced the question of how to organize collective life to enable individual and communal thriving. The growth paradigm represents one answer—historically contingent, culturally specific, and increasingly dysfunctional. Alternative arrangements emphasizing sufficiency, solidarity, and sustainability have existed and can be consciously chosen.

A flourishing future features:

- **Economies oriented toward meeting genuine needs** rather than generating artificial desires, producing durable goods designed for repair rather than planned obsolescence, and organizing work around meaning and contribution rather than merely income.
- **Governance systems enabling authentic participation** in decisions affecting lives, distributing resources equitably, and protecting both human dignity and ecological integrity.

- **Educational institutions cultivating whole human beings** capable of critical thought, moral imagination, collaborative action, and deep relationship with self, others, and nature.
- **Business enterprises operating as communities** where work provides meaning, relationships, competence-development, and contribution to broader social and ecological flourishing.
- **Cultures valuing sufficiency, creativity, relationships, and beauty** over accumulation, celebrating diverse forms of contribution, and supporting people across life stages.

This vision is not utopian fantasy but pragmatic necessity. The question is not whether current systems will transform—ecological and social pressures ensure they will—but whether transformation occurs through conscious design oriented toward flourishing or chaotic collapse leading to authoritarianism and suffering.

7.3/ CALL TO ACTION

Realizing flourishing-centered futures requires action at multiple levels. Individuals can examine their own values and choices, participate in prefigurative communities, and develop capacities for sustainable living. Professionals can work within their institutions to shift purpose and practice toward flourishing orientation. Educators can transform pedagogy and curriculum to cultivate humanistic values and capabilities. Business leaders can experiment with stakeholder governance, dignity-based management, and regenerative enterprise models.

Citizens can organize for policy reforms—well-being budgets, universal basic services, ecological taxation, and democratic participation mechanisms. Researchers can develop frameworks, generate evidence, and communicate findings to inform public discourse. Artists

and storytellers can craft compelling narratives of flourishing alternatives, expanding cultural imagination.

Most importantly, these efforts must connect across scales and domains. Individual transformation supports institutional change; institutional reforms enable cultural shifts; cultural transformation creates conditions for political breakthroughs; political changes open space for economic restructuring. Flourishing emerges from this synergistic process—not linearly but through complex feedback loops where multiple actors at various scales advance shared vision through diverse strategies.

The transition toward post-growth economics for human flourishing is neither simple nor guaranteed. It faces formidable obstacles—vested interests, institutional inertia, psychological resistance, and ecological urgency. Yet it also benefits from growing recognition that current systems fail to deliver well-being, increasing desire for meaningful alternatives, and expanding movements for justice and sustainability.

Ultimately, the flourishing framework offers what growth-dependent economics cannot: a compelling vision of good life consistent with ecological limits, a moral foundation for collective action, and practical pathways for institutional transformation. In doing so, it reframes economic transformation not as sacrifice but as liberation—the possibility of living with greater meaning, security, relationships, and purpose. This is not merely policy choice but civilizational opportunity: to consciously create institutional arrangements enabling all humans to flourish, now and into the future, in reciprocal relationship with the living Earth that sustains us.

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05

PLANNING FOR POST-GROWTH

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ABSTRACT

Planning is back, but its growth-first orientation is untenable under ecological limits. This chapter outlines post-growth planning as a pragmatic blend of indicative and sectoral planning centered on democratic deliberation. Using postwar French indicative planning as a template, we show that effectiveness hinges on state control of credit and coordination across fiscal, industrial, and monetary policy—capacities later undone by liberalization. Post-growth planning repurposes these tools to secure sufficiency, justice, and resilience, guided by alternative metrics to GDP and provisioning systems (energy, housing, care) aligned with ecological ceilings. We sketch a multi-scalar architecture: supranational credit coordination (e.g., a European Credit Council), national reforms to welfare and taxation for sufficiency, and local experiments that democratize provisioning. Finance becomes an explicit site of planning, governed through public and cooperative institutions. Overall, planning beyond growth is both necessary and feasible now, provided institutions are democratized, credit is steered, and metrics reflect planetary realities.

01/ INTRODUCTION

Planning is back from the brink of history. And it is back with a bang. From the renaissance of industrial policy (Bärnthaler *et al.*, 2025) to calls for democratic planning (Groos & Sorg, 2025) and economic planning of decarbonization (Ban & Hasselbalch, 2025), people are – again – vigorously discussing the ways in which the state may best steer the economy. While traditional planning offers historical precedents and important inspirations for the calamities of the planetary crisis, it is clear that the state's objectives and methods have to be updated. In particular, traditional planning was narrowly concerned with economic expansion; it was designed to grow the national economy's gross domestic product (GDP). But as higher levels of GDP have been shown to lead to higher resource use, the pursuit of economic growth has lost its innocent appeal.

At the same time, it remains utterly unclear what planning beyond growth, or for post-growth, may look like in practice. Guidance on the matter is still in short supply as discussions have just begun, but the recent contributions, such as Durrant et al. (2023) or Durand *et al.* (2024), serve as points of orientation. Our goal here is to provide an accessible overview of the state of post-growth planning that focuses on historical precursors, conceptual underpinnings and practical examples. We delineate post-growth planning as a mix of indicative and sectoral planning, which relies more on democratic deliberation than technocratic implementation.

Our chapter is structured into three main parts. First, we provide a conceptual and historical background to the current debate on planning, specifically by discussing its sectoral, centralized, and indicative manifestations. Second, we outline how the post-growth agenda, almost

by default, incorporates ideas of (democratic) planning at both the sectoral and the economy-wide level. Third, to make our intervention more tangible, we offer a few examples of post-growth planning in practice. We close on a summary of our main arguments, garnished with a few reflections on the future of planning for post-growth.

02/ WHAT IS PLANNING?

Economic planning is understood as the deliberate and coordinated efforts of a state or any other governing body to guide, direct, or control the development and allocation of resources in an economy. Market-based allocation, where 'the invisible hand' of prices and competition determine, economic outcomes, is the direct contrast to planning. Even in market economies, planning still exists in many areas where strategic coordination is necessary. These include energy gridsrt, housing, public health, or education—although state control within all of these areas has been politically contested by those who believe that free markets would provide more socially optimal outcomes.

Planning can take a variety of meanings depending on the scale and context, but we can broadly divide it into three overarching types: sectoral, centralized, and indicative. Sectoral planning is found in the examples mentioned above—this is planning on a narrower scale, typically focused on well-defined and delimited areas of activity, such as the provision of housing in a municipality or the development of wind energy facilities by a state. These are common and widespread ways of governing many public goods where markets have traditionally been less prevalent.

Centralized planning is well known from the experience of Soviet-style command economies that came to a peak during the Cold War. In these systems, a central, state-led authority would directly determine what is produced, in what quantities, and with which inputs. The means of production (factories, land, infrastructure, natural resources) were nationalized or collectivized, meaning they were taken out of private ownership and placed under state control. Because the state would also set production targets, control prices, and manage distribution, market signals were strongly suppressed. Approximations of such economies that still exist today are North Korea, Cuba, and Eritrea, although their planning systems are largely defunct.

Indicative planning straddles the divide between central planning and market economies. Instead of dictating outputs, governments set broad priorities, investment targets, or industrial development strategies, and they use incentives, subsidies, regulation, or coordination with private actors to guide the economy towards collectively determined goals (Estrin & Holmes, 1990). Typically, indicative planning takes place in 'mixed economies', combining elements of state ownership over some key sectors (especially finance and energy) with private ownership in the wider economy.

Planning for post-growth, we suggest, is best understood as a blend of indicative and sectoral planning. In this chapter we approach the topic of post-growth planning by first explaining how indicative planning systems worked in practice. Our reasons for focusing on indicative planning as an entry point to post-growth planning are pragmatic. While more speculative, democratic forms of planning beyond capitalism are receiving more scholarly attention (Groos & Sorg, 2025), only indicative systems of planning can be implemented at the macroeconomic level in the short term (Ban & Hasselbalch, 2025). Post-capitalist sketches

of planning are important for setting a direction and vision for planning systems in the long term. But the time horizons of climate change and biodiversity breakdown (not to mention growing inequality and social injustice) require ambitious action in the short term, where it is too unrealistic to assume the complete socialization of the means of production and investment. In other words, we need to implement systems of planning that can work within the broad parameters of existing structural constraints, even while they may help to push or change those constraints in the long term.

To help explain how indicative planning worked historically, we can learn from the paradigmatic example of such a system, which is post-World War II France. This system was strongly associated with Jean Monnet, commissioner of the French Planning Board ('Commissariat Général du Plan'), and economist Pierre Massé (Kindleberger, 1967). The key features of the French system included: indicative targets for investment and output for key sectors (steel, coal, electricity, transport, chemicals, telecommunications); tripartite consultations between government officials, industry, trade unions, and experts; state leverage through finance and investment, making use of selective credit allocation and state ownership to generate and channel investment strategically; and more flexibility and pragmatism in comparison to Soviet-style planning. According to Éric Monnet's (2018) more recent research on the history of French indicative planning, the central bank of France ('Banque de France') was absolutely crucial to the success of the planning system. Planning worked because plans were embedded in a system of central bank credit controls, which could direct lending to strategic sectors on favorable terms and ration credit to firms who were slow to align with plan targets. This means that French planning was in fact more coercive than is generally assumed, and it rested on control over the credit environment.

It makes sense to view French planning history in a bit more detail, because it was spectacularly effective in transforming a primarily agricultural economy devastated by war into a high-technology industrial powerhouse in a very short amount of time (Monnet, 2018). We also believe that the story harbors important lessons for how to transform economies today into more socially and ecologically just models (Ban & Hasselbalch, 2025). We can break down the planning system into three dimensions: inputs, processes, and outputs.

On the *input* side, we can ask who formulated the plan and based on what information. The chief planning director was the autonomous Planning Bureau ('Commissariat Général du Plan', or CGP), whose 140 highly trained staff took the lead in drafting each five-year plan. To source information, the CGP relied on comprehensive data collection involving regional and sectoral surveys, as well as joint reports produced by experts from academia, government, and industry. Industry actors were strongly incentivized to participate in the data collection, because information was pooled by the CGP and shared freely to overcome information problems leading to underinvestment (Estrin & Holmes, 1990).

Two concurrent *processes* ensured plans gained credibility and legitimacy. First, credibility was established through working groups organized by the CGP's numerous commissions, which determined growth targets for sectors and regions through stakeholder involvement, often including thousands of participants. Second, multi-year plans were submitted to broader societal consultations through the Economic and Social Council (a corporatist body) and the High Planning Council (a ministerial and executive body), before being ratified by Parliament (Kindleberger, 1967).

Finally, on the *output* side, plans ensured coordination between monetary-financial policy (or credit policy), fiscal policy, and industrial strategy through a couple of key arrangements. Credit policy was aligned with plan targets through close collaboration between the CGP and the National Credit Council ('Conseil National du Crédit', or CNC). This forced the central bank to rediscount loans to plan-targeted sectors at lower interest rates and curb inflation with bank-specific credit ceilings. CGP and CNC also worked together to establish promotional banks, and to incentivize medium and long-term credit creation by the state-owned commercial banks and insurance companies. In terms of fiscal policy, ministry funds were used for procurement of new technologies and financed by administratively set sovereign bond interest rates, protected by capital controls. French state ownership over large parts of the financial sector and industrial enterprises meant that the state could use shareholder rights to force management to pursue plan targets (Monnet, 2018).

If we zoom out, it is apparent that French planning relied on a complicated web of institutions and procedures that fell into place over time and required strong political and technocratic commitment and alignment between a great variety of actors. While this took place in a mixed economy, the state was clearly 'in the driving seat'. We might wonder if this history is sufficiently different from the doctrine of developmentalism, the form of state-led macroeconomic governance that came to be known in other regions such as Latin America and East Asia (Evans, 1995; Thurbon *et al.*, 2023; Wade, 2004).

There are many similarities between developmentalism and 'dirigisme', the name often used to describe the period of state-led capitalism in France after World War II. Both imply the development of strong state bureaucracies that collaborate with the private sector

(and strongly intervene in markets) to modernize the economy and establish a more high-value and high-technology industrial ecosystem. Developmentalism was simply the application of these ideas to countries in the Global South that were aiming to break out of structural dependencies in the world system—that is, to escape the trap of merely providing manufacturing or agricultural inputs to richer countries by creating their own industries. In relation to these concepts, indicative planning is better thought of as a tool that can be applied within dirigiste or developmental economies—a specific set of institutions and procedures that give form to developmental ambitions by coordinating policies around a plan. You can pursue developmentalism without a plan, but it is certainly more effective with a plan.

An immediate question follows this overview of the French planning system: Can this form of planning work today? Capital controls and state ownership are almost forgotten concepts in today's era of globalized and financialized capitalism, where most economic sectors have been transferred to private ownership and exposed to increasingly lightly regulated global capital markets. Transnational capital is also quick to punish the sovereign debt ratings of countries engaging in what they deem to be profligate borrowing and spending. Political economy literature refers to these conditions as the 'disciplinary' or 'infrastructural' power of finance (Braun, 2020; Gabor, 2021). If the success of French planning rested on state control over credit, then how and why did the state lose that control? And can it be regained?

Monnet (2018) and other historians argue that the erosion of state control over the credit system was a gradual process. Throughout the 1960s and 1970s, slowing economic growth and rising inflation, exacerbated by the oil shock, put pressure on the credit ceilings enacted through the CNC. European economic integration and the advent of neoliberal

ideology spurred the internationalization of financial markets, challenging French capital controls. The nail in the coffin was the 'U-turn' by François Mitterand from an expansionary to an austerity political program in the 1980s, which also involved a complete loss of credit controls, liberalization of interest rates, and opening to international capital flows. French planning lost its bite when the state could not exert its influence over the credit environment—in other words, this is an example of 'infrastructural power' shifting from the state to the market (Braun, 2020).

Two key lessons can be drawn from the story of French planning. First, planning requires that the state holds infrastructural power in the credit environment. Second, the loss of this power historically was not inevitable, but a political and ideological response to external circumstances. If the response was political and not inevitable, it can be reversed, and in fact, many scholars are already making the case for political and institutional reforms to that end (Ban & Hasselbalch, 2025; Bärnthaler *et al.*, 2025; Durand *et al.*, 2024; Gabor & Braun, 2025; Groos & Sorg, 2025; Jackson & Larsen, 2025; Monnet, 2024). In the next section, we consider some of these ideas, and especially the question of whether planning can be used for decarbonization instead of industrial reconstruction and development, and for post-growth rather than growth.

03/ WHAT IS PLANNING FOR POST-GROWTH?

Traditionally, planning activities have aimed to spur economic growth, measured in GDP, or unleash forces that would help that cause. And this continues to be a routine goal for planners around the world, with the development industry perhaps being the prime example (Escobar, 1988). In light of escalating global warming, biodiversity loss and petrochemical pollution, calls for doing things differently to protect the biosphere as a life support system have abounded. Behind such calls is the recognition that contemporary societies have accumulated too much of the bad stuff—higher temperatures, less biodiversity and more pollution—as the world economy has continued to expand on aggregate terms.

There have been two major responses to this situation (see Buch-Hansen & Carstensen, 2021). The mainstream position has centered on "greening" growth. The underlying premise for this admittedly appealing proposition is that technological innovation will be sufficient to help "decouple" growth from ecologically damaging input and output factors in absolute, not just relative, terms (Pollin, 2018; Stoknes & Rockström, 2018). In other words, the green growth camp assumes that there could be positive growth rates *in conjunction with* decreasing ecological pressures. Critics subscribe to some version of a post-growth position, typically citing an unfavorable track record of attempts at greening growth. They essentially question the technological feasibility of reconciling growth with sustainability, especially against the backdrop of the rates of absolute decoupling that compliance with ecological targets would demand (Haberl *et al.*, 2020; Hickel & Kallis, 2020).

From a planning perspective, the post-growth critique is important because it shifts attention to the backgrounded assumptions and objectives of much planning past and present. The key question thus is: *Planning for what?* Indeed, voices in favor of harnessing planning for non-growth ends have become louder in recent times (Bärnthaler *et al.*, 2025; Durand *et al.*, 2024; Durrant et al., 2023; Groos & Sorg, 2025). If we now adapt the definition from the previous section, planning for post-growth encompasses the deliberate and coordinated efforts of a state or any other governing body to guide, direct, or control the development and allocation of resources in an economy *without directly or indirectly fostering economic growth*. Similarly, Durand *et al.* (2024, p. 2) state: "Planning beyond growth can thus be defined as a set of institutions supporting decision-making processes informed by bio-physical and social indicators and driven by deliberately stated social and ecological targets." Any such activities build on the recognition that continued planning for (green) growth would contribute to the further degradation of the biosphere, thus deepening existing or creating new socio-ecological inequities. Planning for post-growth is, in other words, a strategy for securing forms of prosperity that are not based on growth (Jackson, 2009).

There is a widely shared understanding among post-growth researchers and advocates that any attempt at implementing "post-growth" (or "material degrowth" in a narrower sense) presupposes openness to and engagement in planning activities (Durand *et al.*, 2024, p. 1). This fundamental idea is neatly reflected in the title of Peter A. Victor's (2019) book *Managing without Growth: Slower by Design, not Disaster*. There cannot be any "design" for "managing" something, or the lack of thereof, without proper planning. Likewise, the "doughnut" principle proposed by Kate Raworth (2017) requires strategic thinking and planning for achieving social minimum standards

within planetary boundaries – at a time when contemporary societies overwhelmingly fail to do so (Fanning *et al.*, 2022). The main question then is not whether planning is required for post-growth to happen, but rather how post-growth ought to be planned.

Post-growth planning, at least how it has been laid out in theory, would seem to combine elements of planning. To be very clear, the post-growth agenda neither embraces centralized planning nor idealizes its problematic history as a state-socialist practice in Soviet-style economies, although critics often unwittingly or mischievously advance mischaracterizations of this kind. The aspired synchronization of indicative and sectoral planning would require an active role of the state, which has, however, been widely ignored in post-growth thinking (but see D'Alisa & Kallis, 2020). Many post-growthers have in fact mixed feelings or are highly skeptical about the state's potential contribution given its widespread and indeed active involvement in capitalist expansion up to this point. Nonetheless, it seems difficult to imagine any transition beyond growth that would not "flip" the state to enable certain top-down changes (Hasselbalch *et al.*, 2023). Without backing from the political authority of the state, post-growth ideas are likely doomed to remain in their cozy yet barely influential niches (Bärnthaler, 2024). Economy-wide planning is not to be had with state institutions that prefer taking a "hands-off" approach to market regulation while even planning on a sectoral level depends on the authoritative setting of rules and targets. And ultimately, indicative and sectoral planning efforts have to be coordinated and synchronized in order to be effective.

The majority position in the post-growth community, scholarly and activist alike, is that planning must be democratic in a genuinely bottom-up sense. This idea is captured in the notion of "societal

boundaries", as opposed to "planetary boundaries", which indicates that limits should be endogenously arrived at through democratic deliberation, rather than exogenously derived (Brand *et al.*, 2021). The concrete examples provided in much of the relevant literature also repeatedly point to principles of small-scale, local organization in line with bottom-up democratic principles (see D'Alisa *et al.*, 2015). Thus, indicative and sectoral planning activities are legitimate so long as they are democratically organized, whatever this may mean for such conventionally rather top-down measures in practical terms.

Following the wider sustainability debate, however, we can discern three interconnected entry points for democratic deliberations toward a post-growth political economy. First, post-growth proposals are motivated by ecological considerations. Here, both indicative and sectoral planning would need to account for how current economic models externalize ecological costs, and contemplate how they could be internalized again. The point would not be to simply impose ecological budgets that correspond to scientifically determined limits. Instead, this evidence would inspire deep thinking and earnest debate about what forms of self-limitation a social group can collectively agree upon to operate within an ecologically safe operating space (Brand *et al.*, 2021). Second, post-growth is also about social sustainability. The democratic deliberations about collective self-limitation would necessarily concern issues of social justice. How to organize societal life within these boundaries fairly would be a central question, which is why progressive versions of a transition or transformation are always framed as "socio-ecological", rather than just "ecological". Third and finally, post-growth initiatives have a different understanding of economic sustainability. Whereas mainstream economic thought attaches "sustainable" to balanced budgets and growth-backed external debt positions, post-growthers want to break out of the

boom-and-bust cycle. For them, there is very little that is sustainable about exuberance during a boom and austerity during a bust, or the Keynesian converse of counter-cyclical macroeconomic policies. Rather than adjusting to an economy's "natural" ups and downs, they search for ways to make it less cyclical in the first place.

04/ PRACTICAL EXAMPLES OF PLANNING FOR POST-GROWTH

Whether in capitalist, social-democratic, or socialist regimes, planning assumed perpetual GDP expansion, promising rising living standards, fiscal stability, and political legitimacy. Today that presumption looks increasingly fragile. Ecological overshoot, demographic decline, and financial fragility cast doubt on the sustainability of expansion. Post-growth scenarios—whether voluntarily embraced as degrowth or imposed by structural constraints—demand a rethinking of planning across multiple scales: supranational, national, and local.

