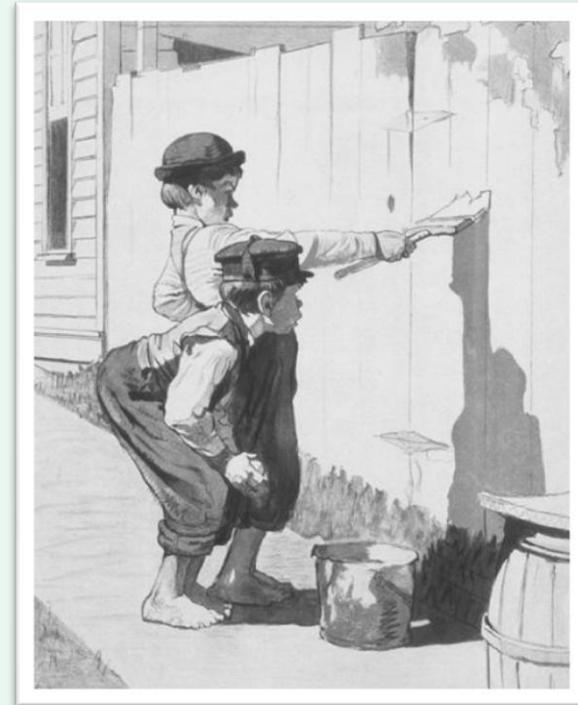


Degrowth and the Firm

**More for less,
less for more,
less for less?**

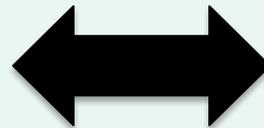


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Two aspects of degrowth and their implication for the firm



Physical Degrowth



Economic Degrowth

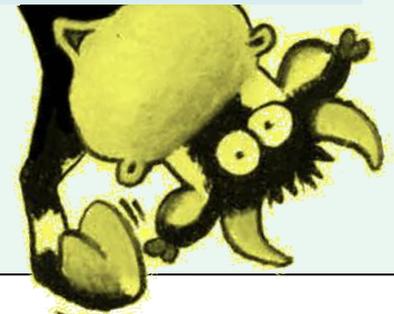
Why seems degrowth so “unnatural” for the firm?

Positive effects of growth

- Economies of scale.
- Positive feedback on sales by network effects of installed product base.
- Better refinancing conditions

Side-effects of growth

- Increased fixed costs.
- Increased quality and service costs.
- ...for more growth???



Why seems degrowth so “unnatural” for the firm?

Constant growth vs. constant profit

- Permanent firm growth not empirically evident over the long term.
- Cyclical up and down in sales and capital more realistic.
- Constant positive profit \neq constant growth in profit

Minimum conditions of economic well-being

- Ability to discharge liabilities at all times.
- Ability to pay for all capital costs.
- Economic profit must not drop below zero.