At the heart of this reorientation is the problem of metrics. GDP, the master indicator of success, fails to register unpaid care, ecological depletion, and distributional outcomes (Fioramonti, 2013). Durand et al. (2024) note that post-growth scholarship often assumes the necessity of planning but leaves underexplored the institutional forms and processes that it requires. New metrics—wellbeing, ecological ceilings, provisioning adequacy—must become guiding tools for investment, taxation, and social provisioning. Experiments like wellbeing budgets in New Zealand and Scotland or the EU's Beyond GDP initiative indicate possibilities, but these remain peripheral. To be transformative, post-growth planning must embed alternative metrics

at the core of fiscal and infrastructural decision-making (Bleys, 2012; Chancel *et al.*, 2014).

The welfare state illustrates the challenge. Traditionally funded by expanding tax bases from wage growth and profits, it risks erosion if growth stalls. Planning must therefore decouple welfare from GDP by taxing wealth, land values, and resource rents, and by shifting toward universal basic services. Durand et al. (2024) emphasize that provisioning systems—food, energy, housing, healthcare—must be reorganized around sufficiency. Sorg (2023) insists this must include social reproduction, the unpaid and underpaid care infrastructures that sustain societies but remain invisible in conventional accounts. Without integrating social reproduction, post-growth planning risks replicating the very inequalities that it seeks to overcome.

Infrastructure, require similar rethinking. The high-modernist model of endless expansion through highways, airports, and centralized grids is ecologically unsustainable (Campbell-Verduyn & Kranke 2025; Pansera *et al.*, 2024). Shrinking cities in Eastern Germany and the American Midwest already illustrate the need for "right-sizing" strategies. At the same time, decarbonization requires large investments in renewables, but under a framework where perpetual demand growth is untenable. Energy planning must emphasize resilience, decentralization, and demand reduction (Kallis, 2018). These choices are inherently political: deciding which infrastructures to preserve, which to transform, and which to abandon.

Finance is the hinge of post-growth planning. Credit economies presuppose growth to service debt, and without growth financial systems risk instability. Durand et al. (2024) argue for new institutions: public banks, cooperative credit, and ecological bonds. Sorg (2025) develops this further, highlighting how finance already performs

planning functions by directing resources and shaping real-economy outcomes. Rather than treating finance as external to planning, it should be democratized, making its allocative power subject to collective oversight. Digital feedback infrastructures—worker input, supply chain monitoring, participatory platforms—can complement these reforms, linking financial flows to ecological and social realities (Sorg, 2023, 2025; Sorg & Groos, 2025).

At the supranational level, Éric Monnet's proposals for a European Credit Council are particularly relevant. In *Controlling Credit*, Monnet (2018) shows how France's postwar planning relied on the CNC, which directed bank lending, set ceilings, and subsidized loans to align finance with plan priorities. Half of French loans in the 1960s were issued below market rates, giving indicative planning a strong financial foundation. Building on this precedent, Monnet (2024) argues for a European Credit Council to coordinate credit at the continental level. Such a body would democratize credit allocation, embedding ecological and social priorities in European finance rather than leaving them to fragmented national systems or the ECB's narrow inflation mandate. It would also prevent destructive competition between member states and direct investment toward decarbonization, resilience, and sufficiency. For post-growth planning, this represents a crucial supranational innovation: a credit institution designed not to stimulate growth but to secure stability under ecological limits.

National governments remain indispensable. They must recalibrate fiscal systems away from growth, redesign welfare for sufficiency, and embed ecological ceilings in budgetary rules. Yet growth has historically functioned as a political lubricant, reducing distributive conflict by promising gains for all. Its absence sharpens struggles: who pays, who sacrifices, and who is protected. Durand et al. (2024)

stress that legitimacy depends on democratic innovation—citizen assemblies, participatory budgeting, deliberative forums. Sorg (2023) adds that national planning must integrate intersectional inequalities and social reproduction, recognizing that planning is about power and justice, not just technical efficiency.

Local experiments are equally vital. Transition Towns, originating in the UK, develop community food, energy, and mobility systems oriented toward resilience (Hopkins, 2008). In Germany and Austria, SoLaWi (solidarity agriculture) schemes link farmers and consumers through cooperative risk-sharing, embedding food provisioning in local social relations. Durand et al. (2024) argue that such initiatives are practical demonstrations of sufficiency and build trust for negotiating limits. Sorg (2023) sees them as part of emerging "feedback infrastructures" that democratize planning by grounding it in lived experience. Local initiatives cannot substitute for national or supranational planning, but they are indispensable laboratories for post-growth provisioning.

The global dimension adds further complexity. Post-growth debates flourish in high-income countries, yet many regions of the Global South still pursue growth to alleviate poverty. Without redistribution of ecological space (such as via carbon budgets), contraction in the North risks becoming austerity for the South. Durand et al. (2024) highlight the need for multi-scalar coordination: trade reforms, technology transfer, and financial restructuring to align development with planetary boundaries. Sorg (2025) reinforces this by analyzing how global finance and value chains reproduce inequalities. A post-growth settlement must therefore include supranational mechanisms for ecological justice, not merely national adaptations. Yet these essential global dynamics surrounding post-growth proposals are just beginning to be addressed in greater depth (Hasselbalch & Kranke 2024).

These arguments suggest that post-growth planning cannot be reduced to technocratic steering. It is fundamentally political, requiring collective deliberation about essential needs, legitimate satisfiers, and ecological limits (Brand et al., 2021). Durand et al. (2024) argue that deliberation is indispensable if planning is to be legitimate. Sorg (2023) insists that social reproductive and justice must be at the center of these processes. Monnet (2024) shows that supranational credit coordination is possible, building on historical precedent but directed toward ecological rather than expansionary ends.

The future of planning will therefore (have to) be multi-scalar. At the supranational level, a European Credit Council could stabilize finance and channel resources toward ecological priorities. At the national level, welfare and taxation must be redesigned for sufficiency, supported by participatory democratic forums. At the local level, initiatives like Transition Towns and SoLaWi show how communities can provision sustainably and cultivate resilience. Across these scales, planning must abandon growth as its central horizon and reorient toward resilience, justice, and ecological integrity.

Planning for post-growth does not mean abandoning ambition but redirecting it. Markets cannot spontaneously deliver sufficiency within planetary boundaries. Planning—democratic, multi-scalar, and attentive to reproduction and justice—is indispensable. The task is no longer to decide whether to plan, but how to do so, by whom, and for what ends.

05/ CONCLUSIONS

Economic planning is anything but new. However, what is new is the increasing openness towards forms of post-growth planning. Though still marginal overall, the idea of post-growth planning has been gaining some traction among both scholars and activists who argue that the global ecological crisis warrants such a shift. The French experience of indicative planning shows how states can successfully steer economies when they control credit and coordinate across fiscal, monetary, and industrial domains. Post-growth planning builds on these lessons but reorients them toward sufficiency, justice, and resilience, rather than GDP expansion. It requires embedding new metrics beyond growth, reorganizing provisioning systems around ecological ceilings, and democratizing decision-making to secure legitimacy. Importantly, planning must operate across scales: supranationally through institutions like a European Credit Council to align finance with ecological priorities; nationally by redesigning welfare and taxation for sufficiency; and locally through experiments in provisioning and participation. Finance, far from external to planning, must be harnessed as its backbone. Taken together, these reforms point toward planning as indispensable for navigating ecological limits while sustaining collective prosperity.

Only systems of planning can deliver the rapid transformation of economies that is required to address increasingly urgent ecological and social crises. We have argued that such planning systems must learn from the history of indicative planning in capitalist economies in order to draw the best lessons for institutional reforms that can be grafted onto existing structures in the short term. This is a requirement given the time horizons of socio-ecological breakdown, which

mandate immediate, strong action from governments. At the same time, historical systems of indicative planning must learn from the emerging debate on planning for post-growth to boost democratic participation, justice, and ecological sensitivity. Crucially, systems of planning face difficult challenges in the face of lightly regulated global capital markets and degrowing, not just growing, specific economic sectors. But none of these challenges are insurmountable if lessons from history and updated thinking on planning combine to inform ambitious programs of institution-building and political reform. Planning holds the key to a sustainable, collective future, and the first steps must be taken now.

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06

HOW TO ORGANIZE FINANCE FOR AN ECONOMY THAT RESPECTS LIMITS

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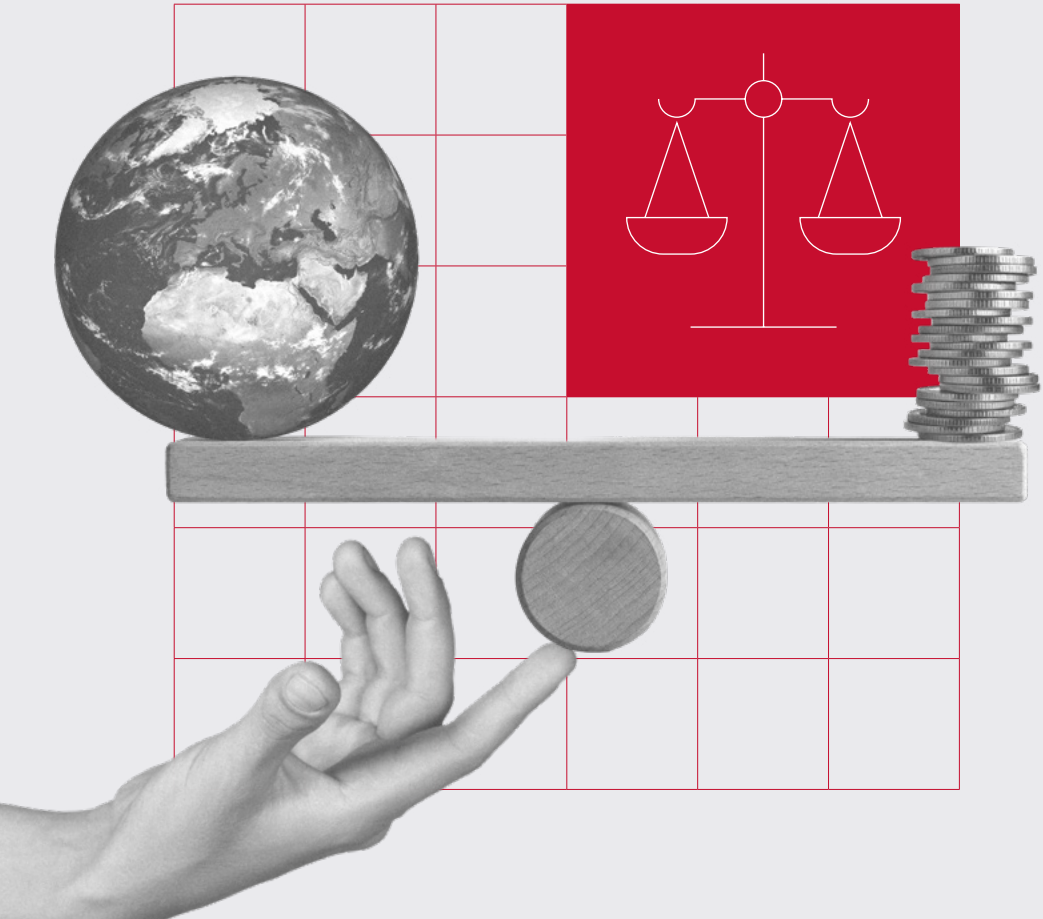

ABSTRACT

This paper addresses how to reconfigure finance to support a post-growth economy that respects ecological and social limits. Building on a layered conception of finance, including the financial architecture, financial institutions, and the real economy, we identify four structural barriers that prevent contemporary finance from aligning with post-growth goals: (1) over-allocation of capital beyond ecological boundaries, (2) insufficient support for human wellbeing, (3) the inequality-enhancing effects of financial instruments and ownership rights, and (4) financial dependencies embedded in key provisioning systems. For each barrier, we propose policy interventions ranging from credit guidance and reform of equity structures to redefining the role of central banks and public spending. These proposals are synthesized outlining incremental and systemic reforms across three finance stages: the current system, transitional measures, and a fully post-growth financial architecture. Rather than prescribing a single solution, we aim to offer a framework for navigating the transformation of finance towards a system that is more public, purpose-driven, and democratically accountable.

01/ INTRODUCTION

The ecological overshoot and social crises increasingly pose an existential threat to our existence. Some scholars call this a polycrisis (Klein & Ison, 2024; Lawrence et al., 2024; Winkler & Jotzo, 2023), where a polycrisis can be can be defined as "*… the causal entanglement of crises in multiple global systems in ways that significantly degrade humanity's prospects.*"(Klein & Ison, 2024, p. 4). The interconnectedness of various global systems exacerbates the negative impacts, surpassing the cumulative harm that would have arisen if the host systems were not profoundly entangled (Lawrence et al., 2022). Consequently, the confluence of these interacting crises significantly and irreversibly affects the economy and the financial system in unanticipated ways.

As we've known for a long time (Meadows et al., 1972), the root cause of these problems is economic activity itself. Although the economic process has become more resource- and energy-efficient, rising incomes and global population growth have more than offset these gains, driving continued increases in energy use, resource extraction, and pollution.

Degrowth literature provides an answer to how an economy can become ecologically and socially sustainable, namely through **a planned reduction of energy and resource use designed to bring the economy back into balance with the living world in a way that reduces inequality and enhances human well-being (Hickel, 2021)**. This definition focuses squarely on a transformation of the real economy, concerning itself both with ecological and social outcomes. We know that finance at large can shape and direct real economic activity by affecting resource allocation, and therefore a transformation

in finance might be required for a post-growth transition to be possible in the first place (Levine, 2005).

We conceptualize post-growth finance in a functionalist manner: **any finance that enables a planned reduction of energy and resource use in a way that reduces inequality and enhances human wellbeing.** Note that this definition does not presuppose a unique one-size-fits-all solution; any configuration of 'finance' that meets these conditions might in our view be called post-growth finance, without claiming that the total financial system is aligned with post-growth.

In this paper, we offer an initial take on what transformations would definitely need to happen for contemporary finance to become post-growth finance. Finance fulfils multiple functions in society, from facilitating payments to mobilizing capital and managing risks (Levine, 2005). For the purpose of this paper, we focus on the mobilizing capital function. We choose to do so because in mobilizing capital, the financial system can shape the (future) real economy. By allocating capital, the financial system enables economic activity to start or expand without needing to generate income upfront. At the same time, it plays a crucial role in phasing out economically non-viable activities. Mobilizing capital plays an allocative role and simultaneously has distributive effects, both of which in part shape the real economy. For a post-growth transformation, the financial system needs to allocate capital in a way that is consistent with a real economy that produces the goods and services for human wellbeing at reduced energy and resource use.

In the remainder of this paper, we first explore the conceptual relationship between post-growth and finance (Section 2), introducing a layered framework that distinguishes between the financial structure, financial institutions, and the real economy. Building on this

framework, we identify four key barriers within contemporary finance that hinder a post-growth transition (Section 3). For each barrier, we propose potential remedies. We conclude (Section 4) with a set of ideas for moving forward, ranging from incremental adjustments to more systemic reforms. While we do not claim these steps to be the only viable options, we believe our framework offers a useful way to reflect on how finance could evolve to more effectively support the real economy within planetary limits.

02/ RELATING POST-GROWTH AND FINANCE

The financial system sits in the midst of the unsustainable yet institutionalized growth-dependent economic system (Corlet Walker et al., 2024: Stegeman, 2025). Part of this growth dependence comes from institutional features of finance, such as (current) money creation and (current) return requirements for investments. And although sustainable finance has become increasingly popular in recent decades, finance on aggregate is clearly not able, capable or willing to fund on a large enough scale solutions that contribute to a sustainability transformation. This is often named the 'finance gap', a fictitious mismatch between capital needed for transitions and capital not aligned with them on a macro level.

Various studies have mapped out these financing gaps. According to the IPCC (IPCC, 2022), two to six times more capital is needed to combat climate change. This quickly amounts to an additional $1 trillion annually, with a significant portion of this being expected from the private sector (Bhattacharya et al., 2022). Including climate

adaptation, this figure rises to $2.7 trillion annually (Moody's, 2024). Estimates for financing gaps also exist for other sustainable goals such as biodiversity loss (ranging annually between $599 billion and $824 billion (Biofin, 2022) or the sustainable development goals. The OECD (2020) has calculated that this financing gap to achieve the sustainable development goals by 2030 at about $4.2 trillion per year. We contend that lack of money is not the main challenge to any transformation including post-growth, if it can be considered a challenge at all. Firstly, funding gap logics mostly leave out the importance of halting the financing of detrimental activities. Second of all, such a logic takes contemporary financing costs (including risk-return expectations) for granted, only asking what needs to be scaled up in terms of real economic outcomes. In doing so, it implicitly assumes no changes to the financial structure, nor the decision processes of actors within it. We notice a similar lack of holistic overview in literature relating finance and sustainability. Existing contributions focus on either the structure of the financial sector (Cahen-Fourot, 2022; Engler et al., 2024), the products and practices within finance (Penna et al., 2023; Schoenmaker & Schramade, 2019), or what is financed within the real economy (i.e. the degrowth literature itself; Engler et al., 2024; Hickel, 2020; Kallis, 2018; Schmelzer et al., 2022). Even in the literature that discusses finance from a transition perspective (Geddes & Schmidt, 2020; Loorbach et al., 2020; Ryszawska, 2016) an integrated and holistic picture on the ecosystem of finance itself is lacking. Although there are many valid and valuable analyses and contributions, we argue that only by embracing those interconnections and complexities between the real economy, the financial structure, and financial products and practices decided on by financial institutions FIGURE 6.1.

Source: authors

Figure 6.1. Financial structure, financial institutions and real economy

In this chapter, we therefore try to understand how mobilizing capital in the financial system (layer 1 and 2) shapes the real economy and vice versa. The financial framework (circle 1/ in FIGURE 6.1.) – encompassing regulations set by supervisory bodies and central banks, including aspects like money creation, interest rates, risk-return projections, regulatory disparities between banks and non-banks, as well as technological and regulatory advancements influencing concentration, diversity, and resilience – shapes the landscape of finance. Within that landscape, financial institutions decide where to allocate capital (level 2). In coming to these decisions, they are bound by the landscape in which they operate as well as their own governance and culture amongst others. Through allocating capital, they influence the real economy (level 3), which in turn influences and encompasses the financial structure (level 1).

03/ BARRIERS TO POST-GROWTH IN TODAY'S FINANCE

In contemporary finance, there is no structural mechanism at the foundational level (Level 1) to ensure that capital allocation at Level 2 aligns with any coherent societal or ecological vision. Put differently, the only guiding principle is alignment with risk and return requirements. Beyond that, financial institutions, whether commercial banks, investment banks, asset managers, or asset owners, retain full discretion in allocating capital according to their own preferences. When sustainability considerations are taken into account, they are predominantly framed in terms of financial risk exposure (Eich, 2025).

In practice, capital is largely allocated based on conventional risk–return logic, with investment decisions assessed from a narrow financial perspective: will the activity generate a predictable income stream sufficient to meet financial performance targets? Yet in a world where economic activity is not intrinsically constrained by planetary boundaries – and where the ecological consequences of production and consumption are often excluded from market prices (Schoenmaker & Stegeman, 2023) – this logic inevitably leads to overfinancing and, consequently, to levels of economic activity that exceed ecological limits.

We discuss here four barriers to post-growth finance: the disconnect between financial flows and ecological limits SECTION 3.1/ the unclear connection between human well-being and finance SECTION 3.2/ the inequality enhancing effects of finance SECTION 3.3/ and financial growth dependencies SECTION 3.4/.

3.1/ THE DISCONNECT BETWEEN FINANCIAL FLOWS AND ECOLOGICAL LIMITS

Capital allocation decisions by financial institutions on Level 2 reflect underlying expectations about the energy and resource intensity of future economic activity. However, they are implicit. The (financial) assessment is not made in terms of how much material throughput is financed, but (only) the expected returns and risks based on this anticipated resource use. Hence, lower resource use per unit shows up as higher returns, higher resource prices as risks.

The first barrier to post-growth finance that any proposal for transforming finance must therefore solve is:

QUESTION #1

How can aggregate financial flows underpinning real economic activity be made consistent with the need to reduce energy and resource consumption?

Even if a significant share of financial institutions were to integrate energy and resource use into their financing decisions – and impose absolute limits based on some notion of fairness (e.g. Bai et al., 2024) – they would likely still fail to bring about a meaningful transformation of the real economy. The core problem is competitive pressure: by restricting their own lending and investment portfolios, these institutions would undermine their ability to optimize short-term risk-return outcomes. In other words, they risk being outperformed by less constrained competitors. Moreover, when individual financial institutions exclude certain firms or sectors, this rarely results in a measurable increase in the cost of capital for the excluded actors (Kölbel et al., 2021; Lewis et al., 2023). In other words, exclusions at the financial level (level 2) have limited impact on the dynamics of the real economy

(level 3). A telling example is that despite a growing number of banks globally committing to net-zero targets, fossil fuel financing continues to rise (BankTrack, 2025; Banking on Climate Chaos, 2025). Without widespread and coordinated action – either by financial institutions or their clients, which remains highly improbable – there is little reason to believe that level 2 will ever align financial flows with the provisioning systems needed to stay within planetary boundaries.

The implication is clear: binding limits must be imposed on either individual financial actor through structural interventions at the macro (country or even global) level at level 1 – the overarching financial architecture. This structure is shaped by a constellation of actors, including European and national governments, central banks, and financial regulators and supervisors. While institutionally diverse, these actors all function, directly or indirectly, as extensions of public authority. Given the transnational nature of capital markets and the relative ease with which financial flows cross borders, effective regulation will necessarily require coordinated cross-border governance. Without such cooperation, aligning aggregate financial flows with planetary boundaries will remain out of reach. Equitably attributing boundaries (Bai et al., 2024) is a crucial aspect of achieving successful micro-macro alignment. Limits might be enacted through a variety of ways.

We propose that a portion of these limits can be operationalized through the financial system itself, by introducing constraints on money creation, leverage, and, by extension, debt-financed economic activity. A basic yet effective instrument would be to impose caps on balance sheet leverage, with the aim of gradually reducing permissible levels over time. More refined approaches include the implementation of more granular credit guidance policies such as

sector-specific credit allocation frameworks (Bezemer et al., 2018). This guidance could be explicitly aligned with ecological and social objectives, for instance by introducing absolute ceilings on energy and resource use per financial institution.

A concrete potential measure would be a "dirty lending ratio," modelled after existing capital adequacy requirements, in which the share of bank lending to carbon-intensive sectors must decrease over time. This mechanism has been discussed in the context of green macroprudential policy, for example by the Banque de France and the Network for Greening the Financial System (NGFS), as a way to steer credit allocation toward lower-emission activities while maintaining financial stability (Schoenmaker & Stegeman, 2023b).

However, even if aggregate financial flows are successfully constrained to remain within planetary boundaries, this does not guarantee that the finance which does circulate will support the provisioning systems necessary for human wellbeing or the reduction of inequality. In practice, a substantial share of financial activity continues to be directed toward speculative or otherwise unproductive uses, often disconnected from real economic needs. A telling illustration is the persistent growth of mortgage credit and urban real estate investment, particularly in already high-income areas—forms of lending that inflate asset prices without contributing meaningfully to housing accessibility or productive investment. In fact, such speculative flows can crowd out lending to socially or ecologically beneficial sectors, even in a context of overall financial constraint.

3.2/ THE UNCLEAR CONNECTION BETWEEN HUMAN WELL-BEING AND FINANCE

This raises a second fundamental barrier to post growth finance. There is no clear connection between finance and beneficial outcomes for

people and planet. Hence, the second question for a post-growth financial system is:

QUESTION #2

How can finance be directed to effectively support human wellbeing?

Addressing this question requires not only ecological limits on aggregate flows but also a normative framework to determine which forms of credit creation serve collective needs and which reproduce inequality or rent extraction. This can be realised in three different yet complementary ways:

A/ **Government intervention and public guidance** (public planning)

B/ **Financiers linking financing decisions explicitly to (transformative) real world outcomes**

C/ **Financing real-world post growth economy activities**

A/ Public planning

Historically, the construction of more desirable economic systems has often depended on the state assuming a proactive planning role, even within capitalist economies. A prominent example is the period of reconstruction and structural transformation following the Second World War (Ban & Hasselbach, 2025). Such forms of economic planning presuppose strong and capable state institutions and have proven effective in steering economies through large-scale transformations. Reinvigorating this tradition would entail a shift toward a robust macro-financial regime – one that actively disciplines capital allocation and embeds financial flows within broader societal objectives (Gabor

& Braun, 2025). While the imposition of absolute limits on resource use and ecological degradation is essential for aligning finance with planetary boundaries, fostering an economy oriented towards high levels of human wellbeing will additionally require sector-specific credit guidance policies. These policies must prioritise socially productive investments and ensure that financial resources are directed toward sectors that support equitable and sustainable provisioning systems.

During earlier periods of state-led planning within capitalist economies, governments deployed a diverse set of instruments to implement strategic objectives, including regulatory mechanisms such as permitting and informal tools like moral suasion. A central component of these planning efforts was the guidance of capital flows. Depending on national contexts, this included the provision of subsidised state credit, the sectoral orientation of monetary policy, and the deployment of patient public capital to support long-term investment. While such intersectoral planning practices have largely receded in most advanced capitalist economies over recent decades, elements of sectoral planning persist in certain cases. Notably, Denmark, the OECD country with the most advanced and sustainable energy system, relied on an extensive and coordinated planning process to structure its energy transition, demonstrating the continued relevance and effectiveness of strategic state intervention in guiding economic transformation (Ban & Hasselbach, 2025).

B/ **Link finance to real-world outcomes**

Financial institutions themselves can also proactively aim to direct their lending to organizations that promote human wellbeing and sufficiency. This requires a governance and client base that allows for such prioritization as well as a financial landscape that permits this. The public value these ethical institutions provide remains mostly

unrecognized in regulation and supervision; capital and liquidity ratios concern themselves purely with financial risk and return, rather than the non-financial value supported by financing. To promote ethical and cooperative banks, a more regulatory regime that incorporates such non-financial value would be useful (Barlow et al., 2022). This, again, would consist of credit guidance measures aiming to influence allocation decisions by financial actors. Even for the impact-minded financial institutions wanting to fund post-growth aligned organizations within current feasibility, deciding what to finance is not obvious. Two elements come in here: the process and the substance.

On process, involving a broader range of rightsholders in financial decision-making – such as clients, workers, affected communities, and future generations – can help shift the purpose of finance. It creates space to deliberate collectively on what forms of provisioning are most needed to serve societal and ecological well-being, rather than simply chasing financial returns. This participatory approach also opens up the possibility of democratising private money creation, currently dominated by commercial banks. Cooperative and ethical banks are already experimenting with such models (Barras, 2024).

On substance, if the goal is structural economic transformation, post-growth-oriented financial institutions must look beyond the direct and measurable impacts of individual projects or firms. Instead, they should assess to what extent economic actors contribute to – or are capable of accelerating – a broader systemic transition. This strategic orientation, often described as *transformative finance*, provides a more robust foundation for aligning capital allocation with long-term, sustainable real-economy outcomes (Penna et al., 2023; Triodos Bank, 2024). Importantly, public financial institutions, such as public banks and mission-oriented investment vehicles, can and

should complement this effort. They may in fact be considered critical public infrastructure for enabling and directing a post-growth transition (Marois, 2025).

C/ Post growth economic activities

A final requirement for any form of finance to qualify as post-growth is that it enables the financing of post-growth real economic ideas, where post growth business models most prominently feature (Fitzpatrick et al., 2022; Hankammer et al., 2021; Konietzko et al., 2023). The literature on such models emphasises not only the nature of the good or service provided, but also organisational characteristics such as size, geographical scope, strategy, governance, legal form, and relationship to profit (Hinton, 2021). In particular, the latter three dimensions often expose the limitations of existing financial and legal structures in supporting post-growth development.

To pursue a sufficiency-oriented strategy, businesses require governance models that allow a broad range of rightsholders to participate in decision-making, contrasting sharply with the shareholder-centred governance dominant in most private enterprises. Closely linked is the need for legal forms that do not concentrate ownership in the hands of a few, but instead promote distributed or collective ownership. Frequently cited examples of post-growth-aligned incorporation models include cooperatives – where ownership is shared among all members – and steward-owned organisations, in which economic and voting rights are decoupled, with voting rights held by stewards mandated to serve a broader purpose (Hinton, 2021; Bartl et al., 2024).

These forms of governance and ownership help ‘relax’ the organisation’s relationship to profit, reducing pressure to maximise financial returns and enabling a focus on social or ecological goals. Still, other

financial constraints remain – most notably, revenue requirements linked to the obligation to repay external capital. Addressing these constraints is essential to making post-growth business models truly viable.

These characteristics of post-growth organisations are difficult to accommodate within current legal and financial systems, which remain rooted in neoliberal principles that emphasise strong private property rights. The problem of common ownership is that it is not straightforward which private entity bears the risks. In some jurisdictions, it is not even legally straightforward to establish a steward-owned enterprise (Bartl et al., 2024). And even when such organisations are successfully founded, raising capital through conventional financial channels remains challenging. Traditional equity finance is incompatible with cooperative or steward-owned models, as these do not grant shareholders voting rights.

Accessing debt finance is frequently problematic too: loans are either unavailable (due to perceived risk) or undesirable, as rigid repayment schedules may not align with the organisation's income streams. Early-stage, high-risk financing thus requires alternative instruments. While most post-growth organisations currently depend on crowdfunding or philanthropic capital, return-seeking mechanisms have also emerged. One example is a lump-sum investment repaid with a pre-agreed return, but on a timeline suited to the financee.

Loans for more established cooperatives or steward-owned firms are somewhat more common, though banks frequently demand collateral – undermining the ethos of collective ownership.

Beyond enabling the development of post-growth organisations, post-growth finance must also gradually divest from pro-growth business models. Among financial instruments, equity shares are

most closely tied to growth dependence, primarily because of the shareholder rights they confer. From a post-growth perspective, equity is problematic for two key reasons. We address the first here, and the second in the next section.

The first issue is that voting rights are granted to shareholders who often have a narrow financial interest and are frequently distant from the day-to-day operations of the company. This weakens inclusive governance. Relocalising investment could help strengthen the connection between investors and companies beyond purely financial motives, but removing investor voting rights altogether would be a more fundamental step towards democratic ownership.

3.3/ THE INEQUALITY ENHANCING EFFECTS OF FINANCE

Mobilizing capital has inherent distributive effects: lenders expect interest, and investors seek returns through dividends or asset appreciation. These flows of income and wealth can exacerbate inequality. As Piketty (2014) argues, when the return on capital exceeds economic growth – a long-standing trend in many Western countries – wealth inequality increases. Historically, this dynamic has also driven ecologically unsustainable consumption. From a post-growth perspective, some advocate eliminating such returns entirely, but doing so may hinder capital mobilisation for essential provisioning systems. Since investments often involve risk and depend on voluntary decisions by private actors, returns may be needed as incentives. Thus, the third barrier to post-growth finance is:

QUESTION #3

How can the inequality-enhancing effects of finance be limited?

Unless public actors fully assume the role of capital mobilisation – which remains unlikely – financing organisations that enhance human wellbeing will remain essential in a post-growth financial system. Yet, much of contemporary finance is either disconnected from the real economy (so-called "finance for finance", such as derivatives trading, high-frequency trading, or naked credit default swaps) or unproductive, financing the transfer of existing assets rather than the creation of new economic value. While finance for finance[13] offers no societal benefit, it does contribute to rising inequality. Some unproductive credit may facilitate efficient resource allocation, but its share of total credit has grown significantly in recent decades (Bezemer et al., 2023), inflating asset prices and deepening inequality – outcomes clearly at odds with post-growth goals.

High leverage at the micro level also reinforces dependence on high income streams, potentially obstructing a degrowth transition. Moreover, curbing unproductive credit may itself help foster a culture of sufficiency. For these reasons, it is imperative that post-growth finance gradually phases out finance for finance and limits unproductive credit wherever possible.

As with planetary boundaries and human wellbeing, shareholder-focused financial institutions at level 2 have no inherent incentive to finance only activities that do not unnecessarily increase inequality. In practice, anything offering an attractive risk-return profile is likely to be financed. This underscores the need for structural interventions at level 1. Regulators must restrict financial products and practices primarily used in finance-for-finance activities. For unproductive credit, policies should steer both the quality and quantity of lending.

13 Of course, some financial products that are close to 'finance to finance' can be socially useful if they diversify risks. For instance, insurance products and hedging can be useful. However, it is a slippery slope between useful and not useful finance for finance (see for a discussion Coval et al., 2009). For here, we discard from these subtleties.

One example is lowering the maximum loan-to-value ratio for collateralised loans, helping reduce the volume of unproductive credit over time. By combining such measures with ecological limits, financial institutions can be steered toward productive investment within planetary boundaries.

One financial instrument stands out negatively from an inequality perspective: equity shares. They offer the prospect of unlimited financial returns in exchange for a limited initial investment and liability. Once acquired, a share entitles its holder to dividends for as long as the company distributes them. This potential for endless returns fuels active secondary markets, which today far exceed the volume of primary equity investment. From a post-growth perspective, this is problematic: shareholders can accumulate wealth indefinitely, long after receiving a reasonable return on their initial investment and with no clear connection to real economic activity.

A key challenge for post-growth finance is therefore how to address the role of equity in established firms. Incremental reforms could include raising dividend taxes, especially for mature companies. More ambitious solutions might involve capping the total dividends a share can yield or expanding shareholder liability—both financial and legal (Pistor, 2019). These reforms would naturally reduce equity prices by limiting future payment prospects. While such changes would leave a gap in current governance models, post-growth alternatives could fill it.

Reforming shareholder rights may seem radical, yet similar principles already exist within capitalism. Patent rights, for example, are time-limited to balance private incentive with public benefit. Though not without flaws, the model shows that perpetual claims on future value are not essential to incentivize. Likewise, company ownership

rights could be reformed to offer fair returns while recognising that successful enterprises ultimately depend on and belong to the societies in which they are embedded. Against this backdrop, reforming equity is not only imaginable—it is reasonable.

3.4/ FINANCIAL GROWTH DEPENDENCIES

Even if we succeed in aligning capital flows with planetary boundaries (challenge 1), planning a desirable real economy (challenge 2), and reforming harmful financial instruments (challenge 3), a practical obstacle remains. We live in a highly financialised society, where many essential provisioning systems depend on financial markets. A post-growth transition will require identifying and reducing these financial dependencies to ensure they do not derail structural transformation.[14]

QUESTION #4

Which parts of our current provisioning system are financial growth dependent?

It is widely recognised that parts of the welfare state, such as pensions and healthcare, are at least partly growth-dependent in their current form (Corlet-Walker et al., 2024; Barlow et al., 2022). Some of these dependencies are specifically financial. Consistent with earlier reviews, we do not see a fundamental monetary growth imperative, provided that interest is either spent or socialised (Kallis et al., 2018).

One clear example of finance-induced growth dependence is the pursuit of rents by private actors in welfare sectors. In adult social care,

14 A broader question concerns growth-dependencies in provisioning systems such as the welfare state. Given our focus on what finance would enable post-growth, we limit ourselves to dependencies on a growing financial system here.

for instance, investor demands for returns create pressure for high revenues, a large portion of which is used to repay investors. This raises overall care costs and makes providers dependent on firm-level income growth. The remedy lies in aligning ownership and profit structures with public interest. Definancialising healthcare – particularly by excluding asset owners with shareholder rights – could reduce this dependency.

This does not mean private finance has no role at all. Capital investment, such as for expanding facilities, could still be provided through (bank) loans. However, definancialisation implies a shrinking of the overall FIRE (finance, insurance, real estate) sector and a rollback of financial motives in the everyday operations of non-financial firms (Barlow et al., 2022).

In some countries, pension systems have become deeply financialised through the adoption of funded models. While pension arrangements vary widely, the post-growth implications are significant. In funded systems, workers' savings are invested by asset managers to generate entitlements. This process, in seeking returns, reinforces financial liberalisation and weakens the foundations of an equitable, sustainable economy (Braun, 2022).

In principle, pension savings could help fund a post-growth transition. However, under current macro-financial conditions, redirecting these funds risks undermining entitlements. Individuals relying on financialised pensions would lose purchasing power compared to those whose savings remain in high-yielding, growth-dependent assets. As long as financial liberalisation persists, pension savings will therefore continue to fuel financialization. Overcoming this would require financial repression, an approach that faces political obstacles, as losses would precede benefits. Funded pensions thus present a structural barrier to a post-growth transition, one that can likely only be addressed with significant political will.

A shift towards pay-as-you-go (PAYG) pensions is arguably more compatible with post-growth aims (Barlow et al., 2022). PAYG schemes allow for greater flexibility in adjusting entitlements to changing living costs and can be supported by universal public services, reducing the need for individual consumption in old age. Ageing may still require forms of demographic saving in a post-growth scenario, but the logic of semi-individual funded systems is not suitable.

A related concern is the perceived dependence of public spending on financial markets' willingness to buy government debt. As future economic activity influences risk premiums, any degrowth scenario, with reduced output, risks pushing up interest rates and crowding out fiscal space. Yet, investment in sustainable infrastructure, as well as the provision of universal basic services, will demand more state expenditure. A post-growth transition is therefore likely to require both temporary and structural increases in public spending (Hickel, 2019).

We argue that there is no natural upper limit to public spending as a share of GDP. In fact, a higher public share may be desirable in a post-growth context. Such expenditure could be funded through taxes on harmful or unsustainable activities, allowing the phase-out of undesirable sectors to finance investment in sustainable ones. Even so, additional public financing may be needed. Fortunately, recent experience shows that central banks can stabilise government finances, for example through quantitative easing (QE) and similar techniques rooted in modern monetary theory.

This does not imply that fiscal expansion should be unconstrained. Inflation risks remain, particularly under energy and resource scarcity. QE was feasible in the past due to low inflation and weak demand, but cannot be treated as a cure-all in a degrowth context (Olk et al., 2023). Ultimately, the ability to sustain public spending during a degrowth transition depends on shifting the broader macro-financial regime.

In market-driven capitalism, the commodification of essential goods and services drives up the cost of provisioning, increasing the state's financial burden (Hickel, 2019). Reclaiming the commons can help ease this pressure. This includes capturing land value gains (e.g. through taxation or public ownership), expanding public control over key infrastructure, and reducing reliance on private finance in essential sectors such as healthcare. As discussed earlier, definancialization is crucial here. Re-socialising public debt, through transparency and encouraging domestic ownership, could also insulate public finances from the volatility of global capital markets (Barlow et al., 2022).

04/ EIGHT PROPOSALS FOR TRANSITIONING FINANCE

Building on the diagnoses in sections 2 and 3, we propose a set of eight measures that range from incremental reforms to more transformative interventions. These are not exhaustive, but offer concrete entry points for reorienting finance toward a post-growth future. They are summarised in FIGURE 6.2.

CURRENT FINANCE/PROBLEM	LESS PRO-GROWTH FINANCE	POST-GROWTH FINANCE
1/		
Unrestricted money creation by commercial banks	Dirty asset ratio	Comprehensive credit guidance in line with safe and just earth system boundaries
2/		
Shareholder-centered bank governance	Societal sounding boards	Steward-owned and cooperative banks

CURRENT FINANCE/PROBLEM	LESS PRO-GROWTH FINANCE	POST-GROWTH FINANCE
3/		
Anonymous and layered investment structures, purely financial focus	Relocalising investment through taxes and transparency regulation, some impact focus	Increasing investor liability to integrate impact in shareholder interests
4/		
Equities include voting rights	Stakeholder governance	Steward-owned organizations and cooperatives
5/		
Secondary markets for equities with unlimited dividend	Financial transaction tax	Limiting ownership rights in time or return
6/		
Blended finance approach to development goals	Greater capacity for public banks alongside free private capital	Greater capacity for public banks and explicit credit guidance with coercive elements
7/		
Public spending under pressure from global financial markets	Quantitative easing when inflation allows	Quantitative easing and reappropriating commons in public interest
8/		
Any financial product allowed within financial stability focused supervision	Financial transaction tax	Disallowing financial products without clear societal benefit

Source: authors

Figure 6.2. Eight proposals for transitioning finance

Here, we briefly elaborate how each aligns with the respective barriers and how they sketch a future financial architecture that is more public, purpose-driven, and democratically embedded.

BARRIER 1 & 2: ALIGNING FINANCE WITH ECOLOGICAL LIMITS AND HUMAN WELLBEING (PROPOSAL 1-3)

Today, money creation and capital allocation are primarily driven by short-term financial returns. Commercial banks create credit without systematic regard for planetary boundaries or the social value of the investments financed. Moreover, opaque investment chains and distant ownership structures undermine democratic control and local relevance.

To shift this dynamic, two types of intervention are needed:

1/ **Dirty asset ratios** (as a transitional measure) would limit banks' exposure to environmentally harmful activities, nudging credit allocation towards more sustainable sectors (Thomä & Gibhardt, 2019) . More radically, comprehensive credit guidance would redirect finance based on ecological and social objectives, replacing today's market-driven lending logics (Dikau & Volz, 2023; Ban & Hasselbach, 2025).

2/ **On governance,** many banks are dominated by shareholder interests. Introducing broader stakeholder representation can democratise decision-making in the short term, while steward-owned and cooperative banks offer a long-term governance model grounded in purpose rather than profit (Barras, 2024; Srivastav & Hagendorff, 2016).