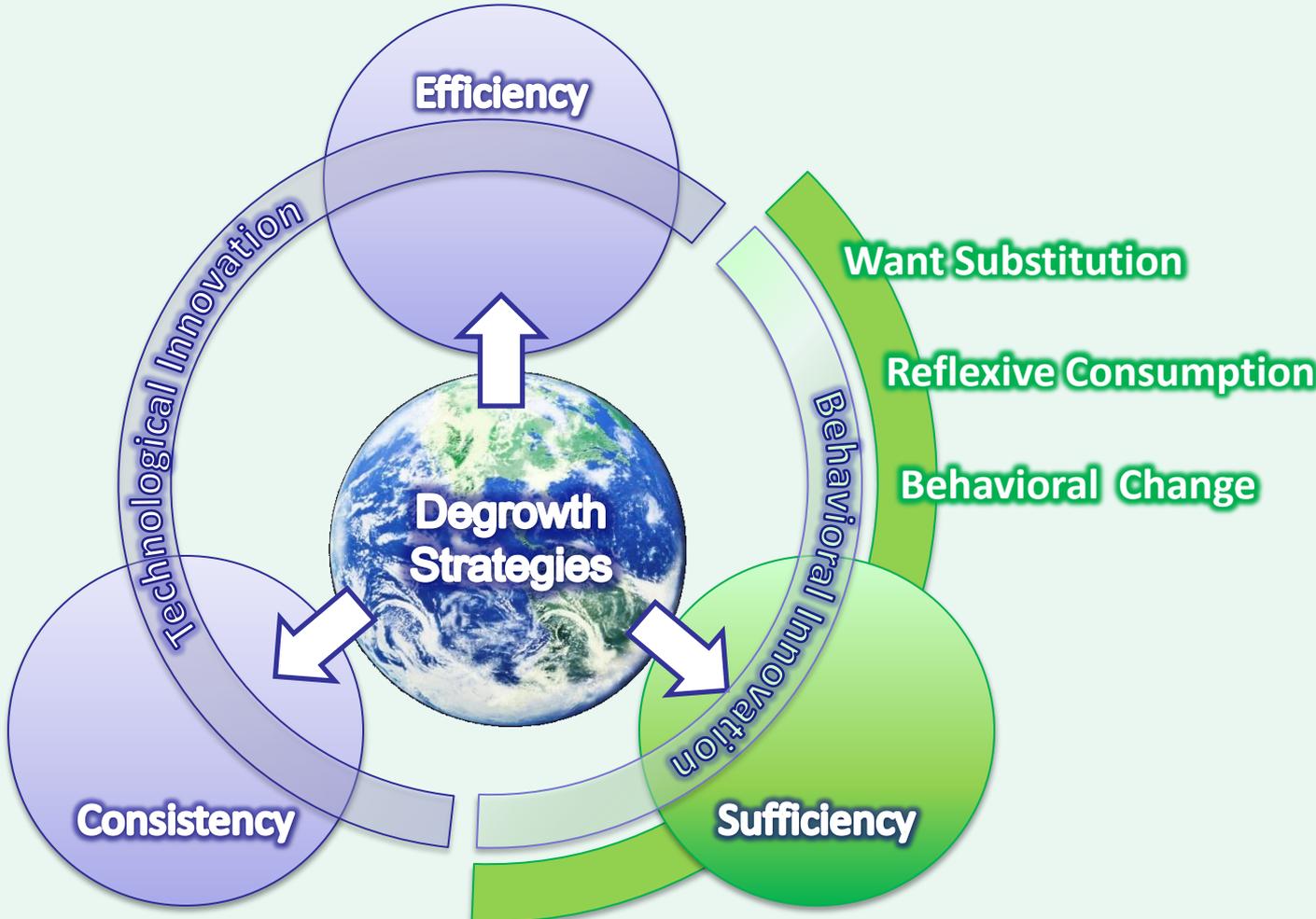


Why seems degrowth so “unnatural” for the firm?

The need for growth of the firm appears to be more a **historic and cultural phenomenon** than an economic necessity.