3/ **Investment structures** today are often anonymous and detached from impact. Resocializing and relocalizing investment through tax incentives and transparency rules helps reconnect finance with local needs (Barlow *et al,* 2022). Ultimately, increasing

investor liability for social and ecological outcomes ensures that financial actors are held accountable for the real-world effects of their choices (Pistor, 2019).

BARRIER 3: REDUCING INEQUALITY-ENHANCING EFFECTS OF FINANCE (4-5)

The design of financial instruments plays a central role in driving inequality. Shares grant voting rights to capital providers, not stakeholders, and allow for unlimited dividend extraction.

To mitigate this:

1/ **We propose stakeholder governance models** that incorporate employees and communities into corporate decision-making. More fundamentally, steward-owned enterprises can decouple governance rights from profit entitlement (Hinton, 2021; Bartl *et al*, 2024).

2/ **To curb rentier dynamics in secondary equity markets,** a financial transaction tax can be introduced to discourage speculative trading (Summers & Summers, 1989). In the long term, limiting ownership rights in time or return would align equity more closely with the principle of fair reward rather than indefinite entitlements.

BARRIER 4: REDUCING FINANCIAL GROWTH DEPENDENCIES IN PROVISIONING SYSTEMS (6-8)

Provisioning systems such as health care, housing, and pensions are often financialised, making them vulnerable to capital flight or return pressures.

1/ **To reduce this dependence,** the role of public banks should be expanded (Marois, 2025). Beyond serving as risk-mitigators, the state should actively steer capital via explicit credit guidance with enforceable criteria, moving away from blended finance models that prioritise derisking private returns (Gabor & Braun, 2025).

2/ **Public budgets are often constrained by financial markets.** While quantitative easing (QE) can temporarily ease this burden during downturns, a longer-term solution lies in reappropriating the commons, securing land, housing, and infrastructure as public assets to reduce the fiscal burden of essential provisioning (Olk *et al,* 2023; Hickel, 2019; Barlow *et al,* 2022).

3/ **Lastly, financial supervision** must go beyond maintaining systemic stability. While a financial transaction tax can limit unproductive churn, a more decisive step is to disallow financial products without clear societal benefit, shifting the burden of proof onto financial innovators (Barlow *et al,* 2022).

Together, these proposals illustrate the contours of a post-growth financial system: more disciplined in ecological terms, more just in its distributive effects, and more democratically embedded in terms of its goals and governance. We do not suggest there is only one road to post-growth finance, but we hope this structure and synthesis offers a useful map.

05/ CONCLUSION

This paper set out to explore how finance might be transformed to enable a post-growth economy – one that respects ecological limits, fosters wellbeing, reduces inequality, and becomes less dependent on financialised growth logics. We approached this challenge by structuring finance into three levels: the financial structure (level 1), financial institutions (level 2), and the real economy (level 3). This allowed us to identify four systemic barriers embedded in today's financial architecture. Each barrier speaks to a structural misalignment between

financial decision-making and post-growth objectives: (1) the over-allocation of finance beyond ecological limits, (2) the failure to prioritise human wellbeing in credit allocation, (3) the inequality-amplifying dynamics of financial instruments and ownership models, and (4) finance-induced dependencies in our provisioning systems. We end up with 8 proposals to reform finance, suggesting both incremental and more transformative interventions.

And if all else fails, perhaps we should issue shares in planetary survival – but with a fixed dividend and one steward, Gaia.

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07

DOING BUSINESS IN A POST-GROWTH TRANSITION

Jennifer Wilkins

ABSTRACT

This article explores how existing businesses can begin to strategically and structurally align with a post-growth societal transition. Drawing on post-growth economics and new institutional theory, it presents foresights for businesses seeking resilience and relevance in a society shifting to a post-growth mindset. It examines three complementary post-growth frameworks—Wellbeing Economy, Doughnut Economics and Degrowth—as scaffolding for business transformation. Offering a staged roadmap, the article provides pragmatic guidance for business leaders, positioning business, not as a barrier to, but as an agent of, deep systemic change.

01/ INTRODUCTION: POST-GROWTH FORESIGHT IS A BUSINESS ESSENTIAL

Post-growth is gaining traction as a new organising principle for economies. It moves beyond simply critiquing GDP growth as a policy objective to tackling the deeper structural challenge of how to meet human needs equitably in harmony with nature. The Western modern economic model has not achieved these dual goals and its globalisation has eroded the traditional and indigenous socio-ecological systems that had achieved this balance locally before. Post-growth proposes reorienting Western economies toward wellbeing, ensuring everyone has enough for a good life, while keeping material throughput within ceilings aligned with global environmental goals (Kallis et al., 2025; MERGE, 2025).

This is not a debate about resource scarcities. Economies produce too much, yet many people have too little. It's the economic system that's the problem. As systems theorist Donella Meadows (1999) observed, the most effective way to shift a complex system is to change its underlying paradigm. Paradigms, as Thomas Kuhn (1979) described them, define the boundaries of legitimate knowledge, limiting the questions and solutions we consider. Yet over time, paradigms reach their limits as lived experience begins to contradict core beliefs, giving alternative logics a foothold. Today, the assumption that GDP growth is natural, necessary and good is being questioned, opening the door to post-growth thinking and new strategies for advancing collective social and environmental wellbeing (Kallis, 2018).

Structural change will follow, embedding ecological boundaries into economic frameworks, establishing sufficiency-based provisioning

metrics and redesigning feedback loops to support regenerative, participatory systems. At the operational level, these new settings will be reinforced through policy instruments like wealth taxes, universal income and moratoria on mega-infrastructure, and tools like true cost and common good accounting frameworks.

While a post-growth shift may seem radical, three of the four preconditions for a paradigm change identified by Buch-Hansen (2018) are already in place: crisis, credible alternatives and active political promotion.

First, multiple social, environmental and geopolitical crises are converging into a global polycrisis, signalling the breakdown of the growth orthodoxy (Lawrence et al., 2024). Second, heterodox frameworks such as the Wellbeing Economy and Doughnut Economics are gaining traction, with most climate policy experts and sustainability scholars in high-income countries supporting post-growth ideas (King et al., 2023; Koskimäki, 2023). Third, these ideas are moving into policy and practice: governments are adopting wellbeing-oriented strategies (Mason & Büchs, 2023), cities are applying Doughnut Economics to urban planning (Khmara & Kronenberg, 2023), and the EU is funding major post-growth research, backed by a strong bloc in the European Parliament (Kallis et al., 2024; MERGE, 2025).

The fourth and final step, a broad social tipping point, appears increasingly plausible. Europeans overwhelmingly back sufficiency policies and prioritising the environment over growth, even at the cost of jobs (Lage et al., 2023; Paulson & Büchs, 2022). The 2023 Beyond Growth conference at the European Parliament drew 7,000 attendees, rivalling major orthodox economics gatherings (Best, 2023).

For business, this signals a potential long-term restructuring of the operating environment as governments, communities and institutions

begin to experiment with post-growth frameworks. The business imperative is to engage with this shift to retain licence to operate and access to capital.

Post-growth raises fundamental questions for business. What is the role and necessity of profit in society in a future defined by ecological limits? What new imaginaries of value creation must businesses adopt to remain relevant and just (Froese et al., 2023; Liuzzo & Tsai, 2025)? How might science, technology and innovation, including trends like digitalisation, automation and artificial intelligence, tie into post-growth? (Pansera & Fressoli, 2021; Sharma, Jiménez, et al., 2025; Sharma, Pansera, et al., 2025; Van Der Velden, 2025)? What does post-growth work look like and what role will business play in creating it (Seidl & Zahrnt, 2022; Vincent & Brandellero, 2023)? For some business leaders, these ideas may feel both unfamiliar and intuitive, in conflict with current business logic but resonant with a future that feels right. As society moves toward a post-growth mindset, new institutions will emerge. For existing firms, however, the strategic challenge over the medium term is how to transform in alignment with a societal transition, where emerging and legacy principles and systems are in tension.

> **QUESTION:**
>
> *How can business align with a post-growth societal transition?*

To explore this question, this article leans on Jennings and Zandbergen's (1995) approach to theorising ecologically sustainable organisations, which integrated ecological perspectives with institutional theory, framing sustainability not as a technical challenge, but a deeper shift in the institutional logics that influence purpose and success. In this article, post-growth scholarship clarifies the emerging logics that

define post-growth business legitimacy, while insights from institutional theory illuminate how these may become embedded within business.

This contributes to the post-growth business research agenda outlined by Nesterova et al. (2025), which calls for transformation knowledge around practical steps businesses can take in the medium term to align with a post-growth future. This helps develop businesses that are "potentially compatible with post-growth transition pathways" (Hinton, 2021, p. 10). Such businesses are not fully aligned with either growth-driven models or post-growth end-states, but are actively building the capabilities to navigate the complex space in-between, to contribute to societal transition.

STRUCTURE OF THE PAPER

SECTION 02/ explains how growth has become contradictory, calling for an urgent, collective rethink of the organising principles of economic and social life.

SECTION 03/ explains what businesses need to know about post-growth. It presents the core frameworks and how post-growth models and visionary narratives are unfolding. It then considers how post-growth reconfigures industry trajectories, particularly around their energy and labour intensity.

SECTION 04/ explores how businesses, as institutions, can navigate shifting and competing societal logics to adapt strategically and structurally to a growth-to-post-growth paradigm shift.

SECTION 05/ describes the institutional levers for business redesign to align with a post-growth societal transition, and offers a phased roadmap into post-growth over a short-, medium- and long-term scenario.

SECTION 06/ concludes with a call to action. It challenges business leaders to position their organisations as active, credible participants in shaping a new economic order.

02/ PHASING OUT GROWTH: PLANNING TO AVOID COLLAPSE

As production increases, so do resource extraction, land use and waste, placing escalating pressure on biophysical systems (Haberl et al., 2020; International Resource Panel, 2024; Parrique et al., 2019; Steffen et al., 2015; Vadén et al., 2020). Consequently, nearly all planetary boundaries are now exceeded, with serious implications for human safety and justice (Richardson et al., 2023).

Yet, the argument persists that continued growth is needed to eliminate global poverty, with estimates suggesting the world economy would need to be five times larger (Roser, 2021; Suter et al., 2025). Achieving this by 2060 implies annual growth near 5%, well above forecasts. Global growth is projected to average 2.5% in the 2020s, and only 1.5% in advanced economies, continuing a trend of long-run stagnation (Jackson, 2019; World Bank, 2025).

Even this modest pace would double global GDP by 2060, demanding 60% more annual resource extraction, further destabilising Earth systems (International Resource Panel, 2024). There's a clear paradox: growth is too slow to meet social goals, yet too intensive to meet environmental goals.

This contradiction has driven calls for better quality growth (World Economic Forum, 2024). The dominant strategy is technological.

From AI and renewables to geoengineering and precision agriculture, socio-technical solutions are framed as the path to sustainable development without sacrificing growth. This has strong appeal, promising more prosperity, while resuscitating the natural world. International institutions, like the IPCC, reinforce green growth as a comprehensive vision, influencing investment and governance decisions (Beck & Oomen, 2021; Konrad & Böhle, 2019).

Green technologies are a crucial tool, but reasonable doubts persist around green growth as an economic strategy. Technologies rarely deliver all they promise and there is no academic consensus that green growth is feasible at the scale and speed necessary to meet global goals (Apreda et al., 2014; Parrique et al., 2019; Suter et al., 2025).

Staying the green growth course risks extreme futures: a Hothouse Earth scenario driven by irreversible climate feedback loops (Steffen et al., 2018), energy descent from declining net energy availability (Capellán-Pérez et al., 2017), or ecological overshoot leading to systemic collapse (Herrington, 2021). Scenarios suggest the absence of a coordinated transition away from growth gives way to mass migration, conflict, authoritarianism, food insecurity and rushed attempts to re-establish local provisioning systems (Adloff, 2022; Crownshaw et al., 2019).

The dominant policy narrative is *grow or collapse,* yet the real-world trajectory increasingly looks like *grow and collapse*. The legitimacy of a collectively planned, wellbeing-centred, post-growth society is gaining traction as people come to realise it's not just an alternative to growth, but an alternative to collapse as growth ends.

For businesses already challenged by today's VUCA conditions, collapse scenarios pose an existential threat. It is in their own interests to act as agents for, not barriers to, a systemic post-growth shift to avoid growth-driven collapse.

03/ PHASING IN POST-GROWTH: WHAT BUSINESSES NEED TO KNOW

3.1/ POST-GROWTH FRAMEWORKS CALL FOR A SYSTEMIC REBALANCE BETWEEN MATERIALS USE AND WELLBEING

Post-growth societies aim to meet human needs equitably within their fair share of planetary boundaries, without making economic growth the goal. Several influential post-growth frameworks have emerged to guide this transition, including the Wellbeing Economy, Doughnut Economics and Degrowth (Kallis et al., 2025)[15].

- **Wellbeing Economy** reframes the goal of economic activity from material growth to growth in natural, social and human capitals as the foundation for progress. This fussiness about growth sounds similar to WEF's call for better quality growth, but the Wellbeing Economy framework explicitly rejects GDP as a meaningful metric (Fioramonti et al., 2022). Governments in Finland, Iceland, Scotland, Wales and New Zealand have adopted policies aligned with Well-being Economy principles, demonstrating its growing relevance as a policy-first transition pathway (Hayden, 2024; Llena-Nozal et al., 2019).
- **Doughnut Economics**, coined by economist Kate Raworth (2017), provides a conceptual model for a balanced economy. The doughnut shape represents a safe and just space for humanity. The inner ring denotes the social foundation, comprising basic human needs like health, education and housing. The outer ring defines

15 Some authors may include steady-state economy, however it is excluded here as it doesn't include a social dimension, making it an insufficient pathway to a socially sustainable economy (O'Neill, 2015).

planetary boundaries. Doughnut Economics is growth agnostic, advocating only for economic activity that meets needs within environmental limits.

- **Degrowth** is the more confronting of these agenda, offering a critique of economic growth, capitalism and modernity. It calls for a democratically planned downscaling of ecologically harmful activities, particularly in high-income countries, coupled with the reorganisation of economies around collective wellbeing rather than individual wealth accumulation (D'Alisa et al., 2015; Hickel, 2021). It also anticipates economic delinking between the global South and North (Gräbner-Radkowitsch & Strunk, 2023).

There is much to discuss about these emerging frameworks. Academics continue to refine them, debating their philosophical roots and clarifying their definitions (Fioramonti, 2024; Parrique, 2025; Spash, 2025). Indigenous scholars note that the resurgence of a relational worldview in the West evident across these post-growth frameworks marks a "cognitive convergence" with Indigenous thinking, offering potential for unity (Escobar, 2015; Rout et al., 2024, p. 165).

From a conventional business perspective, the frameworks are best considered as a complementary group offering multi-faceted insights on how to bring about necessary systemic change to reduce material throughput and enhance wellbeing.

3.2/ POST-GROWTH SCENARIOS ARE UNFOLDING, INFORMING SOCIETY AND BUSINESS

A democratically planned post-growth economy will be collectively shaped. Unfolding visions therefore serve not as blueprints but as guiding lights, illuminating possibilities. Kuhnhenn et al. (2024), for instance, outline a future society built around justice, sufficiency and wellbeing.

Economic life is organised regionally and democratically, with markets regulated for the common good. Care work is valued and well-paid, while extractive industries, like arms, advertising and industrial agriculture, are phased out. Work is shared more equally, with a 20-hour week supporting time prosperity, while universal basic services and income help eliminate poverty. Technology and infrastructure serve needs, not profits, and towns are designed for people, not cars. Energy, food, housing and finance are decarbonised, decommodified and democratised. This is not a low-consumption version of today's system; it is a different system entirely.

Post-growth economic models are essential to developing coherent policy proposals aligned with 21st century dynamics. Unlike neoclassical economic models, which treat the economy as if it exists in isolation from society and the environment, post-growth economic models assume embeddedness. This means that economic activity is shaped by institutions, which operate within society, which is itself embedded in the biosphere and subject to the physical laws of nature. These models account for materials and energy flows, both resource extraction and waste. They recognise that households experience economic change unevenly. They also take a grounded view of technology, evaluating its potential within physical limits, time constraints and the rebound effect (Eynde et al., 2025).

Post-growth narratives will become increasingly familiar to mainstream business as climate scenario modelling evolves. Traditional Integrated Assessment Models (IAMs), which underpin IPCC assessments, typically assume continued economic growth. However, new post-growth IAMs are being developed that adopt different assumptions (Edwards et al., 2025).

These assumptions include:

- **Technological realism and reduced production**—planetary health diets, less car travel, smaller living spaces and a shift from energy-intensive sectors like heavy industry and military to health and education.
- **Equity and redistribution**—shorter working hours, expanded public services, progressive taxation and job guarantees.
- **Global justice**—fairer resource use, technology sharing and debt relief.

Post-growth visions and models create spaces for businesses to engage proactively with deep systemic change free from the constraints of orthodox assumptions about which questions can be asked and which solutions are possible.

3.3/ INDUSTRY TRAJECTORIES WILL CHANGE IN A POST-GROWTH SOCIETAL TRANSITION

Post-growth doesn't necessarily imply zero growth across the board. Sectoral or even aggregate growth may occur at times, as long as it remains socially necessary and environmentally sustainable. In some sectors, like transport, health, communications, energy and defence, scale may better serve ecological and social objectives (Cahen-Fourot, 2022; Hardt et al., 2021). Post-growth imperatives to reorient and rescale industries will be based on dynamics like reducing energy use and creating meaningful work (Hardt et al., 2021).

- ***E*nergy-intensive, labour-light activities,** such as agriculture, transport and manufacturing, must contract in overall demand while reorienting toward core societal needs. Expect growth in areas like public transport, regenerative farming and wellbeing

technologies, but phase-outs in sectors like private aviation, fast fashion and industrial beef (Hickel, 2023).

- **Energy-intensive, labour-intensive activities,** including construction and mining, must find ways to offer meaningful work while reducing throughput. This includes cancelling fossil fuel expansion and reassessing mega-infrastructure projects, potentially imposing moratoria (Schmelzer et al., 2022).
- **Energy-light, labour-intensive activities,** like health, education, creativity and care, should expand. These offer high social returns and are central to a just transition (Jackson, 2023).
- **Energy-light, labour-light activities,** such as finance, IT and business services, must redesign their value propositions. Finance will focus on sufficiency and resilience, not short-term returns. Digital tools will support collective action, not consumer surveillance. Business advisors must prepare to guide clients (and themselves) through post-growth value creation, not just ESG optimisation.

04/ NAVIGATING INSTITUTIONAL CHANGE THROUGH A POST-GROWTH SHIFT

4.1/ LEADERS SHOULD EXPECT CORE INSTITUTIONAL LOGIC TO EVOLVE AS SOCIETY SHIFTS

According to new institutional theory, businesses can be understood as social structures shaped by the broader values of society, bringing together individuals around shared norms and resources and generating powers (Bell, 2002). Business institutional logics are deeply

held internal beliefs about what matters and how success is achieved (DiMaggio & Powell, 2000; Thornton et al., 2012).

Businesses become highly attuned to the logic of the dominant system. Hence, while sustainability has become an important business logic reflecting society's shifting concerns, much of society still clings to the idea that growth is necessary, so today's CSR and sustainability innovations don't challenge the primacy of growth.

Yet, strong alignment with legacy assumptions can limit adaptability when the external context shifts (Mintzberg, 1979). Competing paradigms, like growth and post-growth, are rarely compatible, as they rest on different assumptions, values and ways of defining problems and judging solutions. Growth-focused industry is focused on aspects like production and efficiency, whereas post-growth industry is focused on provisioning and sufficiency. The post-growth societal shift will reshape innovation goals, investment criteria and policy priorities through a messy, contested period of radical change (Feola, 2019).

Take three everyday examples—mobility, food and fashion:

MOBILITY

- **Growth paradigm**—the automotive sector has shifted from combustion to electric vehicles, striving to meet climate targets while preserving car-centric systems and growth expectations.
- **Post-growth paradigm**—some cities are prioritising mobility accessible to all. Vienna's €1/day unlimited transit pass, Barcelona's superblocks and Ghent's public-commons governance of mobility all illustrate provisioning models that reduce emissions, reclaim public space and improve quality of life (Bauwens & Niaros, 2017; Grødem-Olsen & Fearnley, 2024; Nieuwenhuijsen et al., 2024).

FOOD

- **Growth paradigm**—the agriculture sector is pursuing a fourth revolution, deploying AI, robotics and gene editing to push productivity further.
- **Post-growth paradigm**—emerging food systems embrace urban agriculture, regenerative agroecology and "half-farming/half-X" hybrid livelihoods. Cultural movements like Slow Food intersect with institutional changes, from food policy councils and solidarity networks to local markets and seed sovereignty campaigns (Horsting et al., 2024; McGreevy et al., 2022).

FASHION

- **Growth paradigm**—the fast fashion industry, while responding to criticism of its social and environmental footprint, continues to grow by adopting circular models, sustainable materials and digital tools for efficiency.
- **Post-growth paradigm**—slow fashion rests on small-scale sufficiency models, including clothing libraries, repair services, heritage textiles, community mending and adaptable design (Fletcher, 2016).

The primary logic within a firm can evolve as societal expectations change (Berg Johansen & Boch Waldorff, 2017). Existing businesses that wish to align with a post-growth societal transition must engage with the tension between dominant and emerging logics in order to develop new capabilities rooted in different values and beliefs (Balogun & Floyd, 2010; Burgelman, 2002).

Lessons may perhaps be taken from hybrid organisations, such as social enterprises and Indigenous enterprises, which deliberately straddle logics (Doherty et al., 2014). The most resilient hybrids don't

smooth over contradictions but hold them in productive tension, using this as a source of strategic innovation and legitimacy. This opens up space for agency, where leaders and teams can question assumptions and redirect strategy, which can catalyse deeper organisational change (Berg Johansen & Boch Waldorff, 2017).

4.2/ BUSINESS TRANSFORMATION MUST BE BOTH HARD AND SOFT, BUT ESPECIALLY SOFT

Research shows that successful business transformations require both structural and cultural change and unfold in two stages (Nohria & Beer, 2000). First, hard resets in strategy, leadership, systems or business models signal a decisive break from the past. For post-growth business transformation leaders, this means reframing sustainable business challenges, not as incremental adjustments within market logic, but as a redefinition of institutional purpose, a shift in strategic narratives and the development of capabilities suited to a new economic logic. Creating post-growth-aligned business units can accelerate learning, but equally important is enabling post-growth intrapreneurial experimentation within core corporate functions such as procurement, HR and finance (Wilkins, 2025).

Second, structural change must be reinforced by soft cultural shifts, with new symbols, stories, rituals and role models that embed post-growth values like participation, regeneration, sufficiency, solidarity and care. Some scholars argue the soft dimension—a mindset shift—should come first (Nesterova, 2020). Strategic efforts to reorient and rescale businesses to help meet essential human needs within planetary boundaries will only succeed if their leaders challenge and transform the cultural and institutional conditions that sustain the growth paradigm, like shareholder primacy, property rights and private accumulation. It is this commitment to cultural reorientation

that ultimately distinguishes post-growth business leaders from conventional sustainability leaders or even social enterprise leaders (Schmid, 2018).

05/ BUSINESS REDESIGN: A ROADMAP INTO POST-GROWTH

The post-growth frameworks call for business leaders to redefine priorities.

The Wellbeing Economy literature focuses businesses on maximising wellbeing and minimising harm. That might mean localising production, customising offerings and co-creating value with customers and communities as prosumers (Fioramonti et al., 2022).

Doughnut Economics calls for businesses designed to be both regenerative and distributive (Raworth, 2017). This means restoring ecosystems and distributing value fairly. Regenerative firms operate with long-term, systems-level ecological awareness (Hahn & Tampe, 2021). Distributive firms decentralise ownership and align capital with community goals (Amini, 2004).

Degrowth scholars believe enterprises need to manage four interrelated realms (Froese et al., 2023; Hankammer et al., 2021; Khmara & Kronenberg, 2018; Nesterova, 2020; Nesterova et al., 2025):

- **Material:** Prioritising efficiency, sufficiency, durability and localised production.
- **Social:** Supporting wellbeing, collaboration and non-hierarchical structures.

- **Organisational:** Reducing the work week, reducing productivity and restructuring ownership.
- **Moral:** Embracing long-term thinking, non-anthropocentric values and deeper relationships with nature.

5.1/ POST-GROWTH BUSINESS REDESIGN ADDRESSES PROFIT, OWNERSHIP AND GOVERNANCE

Most firms today are wired for growth settings, making them effective in times of expansion, but ill-suited to slow growth (Rosa et al., 2017; Stiglitz, 2006). Post-growth aligning businesses will require a redesign.

A number of sources offer practical starting points.

- **The Wellbeing Economy Alliance** identifies six institutional levers, from shifting success metrics away from profit toward impact, to sharing governance and fostering adaptive learning cultures (WEAll, 2020).
- **Doughnut Economics Action Lab** builds on enterprise theory, promoting regenerative and distributive alignment across purpose, ownership, governance, networks and finance (Sahan et al., 2022).
- **Ecological economist Jennifer Hinton's (2021) work** applies institutional theory to advocate for not-for-profit logics, alternative incorporation models and right-sized enterprises embedded in community.

5.2/ DEGROWTH QUESTIONS THE FUTURE RELEVANCE OF THE CORPORATE LEGAL FORM

Degrowth scholars group economic change strategies into three categories: breaking with existing institutions (e.g. closing coal mines), building new ones (e.g. creating energy co-operatives) and transforming

current institutions, such as local governments, from within (Barlow et al., 2022).

But Degrowth is explicitly post-capitalist (Schmelzer et al., 2022). Even if zero-growth capitalism is technically possible (Lawn, 2011), capitalism's logic of capital accumulation risks deepening inequality (Blauwhof, 2012; Cahen-Fourot, 2022). Degrowth scholars are deeply sceptical that investor-owned corporations, with their entrenched growth and profit imperatives, can become compatible with post-growth transition pathways (Nesterova, 2020).

History offers illustrative examples of corporate resistance to radical reform, even when it may be in their long-term best interests. In the 1970s, workers at Lucas Aerospace proposed a comprehensive 'Lucas Plan' to pivot from military contracts to socially useful products, to save jobs and increase worker participation in decision making. Management rejected the plan, resulting in 1,500 redundancies and the firm's eventual decline (Wainwright & Elliott, 1982).

Cooperatives and collective ownership models more closely align with Degrowth's vision of economic democracy. There is precedent for shifts from private ownership of SMEs to these models, such as King Arthur Baking Company in the U.S., which converted to employee ownership, and Scotland's Gigha Renewable Energy, which involved a community buying out a local commercial business. Capital-intensive sectors are a much larger challenge, but one example is Algoma steel plant in Canada, which became employee-owned in 1992 through a union-backed leveraged buyout to save jobs, although it eventually became a listed entity (Lindenfeld, 2001).

Yet no known examples exist of publicly-listed corporations de-listing to become employee- or community-owned enterprises. The capital needed to secure a controlling interest is out of reach for most

employees or communities. Without mechanisms to bridge this gap, the Degrowth pathway remains more a confrontation with the corporate order than a roadmap for its transformation.

Potential mechanisms demand considerable political will. These include government-funded conversions of investor-owned companies into cooperatives, prioritising sectors like utilities, food and housing towards community wealth building. The local banking sector could play a facilitation role developing financial innovations (Lacey-Barnacle et al., 2023). Another possibility is mandated progressive share transfers into community trusts, supported by tax incentives.

5.3/ EXPECT NEW AND REPURPOSED INSTITUTIONAL MODELS TO EMERGE

Post-growth prototype models include not-for-profit enterprises, right-sized SMEs, worker cooperatives, community-owned businesses and public-good ventures (Banerjee et al., 2021). As the post-growth societal transition takes shape, expect a wave of new institutional forms designed for provisioning, not perpetual expansion (Fanning et al., 2020; Hickel & Sullivan, 2024; McElroy & O'Neill, 2025; Vogel et al., 2021). These will include blended organisational forms that blur the boundaries between business, government, civil society and communities to provision society fairly within environmental limits (Rydin, 2025).

These models will likely be driven by actors who view incumbent organisations as too rigid to adapt, preferring to chart new paths. For established firms intent upon staying relevant, the challenge will be ambidextrous leadership, working with the tension between legacy market logics and emerging post-growth norms to find a place in the new economic landscape while helping dismantle the old system.

5.4/ REAL EXAMPLES

A strategic frontier of enterprises are evolving toward post-growth logics, albeit without explicit reference to post-growth. Their operating models, ownership and governance structures and networks reflect the institutional shifts described above, demonstrating the viability of practical experimentation.

- **Search engine Ecosia** uses its scale and profits to deliver reforestation projects and the business produces twice as much renewable energy as needed to power all searches. It has a steward-ownership model that prohibits sale or profit extraction and its founder CEO critiques capitalist growth imperatives, describing Ecosia as a "self-owned nonprofit for-profit" (Ecosia, 2025a, 2025b; Page, 2019).
- **VAUDE** is a family-owned outdoor equipment producer committed to non-extractive employment and equitable pay. It applies the Common Good Balance Sheet, which evaluates purpose, ecological impact, fairness and democracy. It avoids overproduction and promotes repairability and long product lifecycles (VAUDE, 2024).
- **Myuma Group** is an Indigenous-owned civil construction and training organisation in north-west Queensland. It operates as a social enterprise, providing employment, training and self-determination for the Kalkadoon people. It prioritises livelihoods and emphasises place-based economic development, ecological stewardship and non-extractive logic (Memmott, 2010).
- **Framework** builds repairable, modular laptops designed for longevity and upgradeability, targeting planned non-obsolescence. Still experimenting with B2C options, its marketplace offers new, refurbished and used versions and repair and upgrade parts.

It has an open-source and community-driven ethos, prioritising sufficiency, reduced throughput and technology to meet needs (Framework, n.d.; Patel, 2020, 2025).

- **Wakatū Incorporation** is a Māori-owned, land-based business with 4,000 shareholders descended from the original landowners. Its landholdings can never be sold. It operates under a kaupapa (Māori agenda) that centres cultural values and has developed Te Pae Tawhiti, a 500-year intergenerational plan focusing on regenerative land use, mātauranga Māori (Māori science) and flourishing whānau (kin) (Wakatū Incorporation, 2024).

5.5/ POST-GROWTH ALIGNMENT OVER TIME: PHASED GUIDANCE

For business, the challenge is not just to anticipate change, but to align with it strategically over time. Business leaders don't need to predict every detail; they just need a strategy that is adaptive.

Forward-looking companies can use a phased approach. By understanding the broader trajectory of social, political, ecological and institutional change, leaders can sequence their business's transformation to remain viable and relevant.

A very simplified outline scenario of the post-growth societal transition starts with government adoption of wellbeing policies, later developing economic systems that reflect ecological and social limits, and ultimately moving to more democratic and pluralistic control over production and resource use.

- **Short term phase—social reorientation:** Climate change events lead to a social tipping point, triggering a loss of legitimacy for growth-oriented institutions and a reframing of economic purpose.

Governments shift regulation toward prioritising social and ecological outcomes. Consumption falls as societal values reorder.

- **Medium term phase—structural reform:** Fiscal and monetary policies reflect planetary boundaries and social foundations. Public infrastructure is revalorised, positioning the commons as an important provisioning realm. Post-growth thinking becomes integrated into learning environments and the media.
- **Long term phase—deep change:** Governance and economic decision-making shifts to democratic and pluralistic foundations. Labour is decoupled from livelihoods, with universal income and services. Mission-based funding subordinates finance in service of social and ecological priorities.

FIGURE 7.1. integrates this outline scenario with the guidance offered by the leading post-growth institutional change frameworks, mentioned further above (Hinton, 2021; Nesterova, 2020; Sahan et al., 2022; WEAll, 2020). Businesses may find this sample roadmap to be a useful starting point, informing long-term strategic thinking that accounts for post-growth futures.

BUSINESS DIMENSION	SHORT-TERM PHASE Social Reorientation	MEDIUM-TERM PHASE Structural Reform	LONG-TERM PHASE Deep Change
Purpose	Reframe success from growth to impact and wellbeing	Align business purpose with meeting essential needs within planetary boundaries	Serve community-defined goals of sufficiency, equity, and ecological regeneration
Ownership and Profit	Explore mission-locked, limited-profit forms	Transition to not-for-profit or steward ownership with capital reinvested into purpose	Fully not-for-profit, community-owned, or commons-based structures embedded in local contexts

BUSINESS DIMENSION	SHORT-TERM PHASE Social Reorientation	MEDIUM-TERM PHASE Structural Reform	LONG-TERM PHASE Deep Change
Governance and Stakeholder Power	Increase stakeholder voice, especially workers and communities, in advisory or oversight roles	Shift to participatory and democratic governance structures internally	Embed distributed decision-making, grounded in local knowledge and care relations
Strategy, Operations and Innovation	Shift focus from competitive advantage to shared value and sufficiency-based offerings	Adopt regenerative design, reduce material throughput, and orient toward provisioning essential services	Operate as commons or service-based networks focused on relational, need-based provisioning
Scale and Networks	Partner with regenerative and place-based actors; reduce growth expectations	Stay right-sized to context and mission; embed in bioregional networks	Become locally anchored provisioning systems, rooted in reciprocal, non-market relations
Finance and Capital	Adopt patient capital and alternative finance mechanisms	Phase out growth-linked investment logic; use finance for social-ecological return	Operate with minimal or no external capital; reinvest surplus for local regeneration
Learning Culture and Values	Foster adaptive learning and post-growth fluency among staff and leadership	Cultivate "safe to fail" experimentation aligned with new success metrics	Embed non-anthropocentric and pro-social values as part of collective identity

Figure 7.1. Post-growth business roadmap—phased guidance for business redesign in a post-growth societal transition

06/ A CALL TO ACTION: BE POISED FOR DEEP CHANGE

The post-growth societal transition represents a fundamental shift in how businesses must think about their role in society and the economy. As the growth paradigm increasingly proves unsustainable, driving systemic crises, businesses must evolve beyond growth models. The risks of inaction may be existential.

This paper has explored the need for businesses to phase out growth-centric logics and adopt post-growth principles. The transition will not be uniform or smooth. Businesses will need to navigate institutional change, address sector-specific challenges and balance conflicting logics. Post-growth is a challenging, yet essential path. Opportunities abound for innovation, relevance, resilience and deep social impact.

CALLS TO ACTION

- **Acknowledge the paradigm shift:** Recognise that economic growth is no longer universally seen as a reliable proxy for progress, prosperity or stability and that clinging to it may erode business legitimacy in a world grappling with its consequences. Use this insight to pinpoint no-regrets first moves that position your organisation for the realities ahead.
- **Redefine success beyond growth metrics:** Shift internal performance frameworks to prioritise wellbeing outcomes, ecological integrity, equity and resilience over expansion, market share or ROI.
- **Audit your institutional logics:** Examine the assumptions, narratives and decision-making structures in your business. Are they limited to the growth paradigm, or is there already some alignment with post-growth values?

- **Invest in provisioning sufficiently and efficiently:** Focus innovation and strategy on how your organisation can meet core societal needs, such as food, housing, mobility, care and education, and how it can do so within a local, fair share of planetary boundaries.
- **Redesign ownership, governance and profit flow:** Explore alternative models, such as steward ownership, capped dividends and community co-governance, that embed purpose and reinvest surplus in the mission.
- **Develop ambidextrous leadership capacity:** Build leadership teams capable of navigating tension, phasing out unsustainable logics while phasing in post-growth capabilities, values and structures.
- **Be poised for transformation, not posed for optics:** Go beyond reputational management. Prioritise strategically phased but structurally deep change that will withstand scrutiny as conditions tighten over the long term.

These actions will help businesses position themselves as future-fit institutions in a world that's proactively choosing to advance to a sustainable, post-growth economy.

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08

POST-GROWTH BUSINESS AND MARKETS

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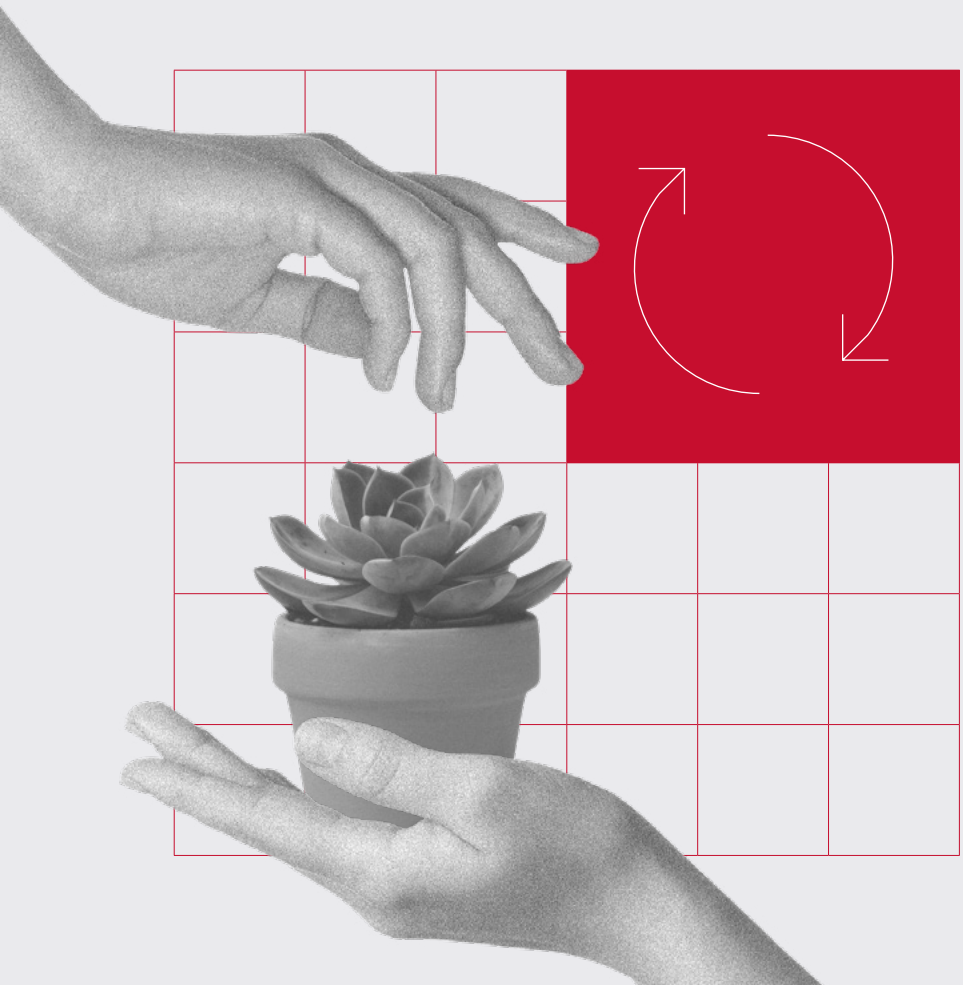

ABSTRACT

The chapter starts by introducing a systemic perspective that allows us to see how business structures are the basic institutional building blocks of the economy and thus have system-wide impacts. The chapter then offers an overview of the for-profit economy that currently dominates the globe and how it is driving our sustainability crises. Section three outlines an alternative model of a sustainable not-for-profit economy. This model takes us beyond the typical political economy spectrum, in which it is assumed markets and businesses are naturally for-profit. The fourth section of the chapter offers a glimpse of a new political economy framework derived from this model. The chapter concludes by describing some steps that people in different spheres of society can take to transform the economic system in a post-growth, not-for-profit direction.[16]

16 For interested readers, this work is presented in more depth in my PhD dissertation that presents *relationship-to-profit theory* and in my forthcoming book, which offers an overview of the Not-for-Profit Economy model (Hinton, 2021, 2026). All of my work is available on my website: www.jenniferhinton.org

01/ INTRODUCTION: A SYSTEMIC PERSPECTIVE

Conventional economics is divided into two main categories: microeconomics and macroeconomics. While microeconomics focuses on the functioning of businesses and other organizations, macroeconomics focuses on the institutional structures and dynamics of the wider economy. However, this is a false dichotomy and one that I think has kept us from seeing some of the root causes of the sustainability crises, and also from finding ways to address those root causes.

Like in a game, where the objectives and rules guide players' behavior, dominant business structures in the economy guide businesses and investors to act in certain ways, which shapes system-wide dynamics. So, we cannot understand post-growth markets or macroeconomics without thinking about what businesses are set up to do. Nor can we understand what a "post-growth business" is without thinking about the larger dynamics generated by companies interacting in the market. Therefore, to truly understand what is required for a sustainable economy, we must break past the false dichotomy of micro- versus macroeconomics to think about *cross-scale* dynamics. And business structures, as a basic building block of the economy, are key to understanding the larger dynamics of the system.

02/ OUR FOR-PROFIT ECONOMY: A KEY DRIVER OF SUSTAINABILITY PROBLEMS

The dominant type of business in the global economy today is the for-profit structure. That's why I call our economic system the *for-profit economy*.

What is for-profit business? It's a legal category of company forms that have two key attributes: a financial gain purpose and private financial ownership. In other words, these types of legal structures are designed to enrich private business owners via dividends of the company's profit. If I buy shares in a for-profit firm, then I can expect to receive dividends of the firm's surplus at some point in the future. I might buy shares on the stock market, or I might buy shares in a friend or family member's company. In any case, as a shareholder, I am a financial owner of the company. Likewise, if I start my own for-profit company and have no other shareholders, I am the financial owner.