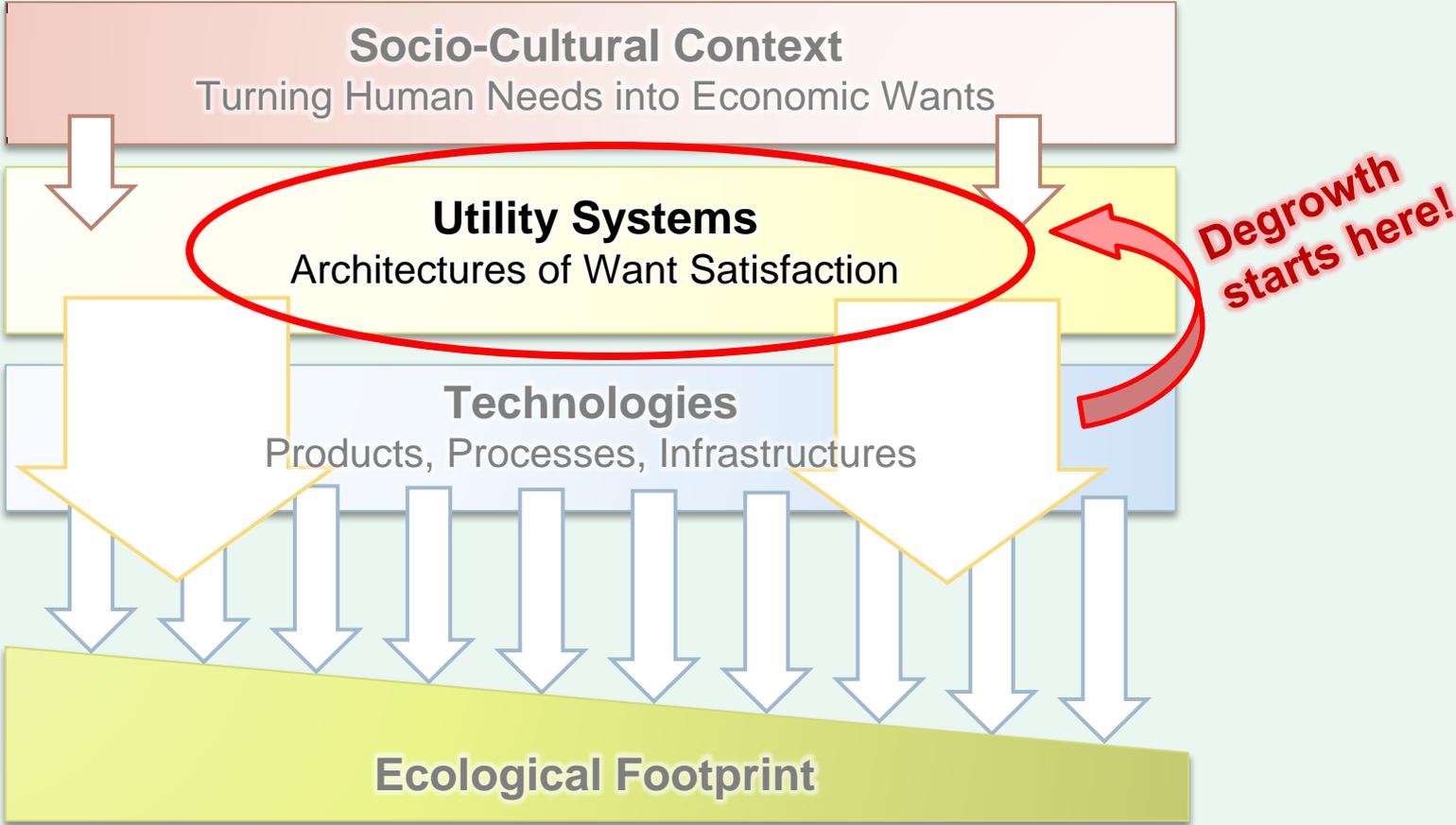


Alternatives for firm growth strategies

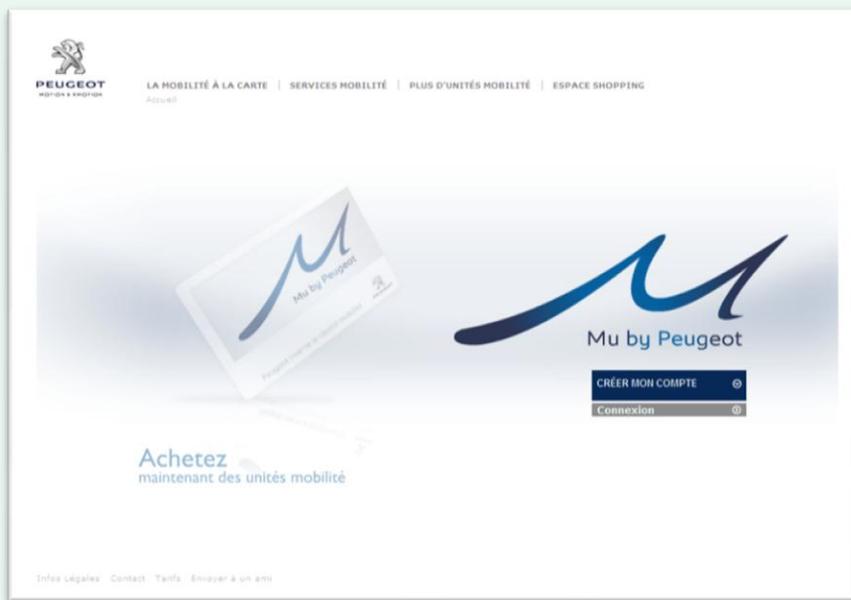
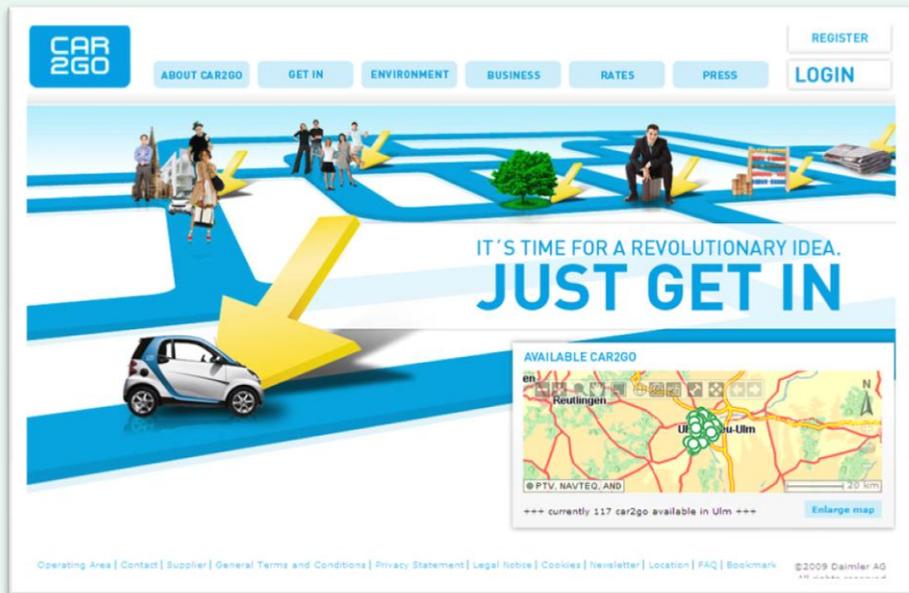


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Strategic focus of sufficiency strategies



Empirically observable “big moves” towards sufficiency



Problems with sufficiency strategies for degrowth

- **Consumer behavior latency**
- **Limits to sufficiency use, not all products suitable**
- **Physical and economic degrowth or new (add-on) market?**

Co-production, networks between producers and consumers as well as consumer learning. (Producer / Prosumer)

Efficiency and consistency as supporting strategies. (Physical degrowth as starting point)

**The big unresolved question...
More for less, less for more, less for less?**



Degrowth and the Firm

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