A company sells its products or services - whether pizzas, socks, or refrigerators - and the extra money that is left over after it covers all of its operating expenses is the profit. Operating costs include things like paying wages, rent, debts, and suppliers. The business may reinvest its profit back into producing more goods and services or it might distribute some of that profit to its owners. More sales lead to more profit, which allows investors to buy even more shares, which leads to more production and sales, and so on. In a nutshell, this is the engine of economic growth in the for-profit economy.

The underlying logic is simple. Because human nature is mostly greedy and selfish, the best way to motivate investment and production is with the promise of a financial return. We should appeal to the profit motive.

If we give the surplus to business owners, they will invest it in ways that benefit us all. They'll open businesses that produce the goods we need. Those companies will give us jobs and incomes that we need to buy the things we need. Likewise, the profit motive is thought to drive innovation and efficiency, because as businesses seek to cut costs, they will innovate more efficient ways to produce goods and services. So, if any social or environmental problems arise, the market will see it as an opportunity to make money and find ways to address those problems. This is probably a familiar story to most readers. It's the water in which we swim.

However, the story is disconnected from the reality of how the system plays out. Instead, the most profitable strategies also tend to be very exploitative. For example, manipulative algorithms that get people stuck to their screens for hours on end are very profitable. However, the profit comes from harming people, especially children who are more vulnerable to these algorithms (Andreassen, 2015; Dreier *et al.*, 2017; Aziz *et al.*, 2021). Another very lucrative strategy is planned obsolescence; when companies design products to break down or become obsolete so that we have to buy a replacement sooner rather than later. Clothing, laptops, and mobile phones are routinely designed for the dump (Rivera and Lallmahomed, 2016; Aakko and Niinimäki, 2022; Shedlock and Feldstein, 2023). This profitable strategy derives surplus from taking advantage of the power that companies hold over consumers, as well as unnecessary environmental harm via waste and resource extraction. This kind of innovative design is wasteful rather than efficient. Another key strategy is to keep wages as low as possible, as wages are a key cost of doing business and take away from profit. The lower wages are, the more profit there will be and vice versa. These harmful strategies are so effective at delivering profit that they have become widespread across the global economy, making it

difficult for companies to compete if they don't use the same kinds of tactics.

Indeed, the more companies use any harmful strategies, the more pressure it puts on all companies to use them. If you're selling shoes and your peers are offering low prices because they suppress wages of the factory workers who make the shoes, it will be difficult for you to compete with their prices and still pay good wages. And they are only acting in a rational way since the goal is to make as much money as possible for their owners.

On the larger scale, these strategies drive destructive dynamics. Business tactics like manipulative advertising, addictive algorithms, and planned obsolescence drive overconsumption and the ecological overshoot that comes with it. At the same time, the for-profit economy leads to increasing levels of inequality between and within countries as private owners accumulate the surplus they receive and blue-collar wages are suppressed. That's why the last few decades of global growth have only made the richest people even wealthier and left the poorest people in destitution (Alston, 2020; Riddell *et al.*, 2024). Indeed, much the world's economy has been characterized by wage stagnation for the last several decades (OECD, 2023). This growing inequality and the extraction of the economy's surplus to a small number of business owners creates an added pressure for the economy to grow (Stratford, 2020).

Furthermore, larger, more visible firms can attract profit-oriented investment more easily than their smaller peers. This sets off "success-to-the-successful" dynamics. Larger firms are able to use their wealth to buy up smaller firms and merge with peers, allowing them to take an even larger share of the market, which in turn allows them to outcompete or buy up smaller companies. This all leads to a state of market concentration, in which a handful of firms control the majority

of their market (OECD, 2018). A highly concentrated market makes it even harder for smaller, more local, and more sustainability-oriented companies to survive.

The common remedies we're offered for these crises of the for-profit system are to implement policies like regulations to protect workers and nature or to increase taxes to redistribute wealth. Popular post-growth policies include things like offering a universal basic income, universal basic services, a wealth tax, a maximum income, and a shorter working week (Fitzpatrick, Parrique and Cosme, 2022). However, there is also an inherent incentive in the for-profit economy for businesses and their owners to influence policy in a way that is financially beneficial for them. So, they lobby against such policies and often quite successfully (Pakpahan and Hutahayan, 2025). Over time, this has led to an alarming level of political capture around the world (Fuentes-Nieva and Galasso, 2014; Hardoon, Ayele and Fuentes-Nieva, 2016).

It may be tempting to blame a handful of greedy CEOs or large corporations, but these are the kinds of dynamics that we can expect from a system that is structured around the goal of financial gain for business owners. The system is achieving its goal. Many business owners are very rich, but that comes at an enormous expense to the rest of life on Earth.

Furthermore, the evidence contradicts the for-profit logic. It can't explain these dynamics because its core assumptions are inaccurate and outdated. The profit motive incentivizes wastefulness and inefficiency, as seen in the consumerism, environmental crises, and inequality dynamics described above. That is not an efficient system. Financial gain does not motivate business owners to invest in ways that benefit all of us. In fact, the evidence shows that they tend to

save, not reinvest, most of their earnings (Capgemini Research Institute, 2023). Lastly, the profit motive is not necessary for investment, as is shown by the 10 million social enterprises around the world that offer more of a social return on investment than financial gain (Schwab Foundation for Social Entrepreneurship and the World Economic Forum, 2024).

Another insidious myth of the for-profit narrative is that, even if the for-profit economy is dysfunctional, we just have to try to make it work because there is no viable alternative. But there are plenty of alternatives. For instance, there are types of businesses that are *not* for-profit.

03/ AN ALTERNATIVE MODEL: THE NOT-FOR-PROFIT ECONOMY

What is a not-for-profit business? Most of us are used to thinking of businesses as profit-seeking organizations and of not-for-profits as charities. "Not-for-profit" is a legal category of organizations that have a public benefit mission and a legal obligation to reinvest all profit. This is clearly different from the financial gain purpose and the entitlement of private owners to receive the surplus of for-profit organizations. Not-for-profit businesses also differ from traditional charities in that they generate all or most of their money through the sale of goods and services, like a business, rather than depending on grants and philanthropy.

Not-for-profit businesses come in many different forms, which differ from place to place. But the category includes nonprofits that operate as a business, foundation-owned companies, enterprises owned by

associations, consumer cooperatives, credit unions, mutual companies, state-owned firms, and many (but not all) social enterprises.

Let's take a look at some diverse examples to give you a more concrete understanding. The YHA, in the United Kingdom, is in the business of offering hotel and hostel rooms and uses their profit to help young people get out of the city into nature (YHA, 2025). (Incidentally, it's been operating for nearly 100 years, which proves that these kinds of companies can stand the test of time). In Sweden and Norway, Friskis och Svettis (Healthy and Sweaty) is chain of not-for-profit gyms whose mission it is to make a healthy workout available to everyone and all their surplus goes back into that purpose (Friskis och Svettis, no date). In South Africa, Kuluntu Bakery sells delicious baked goods and the profit goes to serve their goal of co-creating a more equitable food system ("kuluntu" means community in the isiXhosa language) (Kuluntu Bakery, no date). Som Energia is a renewable energy cooperative in Spain that reinvests all profit into making its energy more accessible (Som Energia, no date). Other well-known not-for-profit businesses around the world include the YMCA gyms and recreational centers, Mozilla Firefox browser and tech services, Newman's Own food company, BRAC's agricultural and financial services, and Patagonia outdoor clothing company.[17]

Not-for-profit businesses tend to use very different strategies than for-profit peers, because they are focused on social benefit rather than financial gain. They must reinvest all of their profit in social benefit and cannot distribute it to private owners, so that automatically leads to better outcomes in terms of economic equality. On top of that, many of them are also focused on making their goods accessible to

17 Although the founder, Mr. Chouinard, has insisted that Patagonia is still a for-profit business, it meets the internationally accepted legal definition of not-for-profit, as it is wholly owned by a nonprofit parent organization and cannot distribute any profit to private owners.

people regardless of their income. This means they often use sliding scale fees or offer products and services at a discount to people in need. For instance, HomeGround Real Estate in Australia uses the profit it makes from managing properties to offer affordable housing to people who are facing homelessness (HomeGround Real Estate, 2024). Likewise, not-for-profit companies are better able to offer a living wage to all employees (Bishow and Monaco, 2016; Social Enterprise UK and Living Wage Foundation, 2024). They often do this by offering lower salaries to managers in order to pay higher wages to employees at the lowest end of the wage spectrum. This leads to better pay equality.

There are also many not-for-profit companies doing important work for sustainability, such as second-hand shops, sustainable agriculture, ethical finance, and renewable energy (Vrettos, 2021; Mayr, 2022; Persson and Hinton, 2023; Chakori *et al.*, 2026). Being not-for-profit allows them to focus their efforts and resources on doing good.

Unfortunately, the for-profit economy dampens their positive effects and makes it difficult for many of them to even survive. For instance, a survey of social enterprises in the UK found that although they outperformed their mainstream peers by a lot in terms of wage equality, 20% of them could not afford to pay a living wage largely due to the destructive dynamics of the for-profit economy (Social Enterprise UK and Living Wage Foundation, 2024). Likewise, a study of second-hand clothing shops in Sweden found that market dynamics put pressure on them to cut labor costs and result in them receiving lower quality clothing to sell (Persson and Hinton, 2023). Similarly, research found that sustainable not-for-profit food enterprises in Australia face significant challenges from for-profit market dynamics and large for-profit

incumbents (Chakori *et al.*, 2026). They can't be expected to resolve the problems the profit-driven market creates.

But what if we had an economy composed of not-for-profit businesses? Imagine an economy in which markets are made up only of businesses pursuing public benefit and reinvesting all surplus into social and environmental missions. Sustainability strategies, like product and waste take-back systems and ecological regeneration, could become widespread. Companies could afford to encourage sufficiency instead of overconsumption. Tactics like Patagonia's "Don't buy this jacket" campaign could become commonplace. We could free up the natural tendency of not-for-profit businesses to care for people and planet by transitioning the entire market in that direction.

This type of market would drive very different dynamics. On the larger scale, we can expect these strategies to result in higher levels of economic equality, more ecological protection, and better public health, compared to the for-profit economy. This type of economy would not require or systemically drive constant growth, because it is not chasing profit for investors and does not extract the surplus to a handful of owners. It could be a steady state type of economy, which grows and shrinks according to society's needs.

A not-for-profit type of economy would also better allow for effective sustainability interventions from the state and civil society. For instance, governments could more easily implement the kinds of restrictions and regulations that are needed to protect people and planet, like bans on toxic materials and requiring companies to take back their products and packaging. Civil society could work with government agencies and businesses to make sure everyone's needs are met within the ecological limits of the planet.

A not-for-profit economy would operate on a different logic, founded on more accurate starting points. It would allow us to more easily acknowledge that we're interconnected with each other and the rest of nature. We could more easily admit that there are limits to how much technology and money can help remedy environmental problems, so it's best to sacrifice economic growth to save nature rather than the other way around.

A key benefit of this model is that it is decentralized and flexible, meaning that it can and should be customized to different contexts. For instance, some places might have a strong tradition of the state providing universal basic services, like healthcare, education, and public transportation and so in those places, the state might continue to play a large role in providing for society's needs in a not-for-profit economy. Other places might have historically relied more on civil society and businesses to provide these goods and services and so the not-for-profit market might play a bigger role in those places. Likewise, the state would need to implement different policies in different contexts. Some places might need a universal basic income, while others might not. The Not-for-Profit Economy model can accommodate these different needs.

It can also be compatible with other not-for-profit types of economies. Indeed, the relationship-to-profit perspective offered in this chapter and my other work allows us to imagine a wider set of political economy possibilities.

04/ NEW POLITICAL ECONOMY HORIZONS

In contemporary politics, people argue endlessly over what mix of market versus state we need. However, this entire spectrum is based on the inaccurate assumption that markets are naturally for-profit; that businesses and markets must be driven by financial gain. As I've just illustrated, businesses and markets are not inherently profit-driven or problematic. Rather, it is the core purpose for which these institutions have been organized.

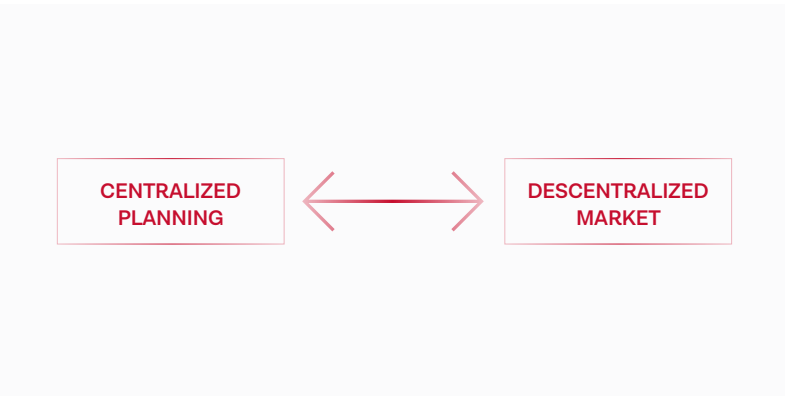

Figure 8.1. Conventional political economy spectrum

The conventional political economy spectrum can be thought of as ranging from a centralized planning state on the far left to a completely decentralized markets on the far right, with different combinations of the for-profit market and state inbetween FIGURE 8.1. The Not-for-Profit Economy model does not fit anywhere on this spectrum. But if we add a vertical axis that represents ownership of the means of production as either for-profit or not-for-profit, then we open up a new horizon of political economy possibilities (Hinton,

2025, 2026). In essence, the ownership and purpose of the means of production can either take the shape of private financial rights with a financial gain purpose (i.e., for-profit) or collective financial rights with a social benefit purpose (i.e., not-for-profit). The resulting framework consists of four quadrants, as shown in FIGURE 8.2.

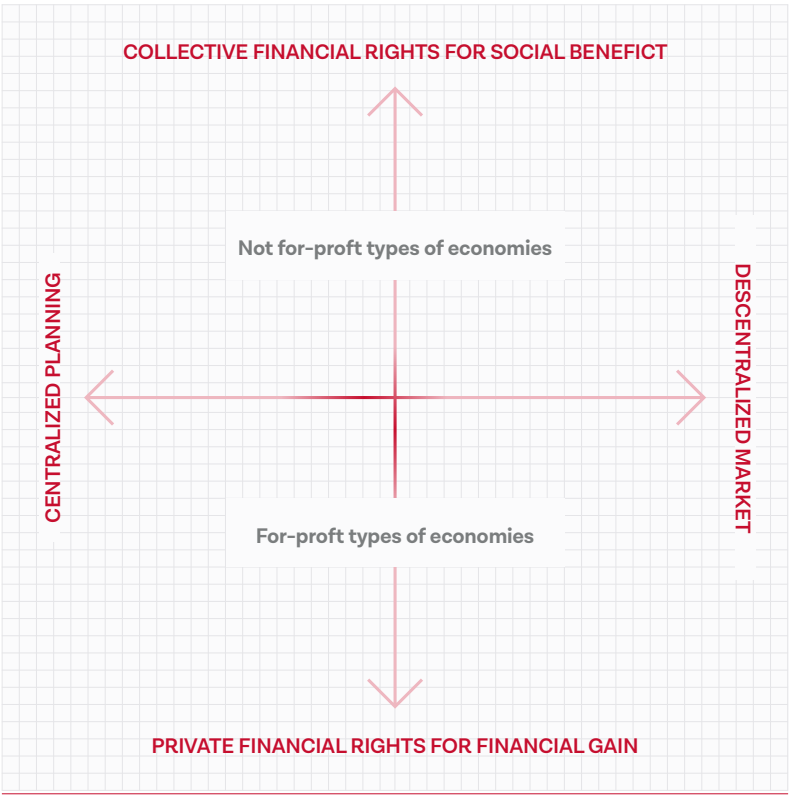

Figure 8.2. A post-growth political economy framework

The lower left-hand quadrant contains things like autocratic, fascist and oligarchic control of the economy and resources, which is inherently undesirable from a post-growth perspective. The bottom right-hand quadrant includes different forms of capitalism, or for-profit market economies. I have made the case for why these are

not compatible with post-growth sustainability above. But the upper two quadrants could allow us to meet everyone's needs within ecological limits. This includes other types of economic systems that are discussed in the post-growth community, such as the moneyless economies and post-growth state-planned economies. Thus, this framework opens up the space for more concrete discussions about which kinds of economic systems might be post-growth compatible (or not) and why, as well as which kinds of post-growth systems might be better for different contexts.

05/ ACTIONS FOR TRANSFORMING THE ECONOMIC SYSTEM

When it comes to action, there are four main things we can do to transform our economic system in a not-for-profit direction: build social momentum, shift organizations, implement policy changes, and update education and research.

In terms of building social momentum, we can all spread these ideas and host conversations. It's important to bring this model into discussions within existing organizations and movements. Here, I am thinking of the myriad different organizations that are already working for a better world by pushing for gender equality, human rights, racial justice, environmental protection, and post-colonial justice. The International Network for the Promotions of the Social and Solidarity Economy (RIPESS), Wellbeing Economy Alliance, Doughnut Economics Action Lab, and degrowth movement are some important actors that are creating global networks for a more just and sustainable economy. By building alliances with existing movements

to pursue a shared vision of an economy beyond private profit and economic growth, we can achieve power through numbers to push companies and policymakers to implement the structural changes we need them to.

When it comes to shifting organizations, there are great strides being made by the steward-ownership movement, which helps for-profit companies transition in a not-for-profit direction by changing their legal purpose and financial ownership. Nonprofit organizations can also think about moving in more of a business direction, to gain independence from the dysfunctional for-profit economy.

There are also many policy changes that can help transform the economy. Right now, most government support for businesses goes to for-profit companies. This incentivizes entrepreneurs to start their businesses as for-profits and it gives the for-profit sector an advantage over not-for-profit market actors. What if that was reversed? Governments can transition their subsidies, seed-funding, start-up grants, and other forms of support from the for-profit sector to not-for-profit businesses.

Likewise, governments can break their dependence on the for-profit market by shifting pensions away from stock markets to social bond markets, which could provide investment for not-for-profit companies. It may also be wise to replace stock market funding for pensions with government funding that comes from social security contributions. Policymakers should also consider changing public procurement policies to prohibit private profit distribution by contractors and to favor not-for-profit companies in bidding processes.

Redistributing wealth both within and between countries is also a necessary part of any transition to a sustainable economy. We need to make sure that everyone in the world has a decent standard of living

and the only way to do that in an ecologically sustainable way is to redistribute wealth from affluent communities to deprived communities. All of the policies mentioned above would need to be adapted to local needs and challenges. For more policy proposals aimed at transitioning the purpose and ownership of the economy, see my forthcoming book as well as the *Sustainable by Design* whitepaper published by the Amsterdam Law School in 2024 (Bartl *et al*., 2024; Hinton, 2026).

Finally, we need to update education and research. Currently, education systems around the world teach the outdated mythology of the for-profit economy, starting in primary school all the way through university. More accurate and systemic models need to be taught alongside the mainstream economic approach, which should be gradually phased out. This includes teaching ecological, institutional, feminist, and Marxist economics. Students should be taught critical and systemic thinking so that they can navigate the strengths and weaknesses of different ways of organizing the economy and society and go on to actively shape the systems in which they live.

Like education, research can and should also take a more heterodox approach. For instance, there is not much data on not-for-profit businesses as a separate category, distinguished from the broader nonprofit sector (which is larger dependent on the for-profit economy), because not-for-profit businesses do not exist in mainstream economic theory. That is one of the reasons I developed relationship-to-profit theory see Hinton (2021); to provide a theoretical basis for gathering this kind of important data. Researchers can use this theory to conduct case studies, as well as analyses of entire markets, sectors of the economy, national economies, or even the global economy. We can ask questions like: Where does the surplus of the economy go? How much of the economy's profit is amassed by private business owners versus

reinvested in socially useful activities? How much of overall market activity is performed by for-profit versus not-for-profit businesses? What does this mean for sustainable levels of consumption, economic equality, and democracy? These are important questions that shape society. And it is surprisingly difficult to find the data to answer them because mainstream theories do not guide us to ask these questions.

06/ CONCLUSION

This chapter has explained how the for-profit way of organizing the economy is fundamentally unsustainable. The for-profit economy is a key driver of overconsumption, ecological degradation, and the concentration of wealth and power in the hands of the few. So, we need a different system. Not-for-profit businesses keep resources circulating to where they are needed, which makes them a desirable alternative to their for-profit counterparts. Furthermore, they already exist in all sectors of the economy and around the world, so they are a natural bridge to a better system. An entirely not-for-profit economy can be expected to result in better social and ecological outcomes. The social benefit purpose and the reinvestment of all surplus into social and environmental missions that are the key characteristics of not-for-profit companies would prevent the concentration of wealth in the hands of a few, allowing us to use our finite resources to meet everyone's needs in harmony with the natural world. This model offers us an alternative beyond both the for-profit market economy and the state-planned economy and opens up new political economy horizons. By building social momentum, shifting organizations, implementing policies for structural change, and updating education and research, we can transform the economy in this desirable post-growth direction.

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09

POST-GROWTH AND DISTRIBUTION OF VALUE TO STAKEHOLDERS:

A Compositional Analysis of the Spanish Financial System

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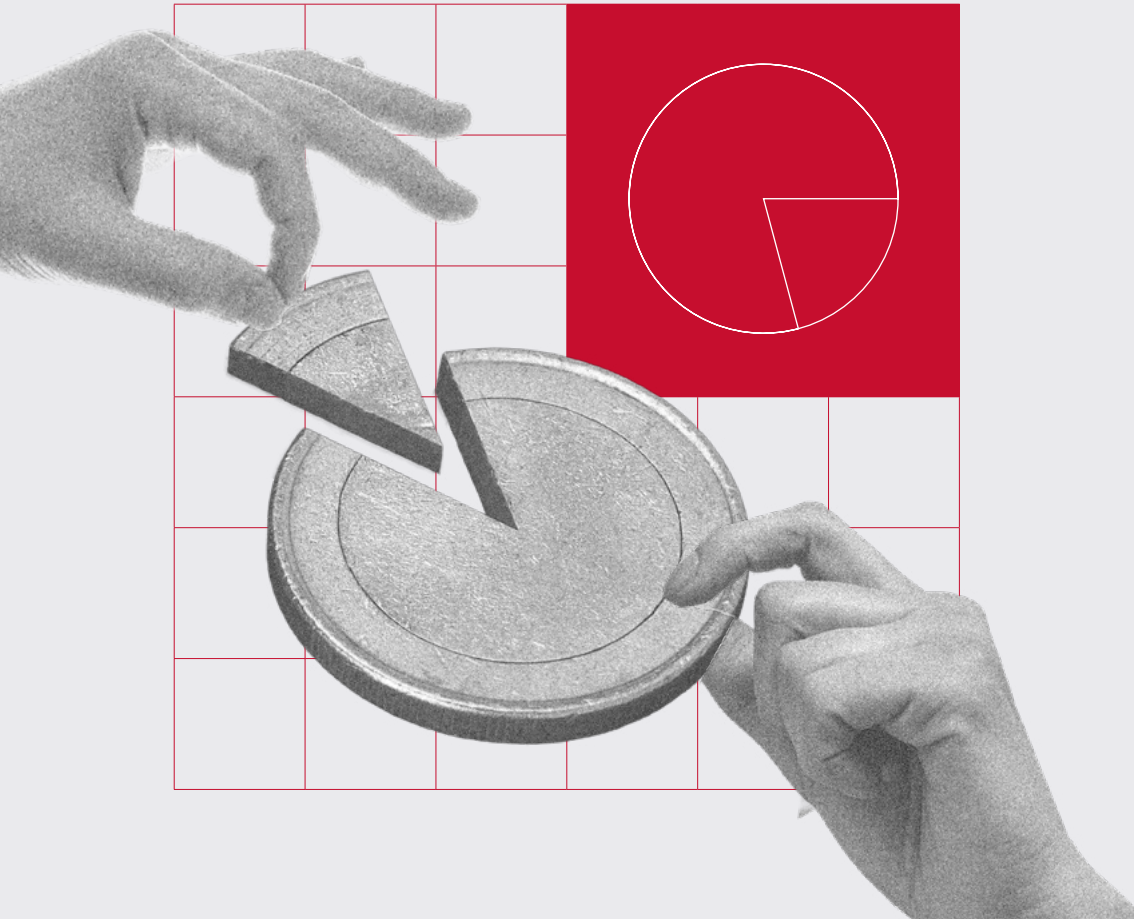

ABSTRACT

This chapter examines the distribution of value among stakeholders in the financial system from a post-growth perspective. Moving beyond the conventional emphasis on value creation and financial performance, it focuses on how the value generated by financial institutions is allocated among key stakeholders, including workers, public administrations, investors, and the institution itself through retained earnings. The post-growth approach provides a normative lens through which economic success is assessed not by continuous expansion, but by the capacity of organizations to contribute to social well-being, resilience, and equity within ecological and social limits. Using evidence from the Spanish financial system, this chapter[18] develops a conceptual framework that links post-growth theory, stakeholder governance, and value distribution. The analysis highlights the existence of distinct distributive profiles within the sector and shows that sustainability in advanced economies is increasingly determined by distributive structures rather than by aggregate growth. The contribution is intended to be accessible to both academics and practitioners, offering a theoretically grounded but non-technical discussion of value distribution as a strategic and policy-relevant issue in post-growth economies. The discussion builds on a broader empirical study of value distribution in the Spanish financial system, which accompanies this contribution and is available online for readers interested in the underlying data and analytical procedures.

18 The complete empirical study on which this chapter is based is available from the authors upon request to: leire.sanjose@ehu.edu

01/ INTRODUCTION

The post-growth debate has gained increasing relevance as advanced economies confront the ecological, social and institutional limits of continued economic expansion (Daly, 1991; Jackson, 2019; Hickel & Kallis, 2020). In contexts where productivity levels are already high and material needs are largely satisfied, the central challenge is no longer how to generate more value, but how to allocate existing value in ways that enhance collective well-being, social cohesion and long-term resilience. Post-growth scholarship stresses that continuous economic growth remains closely associated with increasing material and energy use and with environmental pressures that exceed planetary boundaries, making growth an insufficient and potentially counterproductive strategy for achieving sustainability (Rockström et al., 2009; O'Neill et al., 2018; Raworth, 2017).

Within this debate, the financial system occupies a pivotal position. Financial institutions do not only intermediate savings and investment; they also play a decisive role in shaping how economic value is distributed across society. Through wages, taxes, dividends, retained earnings and other transfers, banks and related institutions influence income distribution, public resources, institutional stability and the balance between labour and capital. Despite this centrality, mainstream analyses of banking and finance continue to prioritise indicators such as profitability, efficiency, capitalization and prudential ratios, while paying comparatively little attention to the distributive architecture embedded in financial activity.

The analysis presented in this chapter draws on a comprehensive empirical study of value distribution in the Spanish financial system, which accompanies this contribution and can be consulted online.

That study provides the full description of the dataset and analytical procedures, while the present chapter focuses on interpreting the main results from a post-growth and stakeholder perspective, in a manner accessible to both academics and practitioners.

From a post-growth perspective, the relatively marginal role assigned to distribution is especially consequential. As aggregate expansion becomes structurally limited, improvements in social welfare can no longer be expected to arise primarily from "more" production, but instead depend on how existing income, wealth, and provisioning are governed and shared (O'Neill et al., 2018; Kallis et al., 2025). In this context, distribution is not an incidental by-product of growth; it is a precondition for sustainability and for the legitimacy and social acceptability of the economic system. As Kallis et al. (2025: e65) describe, "sustainable scenarios combine technology, policy-driven investment strategies, and redistribution in ways that slow growth and environmental impact without compromising wellbeing". The key question therefore shifts from whether value is generated efficiently to whether the allocation of value among stakeholders supports social cohesion, institutional durability, and resilience under binding ecological and social constraints.

This shift has important implications for how organizational performance is assessed. Traditional notions of efficiency rooted in Pareto optimality become less informative in systems operating close to physical and social constraints, since any meaningful reallocation of resources is likely to generate relative losses for some actors (Sen, 1970). In such contexts, alternative criteria—such as the Kaldor–Hicks approach—gain relevance, as they allow distributive changes to be evaluated in terms of their overall social benefits, even if compensation is only potential rather than realized (Kaldor, 1939; Hicks, 1939). Applied

to financial institutions, this implies that reallocations of value can be considered normatively acceptable if they strengthen social and institutional outcomes, even when they reduce returns to financial capital.

The focus on value distribution also connects directly with stakeholder theory. From this perspective, firms are understood as systems of relationships among multiple stakeholders with legitimate claims, rather than as instruments devoted exclusively to shareholder value maximization (Freeman, 1984; Donaldson & Preston, 1995). More recent developments in stakeholder accounting emphasize that organizational performance should be assessed by explicitly considering how value is distributed among stakeholders, not only how much value is generated (Freeman et al., 2020). In a post-growth context, this distributive dimension becomes central, as organizational sustainability increasingly depends on the capacity to balance competing claims within fixed or slowly growing value envelopes.

Against this background, the objective of this chapter is to develop a post-growth reading of value distribution in the financial system, using evidence from the Spanish case. The analysis does not approach the financial sector as a homogeneous set of institutions, but rather seeks to identify and interpret distinct distributive profiles according to how value is allocated among key stakeholders. Specifically, the chapter aims to distinguish between organizational orientations that prioritize social contribution, institutional continuity through retained value, and financial extraction in favour of investors.

By analyzing these distributive patterns, the chapter seeks to show that post-growth-compatible practices are not external or marginal to the financial system, but are already embedded in certain organizational forms and governance models. The ultimate objective is to contribute to the post-growth and stakeholder literature by shifting the analytical

focus from value creation and efficiency towards value distribution and relative allocation, providing a framework that is both theoretically grounded and accessible to academics and practitioners interested in the strategic and societal role of finance in post-growth economies.

02/ THEORETICAL FRAMEWORK: POST-GROWTH, STAKEHOLDER GOVERNANCE AND VALUE DISTRIBUTION

Post-growth theory starts with the recognition that advanced economies are increasingly operating within binding ecological and social constraints. Classical growth-oriented economic models assume that social progress can be sustained through continuous expansion of output, but this assumption becomes untenable once material throughput, energy use and environmental impacts exceed planetary boundaries (Daly, 1991; Rockström et al., 2009). Empirical evidence shows that economic growth remains strongly coupled with resource consumption and environmental degradation, making the promise of unlimited and fully "green" growth highly uncertain (O'Neill et al., 2018; Hickel & Kallis, 2020). As a result, post-growth approaches argue that improvements in well-being must increasingly come from qualitative changes in economic structures rather than from quantitative increases in production (Jackson, 2019; Raworth, 2017).

Within this framework, distribution becomes a central analytical and normative concern. When aggregate value cannot grow indefinitely, social outcomes depend critically on how existing value is allocated among individuals, organizations and social groups. Post-growth

economics therefore shifts attention from the size of the economic pie to its division, highlighting inequality, access to resources and institutional resilience as key determinants of sustainability (Kallis et al., 2025). This shift has important implications for organizational analysis, as firms and financial institutions become arenas where distributive choices directly shape social and economic outcomes.

This perspective also challenges efficiency: under scarcity and limits, Pareto improvements are rarely feasible because reallocations usually create losses for some stakeholders (Sen, 1970). Thus, Kaldor–Hicks criteria become more relevant, evaluating changes by net social gains even if compensation is only potential (Kaldor, 1939; Hicks, 1939). From a post-growth standpoint, efficiency is therefore reinterpreted as the capacity to reorganize value distribution in ways that enhance collective well-being and resilience, rather than as the maximization of individual gains.

Stakeholder governance provides a complementary theoretical lens for operationalizing these ideas at the organizational level. Stakeholder theory conceptualizes the firm not as an instrument solely devoted to shareholder value maximization, but as a nexus of relationships among multiple groups with legitimate interests, including employees, customers, public administrations, communities and investors (Freeman, 1984; Donaldson & Preston, 1995). This relational understanding implies that organizational success cannot be assessed exclusively through financial returns, but must also consider how value is created and distributed across stakeholders.

Recent developments in stakeholder accounting further reinforce this distributive focus by proposing frameworks that explicitly measure and analyze how organizational value is allocated among different stakeholder groups (Freeman et al., 2020). In a post-growth context,

such approaches gain particular relevance, as they allow organizations to be evaluated according to their contribution to social cohesion, institutional continuity and long-term sustainability, rather than their capacity for continuous expansion. Taken together, post-growth theory and stakeholder governance converge on a common insight: sustainability in advanced economies depends less on producing more value and more on distributing value in ways that are socially legitimate and ecologically compatible.

03/ VALUE DISTRIBUTION IN THE FINANCIAL SYSTEM: A STAKEHOLDER PERSPECTIVE

The financial system plays a distinctive role in the distribution of value within the economy. Beyond its traditional function of intermediating savings and investment, it acts as a key mechanism through which economic surplus is allocated among stakeholders. Financial institutions distribute value through multiple channels, including wages to employees, taxes to public administrations, dividends and interest to investors, and retained earnings that strengthen institutional continuity. From a stakeholder perspective, these distributive flows are not neutral technical outcomes, but reflect strategic choices and governance priorities.

Mainstream financial analysis has traditionally focused on indicators such as profitability, solvency, efficiency and growth, often treating distribution as a secondary or residual issue. However, stakeholder theory suggests that how value is distributed is central to understanding the social role and legitimacy of financial institutions

(Freeman, 1984; Donaldson & Preston, 1995). In highly regulated and socially embedded sectors such as banking, distributive patterns influence employment quality, fiscal capacity, financial stability and public trust, making them critical for both economic and social outcomes.

From a post-growth perspective, the importance of value distribution in finance becomes even more pronounced. When the scope for aggregate growth is limited, the financial system cannot rely on expanding balance sheets or increasing volumes to reconcile competing stakeholder claims. Instead, tensions between labour, capital, the public sector and the institution itself must be managed through distributive arrangements within a relatively fixed value envelope. This makes the financial system a key testing ground for post-growth principles, as it concentrates and reallocates value across the economy.

Stakeholder accounting approaches provide a useful framework for analyzing these dynamics by explicitly mapping how financial institutions allocate the value they generate among different groups (Freeman et al., 2020). Rather than focusing solely on profits, this perspective highlights the relative weight assigned to social contributions, investor remuneration and value retention. Such an approach allows for meaningful comparisons between institutions and business models, revealing patterns that are obscured when analysis is limited to aggregate financial performance.

Importantly, this stakeholder-based view also challenges the assumption that financial institutions are inherently extractive. Empirical evidence suggests that different organizational forms and governance structures give rise to distinct distributive profiles, with some institutions prioritizing employment, tax contributions or long-term resilience, while others emphasize returns to financial capital. These differences indicate that the financial system contains a plurality

of models, some of which are more compatible with post-growth objectives than others.

In this sense, analyzing value distribution from a stakeholder perspective does not merely describe how financial institutions operate; it provides a normative basis for evaluating their contribution to a sustainable economic system. By focusing on who benefits from financial activity and how surplus is allocated, this approach aligns the analysis of finance with broader post-growth goals of equity, resilience and social legitimacy, while remaining accessible to both academics and practitioners concerned with the future role of finance in advanced economies.

04/ EMPIRICAL CONTEXT AND ANALYTICAL APPROACH

The empirical discussion presented here is based on a broader research study on value distribution in the Spanish financial system. That study contains, continuing the work of Retolaza & San-Jose (2026), the full description of the dataset, the analytical procedures and the technical details underlying the results summarized here. The purpose of the present chapter is to extract and interpret its main insights from a post-growth and stakeholder perspective, in a way that is accessible to both academics and practitioners.

The empirical context is the Spanish financial system, which provides a particularly relevant setting for analyzing value distribution. Spain combines a mature and highly regulated banking sector with strong institutional diversity, including commercial banks, former savings banks and credit cooperatives. These organizational firms operate

under a common regulatory framework but differ substantially in governance structures, ownership models and strategic orientations, making them especially suitable for comparative analysis.

The underlying study examines 108 financial institutions operating in Spain in 2024, drawn from the main sectoral associations (CECA, AEB and UNACC). Rather than prioritizing balance-sheet size, profitability or growth, it analyses each institution's distributive footprint: the proportional allocation of the value generated among key stakeholders—employees, public administrations, investors, the institution itself through retained earnings, and (where applicable) social work. This shift matters because distribution is not merely an outcome of performance; it is also an expression of governance and strategic orientation (e.g., remuneration policies, fiscal contribution, payout vs. retention decisions, and the degree of social commitment). In a post-growth setting—where welfare gains cannot be assumed to come from expanding aggregates—these distributive configurations become especially informative as indicators of legitimacy, social cohesion and resilience, complementing conventional financial metrics and enabling more rigorous cross-entity comparison.

Value distribution is treated as a relative structure: what matters is not the absolute amount of value generated, but how it is allocated among stakeholders. This perspective is central to post-growth economics, where distributive choices become unavoidable and socially consequential.

Methodologically, stakeholder shares form a composition (they sum to 100%), so we use compositional data analysis and the Aitchison distance (Aitchison, 1982) to compare institutions without constant-sum bias. We then locate each institution relative to a small set of reference directions that define five distributive profiles—Extractive, Social,

Legacy, Neutral, and Detractive—based on proximity in Aitchison space. Finally, we use one-way ANOVA to test whether these orientations differ systematically across institutional types (commercial banks, savings banks, and cooperatives)[1].

05/ DISTRIBUTIVE PROFILES IN THE SPANISH FINANCIAL SYSTEM

Based on the empirical evidence reported in the underlying study, the Spanish financial system displays a plurality of distributive profiles rather than a single dominant model. These profiles summarize how financial institutions prioritize different stakeholders when allocating the value they generate. The classification used in the study—and summarized here—provides a structured way to interpret distributive orientations without relying on technical metrics.

Five broad distributive profiles are identified: social, legacy, extractive, neutral and detractive:

- **Social institutions** allocate a relatively larger share of value to employees and public administrations. This profile is typically associated with higher relative spending on wages, employment stability, training and tax contributions, as well as, in some cases, explicit social work. These institutions tend to prioritise their role as employers and contributors to the public sector over short-term financial extraction. Such distributive behaviour reflects a stakeholder-oriented governance logic, in which value creation is closely linked to value sharing among affected groups and to the maintenance of social cohesion.

- **Legacy institutions** prioritize value retention through reserves and depreciation, reinforcing capital buffers, solvency and self-financing capacity. This profile is characterized by a long-term orientation, where retaining value within the institution is seen as a way to ensure continuity, absorb shocks and support future activity. Rather than maximizing immediate distribution to any particular stakeholder, these institutions focus on institutional resilience and intertemporal balance. From a post-growth perspective, this approach aligns with strategies that emphasize stability and robustness within ecological and economic limits.
- **Extractive institutions** allocate a larger share of value to investors, mainly through dividends and other forms of remuneration of financial capital. This profile is typically linked to shareholder-oriented governance structures and business models that prioritize return on equity, dividends to shareholders and share price. While such institutions may remain financially strong in the short term, they are more directly exposed to the tensions identified in post-growth literature between sustained financial extraction and increasing social, regulatory and ecological constraints.
- **Neutral institutions** do not display a clear distributive priority. Their value allocation patterns are close to the sector average or balanced across several stakeholder groups, without a dominant orientation towards social contribution, value retention or investor remuneration. This profile often reflects diversified or transitional strategies, where distributive choices do not strongly favour any single dimension. From a strategic standpoint, these institutions represent a flexible group, as relatively small changes in allocation could move them towards more defined distributive orientations.

- **Detractive institutions** correspond to exceptional cases in which the distribution of value includes negative components for one or more stakeholders. These situations are usually linked to extraordinary events, such as losses, restructurings or one-off accounting adjustments, rather than to a stable or deliberate business model. As such, detractive profiles are primarily diagnostic: they signal situations that require specific qualitative interpretation rather than normative benchmarking.

At the system level, the evidence shows that extractive profiles are not dominant. A substantial share of institutions fall into social and legacy categories, indicating that redistribution towards labour, the public sector or institutional resilience is a widespread practice. This finding, documented in detail in the original study, challenges simplified views of finance as inherently extractive and highlights the importance of empirical nuance when evaluating financial sustainability in a post-growth economy.

06/ INSTITUTIONAL FORMS AND VALUE DISTRIBUTION PATTERNS

The empirical study also shows that distributive profiles are closely related to the institutional form of financial organizations. Commercial banks, savings banks and credit cooperatives exhibit systematically different patterns of value distribution, reflecting differences in ownership structures, governance mechanisms and strategic objectives. These patterns, summarized here, are documented in greater detail in the accompanying study:

- **Credit cooperatives** tend to display distributive profiles oriented towards social contribution and legacy. Their mutual ownership structure limits incentives for financial extraction and encourages the retention of value to strengthen solvency and support local economic activity. From a post-growth perspective, this combination of stakeholder orientation and resilience makes cooperatives particularly relevant.
- **Savings banks** occupy an intermediate position. While they operate in competitive financial markets, their historical mission and governance traditions are associated with a stronger emphasis on social contribution and value retention than is typically observed in shareholder-oriented banks. This hybrid position is reflected in their distributive profiles, which balance commercial and social logics.
- **Commercial banks** show the greatest heterogeneity. Some institutions exhibit relatively balanced or socially oriented distributions, while others concentrate a larger share of value on investor remuneration. This diversity indicates that extractive behaviour is not inherent to banking per se, but depends on governance choices and strategic priorities. It also suggests that regulatory and institutional frameworks allow for a range of distributive configurations within the same sector.

Overall, the relationship between institutional form and value distribution reinforces a central insight of post-growth and stakeholder theory: organizational design matters. The way financial institutions are owned and governed has a direct and observable impact on how value is distributed among stakeholders. Recognizing this diversity is essential for managerial decision-making and for public policies aimed at steering the financial system towards distributive patterns

that are more compatible with social equity, institutional resilience and the limits identified by post-growth economics.

07/ DISCUSSION: VALUE DISTRIBUTION AND FINANCIAL SUSTAINABILITY IN A POST-GROWTH CONTEXT

From a managerial and strategic perspective, the post-growth debate reframes the way financial sustainability should be understood. In environments where economic expansion is structurally constrained, the key challenge for financial institutions is no longer to maximize growth, but to ensure that the value they generate is distributed in a way that supports long-term viability, social legitimacy and systemic stability.

The evidence discussed here shows that financial institutions differ significantly in how they allocate value among stakeholders. These differences are not marginal: they reflect distinct strategic orientations and governance choices:

- **Social and legacy-oriented distributive profiles** prioritize employment, fiscal contribution and value retention, strengthening trust with key stakeholders and reinforcing organizational resilience. From a business perspective, these profiles reduce exposure to volatility and reputational risk, while supporting continuity in increasingly uncertain economic contexts.
- **Extractive profiles**, by contrast, are more dependent on sustained financial returns to investors. While such models can be viable in growth-oriented environments, they face increasing pressure in

post-growth conditions characterized by tighter regulatory scrutiny, social expectations and ecological constraints. The analysis suggests that extractive behavior is not dominant across the system, but where it exists, it concentrates strategic risk and heightens sensitivity to external shocks.

- **Neutral institutions** occupy a particularly relevant strategic position. Their distributive patterns are close to the sector average, meaning that relatively small adjustments in value allocation — such as higher retention or stronger social contribution— could significantly improve their alignment with post-growth sustainability without undermining financial performance. For managers, this highlights distribution as a lever of strategic repositioning rather than a fixed outcome.

Overall, the discussion reinforces a core insight: in post-growth economies, financial sustainability is increasingly shaped by distributive structures. Institutions that proactively manage how value is shared among stakeholders are better positioned to maintain legitimacy, resilience and strategic flexibility in the long term.

08/ IMPLICATIONS FOR MANAGEMENT, REGULATION AND PUBLIC POLICY

For business leaders and boards, the findings underline that value distribution is a strategic decision, not merely an accounting consequence. How value is allocated among employees, public administrations, investors and retained earnings affects organizational reputation, stakeholder trust and long-term risk exposure. In a post-growth context,

managing these trade-offs explicitly becomes a source of competitive advantage rather than a constraint.

From a managerial standpoint, adopting a stakeholder-oriented view of value distribution helps align financial performance with broader expectations of responsibility and sustainability. Social and legacy-oriented distributions are associated with stronger internal cohesion, lower conflict with regulators and greater institutional stability. Stakeholder accounting frameworks offer practical tools for making these distributive effects visible and integrating them into strategic planning and performance evaluation (Freeman et al., 2020).

For regulators, the results suggest that financial oversight should not focus exclusively on prudential ratios and market efficiency. While these remain essential, distributive patterns also influence systemic resilience and social outcomes. Regulatory frameworks that recognize and support less extractive, more resilient business models—such as cooperative and legacy-oriented institutions—can contribute to a more stable and socially aligned financial system.

Public policy has a complementary role. Fiscal incentives, supervisory practices and public financial partnerships can influence how financial institutions distribute value. By incorporating distributive criteria into policy design, governments can strengthen employment, tax capacity and long-term investment without relying on continuous expansion. In this sense, value distribution becomes a concrete policy lever for advancing post-growth objectives.

Taken together, these implications point to a reorientation of finance rather than its reduction. A financial system aligned with post-growth principles is one that actively manages value distribution to support resilience, equity and long-term performance.

09/ CONCLUSIONS

In post-growth terms, this study shows that the Spanish financial system is not uniformly extractive: most institutions prioritize either a socially oriented distribution of value or prudent retention in the form of legacy, while intensive investor capture is concentrated in a subset of large commercial banks. The classification into Social, Legacy, Extractive, Neutral, and Detractive profiles makes it possible to distinguish models that strengthen employment, fiscal contribution, and stability from those that intensify the influence and demands of financial capital. This creates concrete room to steer regulation and public policy towards institutional forms that are less extractive and more compatible with ecological limits and social justice.

Building on this, the chapter argues that in post-growth economies the sustainability of financial institutions depends less on their capacity to expand and more on the structure of value allocation they enact. By shifting the analytical focus from aggregate outcomes (size, profitability, growth) to stakeholder allocation, the framework provides an assessment that is directly relevant for strategic decision-making and aligned with contemporary post-growth and stakeholder approaches.

The evidence reveals a plural financial landscape. Social and legacy institutions constitute a substantial share of the sector, indicating that finance is not intrinsically extractive. These profiles prioritize employment, taxation, and value retention, thereby reinforcing organizational resilience and social legitimacy. Extractive configurations, while present, are concentrated in particular institutions and carry higher strategic and normative exposure under conditions of constrained growth, where distributional tensions become more visible and politically salient.

For managers and policymakers, the implication is straightforward: value distribution should be treated as a core dimension of financial performance, not a residual outcome. Institutions that actively govern distributive choices—across labour, the public sector, retained surplus, and capital remuneration—are better positioned to navigate uncertainty, regulatory scrutiny, and shifting social expectations. In post-growth contexts, long-term viability is driven less by expansion than by the coherence, fairness, and robustness of value distribution structures.

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10

CONCLUSIONS AND FUTURE DIRECTIONS FOR POST-GROWTH TRANSITIONS

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01/ INTRODUCTION

This book has been conceived in response to a growing recognition that the dominant economic paradigm—grounded in the pursuit of continuous and unlimited growth—is increasingly misaligned with the ecological, social, and ethical challenges of the twenty-first century. Climate change, biodiversity loss, widening inequalities, and mounting pressures on social cohesion reveal the structural limits of an economic model that equates progress primarily with the expansion of Gross Domestic Product. Against this backdrop, *Embracing Post-Growth: Sustainable Paths Beyond Conventional Economic Approaches* brings together a diverse set of perspectives to explore how economies, institutions, finance, and business practices might evolve beyond growth dependency.

The main objective of this book is not to advocate a single blueprint or a uniform transition pathway, but rather to provide a plural, rigorous, and forward-looking examination of post-growth thinking. By combining contributions from scholars with different disciplinary backgrounds and analytical lenses, the volume seeks to clarify the conceptual foundations of post-growth, distinguish it from related approaches such as degrowth and green growth, and assess its potential as a viable framework for organizing economic activity within planetary boundaries while enhancing human well-being.

A second objective is to move beyond abstract debate and connect post-growth ideas with concrete domains of action. The chapters address key areas where the growth paradigm is deeply embedded—economic theory, public planning, governance and education, finance, business organization, markets, and consumption—showing how post-growth principles can inform practical transformations in each of

these fields. In doing so, the book aims to demonstrate that post-growth is not merely a critical discourse, but an emerging body of thought with tangible implications for policy design, institutional reform, and business strategy.

Finally, the book seeks to foster dialogue rather than polarization. The post-growth perspective presented here is deliberately positioned as an open and integrative framework, capable of engaging with existing market economies, democratic institutions, and social expectations, while questioning their current orientation toward perpetual expansion. A post-growth perspective is possible without meaning a decline in prosperity or a social regression, hence political objectives should stop being subordinated to GDP growth. By highlighting complementarities, tensions, and unresolved questions across the different contributions, the volume invites readers—academics, policymakers, practitioners, and engaged citizens alike—to reflect on how prosperity, sustainability, and resilience can be redefined in a world of finite resources.

This concluding chapter builds on these objectives by integrating the insights of the seven preceding chapters. Rather than summarizing them individually, it aims to extract the main transversal themes, identify shared conclusions and points of divergence, and articulate a coherent reading of what a post-growth transition entails at the systemic level. In doing so, it seeks to clarify the contribution of this book to the broader debate on economic transformation and to outline key implications for future research, policy, and practice.

02/ MAIN TRANSVERSAL AXES

Despite the diversity of perspectives, disciplines, and empirical domains addressed in this volume, the seven chapters converge around a set of common themes that give the book its internal coherence. These transversal axes reveal not only shared concerns, but also complementary approaches to understanding and advancing a post-growth transition.

2.1/ THE LIMITS OF THE GROWTH PARADIGM AND THE NEED FOR A NEW ECONOMIC NARRATIVE

A first transversal axis running through all chapters is the explicit recognition that the conventional growth-centered economic model has reached its structural limits. Kate Raworth (2017) open question is key: how can we transform economies that grow whether they make us prosper or not, into economies that make us prosper, whether they grow or not. The opening chapter shows the need to decouple prosperity from growth and frames this diagnosis by contrasting unlimited growth, degrowth, and post-growth, highlighting the ecological, social, and institutional contradictions inherent in an economic system driven primarily by GDP expansion. An implicit but critical dimension of this growth dependency lies in financial systems and macroeconomic governance. In several chapters, the authors suggest that the persistence of growth-oriented narratives is reinforced by fiscal frameworks, debt dynamics, and financial markets that structurally depend on expansion to remain stable. As per Hobma and Stegeman perspective, growth is not just a cultural preference, it is an institutional requirement embedded in credit creation, return expectations, and public finance sustainability. Addressing growth

dependency implies confronting these financial and macroeconomic restrictions, not only changing narratives or individual behaviour.

This critique is reinforced and deepened in Jiménez Herrero's chapter, which situates post-growth within the broader context of planetary boundaries, the Anthropocene (or Capitalocene), and the insufficiency of reformist sustainability approaches.

From different angles, other chapters converge on this diagnosis. Zsolnai, Veress, Ocsai, and Kiss extend the critique to the role of consumers and citizens, questioning behavioral and cultural norms that sustain growth dependency and call for a close collaboration between businesses and consumers-citizens aiming at a new paradigm of prosumers and collaborative enterpreses. Pirson challenges the dominance of instrumental rationality in education and governance, arguing that growth-oriented mindsets are embedded in institutional logics and managerial training. Together, these contributions establish a shared premise: post-growth is not a marginal adjustment, but a response to a systemic impasse. A radical change in the field of education and institutional governance is relevant for human flourishing.

2.2/ REDEFINING PROSPERITY, WELL-BEING, AND VALUE CREATION

A second transversal axis concerns the redefinition of prosperity beyond material expansion. Across the chapters, well-being emerges as a multidimensional concept that cannot be reduced to income, output, or productivity alone.

This theme is central to Jiménez Herrero's analysis of sustainable well-being and to Pirson's humanistic perspective, which emphasizes human flourishing, dignity, and purpose as core economic objectives. Similarly, Zsolnai, Veress, Ocsai, and Kiss highlight the ethical and

cultural dimensions of consumption, arguing for a shift from consumer sovereignty toward civic responsibility and moral agency.

In the business-focused chapters, this redefinition of value is translated into organizational terms. Wilkins examines how firms can operate during a post-growth transition by prioritizing resilience, purpose, and stakeholder relationships over scale and volume. She recognizes that current CSR trends in companies are not at all challenging the primacy of growth and the need of a different, post-growth approach amongst businesses, is needed. Hinton, in turn, explores how markets themselves can be reimagined to support post-growth business models that generate social and ecological value rather than maximizing throughput and challenges the "for profit" economy as well as calls for the emergence of a non-for-profit type of business. Across these contributions, prosperity is consistently framed as something to be achieved through quality, sufficiency, and relational goods, rather than quantitative expansion.

From a financial perspective, this implies a shift from valuation models centered on growth, scalability, and short-term returns toward approaches that recognize long-term social and ecological value, risk reduction, and systemic resilience. This shift challenges the conventional notions of profitability and efficiency, and aligns with emerging debates in sustainable finance on patient capital, impact-oriented investment, and the internalization of environmental and social externalities (Mazzucato, 2018; Bolton et al., 2020).

2.3/ INSTITUTIONS, GOVERNANCE, AND PLANNING FOR POST-GROWTH TRANSITIONS

A third transversal axis relates to the role of institutions, governance, and collective planning in enabling post-growth pathways. While post-growth is often discussed at a conceptual or normative level, several chapters emphasize the necessity of institutional design and public coordination.

Ban, Hasselbalch, and Kranke explicitly address planning for post-growth, showing that moving beyond growth dependence requires deliberate political choices, policy coherence, and long-term coordination rather than spontaneous market adjustment. Pirson complements this perspective by focusing on education and governance systems, arguing that institutional change must begin with how future leaders, managers, and policymakers are trained.

This institutional dimension also underpins the chapters on finance and business. Hobma and Stegeman stress that financial systems are not neutral infrastructures, but powerful institutional arrangements that can either reinforce growth imperatives or support an economy that respects limits. Across the volume, there is a shared understanding that post-growth transitions cannot rely solely on individual behavior or isolated innovations; they require governance frameworks capable of aligning economic activity with societal and ecological objectives.

2.4/ FINANCE AND MARKETS AS ENABLERS OR CONSTRAINTS OF POST-GROWTH

Another key transversal axis concerns the role of finance and markets. Rather than treating finance as a technical subsystem, the chapters highlight its central role in shaping economic priorities and time horizons.

A recurrent theme across these contributions concerns how these time horizons are structured and governed. Growth-dependent finance systematically privileges short-term performance, liquidity, and exit options, while post-growth transitions require financial arrangements capable of sustaining long-term commitments, lower but stable returns, and irreversible investments in social and ecological infrastructures. Reconfiguring finance for post-growth therefore entails

not only ethical reorientation, but a temporal re-embedding of capital in societal objectives.

Hobma and Stegeman analyze how financial structures, incentives, and expectations can be reorganized to support an economy that respects ecological limits, and reject the current "finance for just finance sake" approach that partially dominates the financial market logics today. Their contribution resonates strongly with Hinton's analysis of post-growth markets and with Wilkins's discussion of business strategies in transition, where access to appropriate forms of finance is shown to be critical for enabling non-growth-oriented firms to survive and scale qualitatively rather than quantitatively.

Across these chapters, finance and markets are not rejected outright, but reframed. They are presented as social institutions that must be redesigned to reward long-term value creation, resilience, and sufficiency, rather than short-term growth and extraction.

2.5/ POST-GROWTH AS AN OPEN, PLURAL, AND TRANSITIONAL FRAMEWORK

Finally, a transversal theme emerging from the volume is the positioning of post-growth as an open and plural framework rather than a rigid doctrine. While some chapters are more critical and others more pragmatic, there is a shared effort to avoid false dichotomies between growth and collapse, or between reform and rupture.

This is particularly evident in the way post-growth is distinguished from degrowth throughout the book, starting with the introduction of the book and echoed by several contributors. Post-growth is presented as a space for experimentation, learning, and gradual transformation, capable of engaging with existing institutions while challenging their growth dependence.

Taken together, these transversal axes show that the book's contribution lies not in offering a single answer, but in articulating a coherent set of insights that illuminate how post-growth can function as a guiding framework for rethinking economies, institutions, finance, and business in an era of planetary limits.

03/ CONCLUSIONS

Taken as a whole, this book demonstrates that post-growth is not merely a critical response to the failures of the growth paradigm, but an emerging framework for rethinking economic organization in a world of ecological limits and social complexity. Across different analytical levels —macro-economic theory, institutions, finance, business, markets, and individual behavior— the chapters converge on the idea that continued dependence on economic growth as a primary objective undermines both long-term sustainability and human well-being.

A first integrated conclusion is that the limits of growth are no longer hypothetical or distant. They are already shaping economic, social, and political realities. The contributions collectively show that environmental degradation, social inequality, and institutional fragility are not external side effects, but structural outcomes of a growth-centered system. Post-growth emerges in the book as a response to this systemic condition, not as an ideological rejection of markets or innovation, but as an effort to realign economic activity with societal and ecological goals.

Second, the book highlights that prosperity and well-being must be understood as qualitative and multidimensional. The chapters consistently challenge the equation of progress with output expansion,

emphasizing instead human flourishing, social cohesion, resilience, and ecological integrity. Whether discussed through ethical consumption, education, governance, finance, or business strategy, value creation is redefined as the ability to meet human needs within planetary boundaries. This shift represents one of the book's most important contributions: reframing economic success without relying on material growth as its dominant metric.

Third, the book shows that post-growth transitions are inherently institutional and collective. While individual choices and organizational innovations matter, the chapters make clear that structural change requires deliberate governance, planning, and financial redesign. In this context, the analysis of value distribution and stakeholder-oriented financial structures by San-Jose & Retolaza highlights that post-growth transitions also depend on how finance allocates resources, shares value, and shapes incentives across the economy, reinforcing long-term social and environmental objectives rather than short-term growth imperatives.

Post-growth is thus presented not as a spontaneous outcome of market forces, but as a coordinated transformation involving public policy, institutional reform, and cultural change. This fact is, at the same time, an opportunity and a challenge.

Finally, the book positions post-growth as a plural and pragmatic framework. Rather than prescribing a single pathway, it accommodates diverse contexts, sectors, and transition speeds. This openness is one of its strengths, allowing post-growth to function as a guiding orientation rather than a rigid model, capable of engaging constructively with existing economic systems while questioning their growth dependency.

3.1/ IMPLICATIONS FOR POLICY, BUSINESS, AND RESEARCH

The integrated insights of the book carry significant implications across multiple domains. From a policy perspective, the chapters suggest that governments need to move beyond incremental sustainability measures and explicitly address growth dependence. This includes revisiting policy objectives, redefining success indicators beyond GDP, and designing institutions that prioritize long-term well-being, resilience, and equity. Planning for post-growth requires policy coherence across domains such as energy, finance, education, labor, and welfare, as well as new forms of democratic deliberation capable of legitimizing long-term transitions. It is true, as we have highlighted above, that the path to post-growth is not likely to be only a spontaneous outcome of market forces but a coordinated transformation that will involve public policy, amongst other factors. From that perspective, it's not only the role of business, consumers or markets what need to evolve, but specially the role of governments and public administrations that need to decouple their current high dependency on growth and redefine what do public services to communities mean in an economy of post-growth.

For business and finance, the book challenges the assumption that competitiveness and survival necessarily depend on continuous expansion. The contributions illustrate that firms can operate successfully by prioritizing purpose, resilience, stakeholder relationships, and sufficiency-oriented strategies. However, this requires financial systems and market structures that reward long-term value creation rather than short-term growth. Ethical banking, patient capital, cooperative governance, and alternative ownership models emerge as particularly relevant enablers of post-growth business practices.

In terms of research, the volume highlights the need for further interdisciplinary work on post-growth transitions. Important areas include the development of macroeconomic models compatible with growth independence, the study of institutional and financial reforms, and the analysis of cultural and behavioral change. The book also points to the need for more empirical research on post-growth practices in different regional and sectoral contexts, particularly beyond Europe, to better understand how post-growth principles can be adapted globally.

Across these domains, a common implication stands out: post-growth is not a marginal or niche concern, but a cross-cutting challenge that calls for rethinking foundational assumptions in economics, management, and public policy.

3.2/ LOOKING AHEAD: OPEN QUESTIONS AND FUTURE DIRECTIONS

While this book offers a coherent and multifaceted exploration of post-growth, it also makes clear that many questions remain open. One of the central challenges concerns the political feasibility of post-growth transitions. How can societies build the social consensus required to move beyond growth dependency, especially in contexts where economic security, employment, and public finances remain tightly coupled to growth?

Another open question relates to global equity. The chapters primarily address post-growth from the perspective of advanced economies, where overconsumption and ecological overshoot are most pronounced. Future work must further explore how post-growth pathways can be reconciled with the development needs of lower-income countries, and how responsibilities and resources should be distributed in a globally just transition. **Responding to this challenge will require differentiated post-growth pathways, and**

also reforms in global financial architecture, trade regimes, and debt structures that currently constrain development options in lower-income countries. Without these reforms, post-growth transitions in advanced economies risk reproducing uneven adjustment dynamics, weakening the legitimacy of post-growth as a globally just framework.

A third unresolved issue concerns the role of capitalism itself. While the book shows that post-growth can be compatible with market economies under certain conditions, it also raises deeper questions about ownership, power, and accumulation. To what extent can post-growth remain within existing capitalist structures, and where might more transformative changes be required? Another side of the same coin, a reasonable question also arises about whether the current role of governments and existing public structures can indeed be a support or rather a barrier to a post-growth economy in which, in theory at-least, the role of civil society should be predominant. Deep changes might be needed in this area too.

Ultimately, this volume does not seek to close the debate on post-growth, but to advance it. By integrating diverse perspectives and grounding normative concerns in institutional, financial, and organizational analysis, the book aims to contribute to a more mature and constructive discussion about how economies can evolve toward sustainable well-being. In this sense, post-growth is presented not as an endpoint, but as a direction of travel—one that invites continued inquiry, experimentation, and collective learning on how to organize economies that can sustain human well-being within planetary boundaries over the long term.

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