

Macroscopic Rebound effects as argument for economic degrowth

The rebound effect could be defined as the increase of consumption linked to the reduction of limits to use a technology. These limits might be monetary, temporal, social, physical, “effort”, spatial, and organisational.

Consensus develops on the existence of direct and indirect rebound effects. An example of the direct rebound effect is increasing distances in time-efficient modes of transport. An example of indirect rebound is households energy saving reallocated to holiday spending. The size of the rebound effects is still subject to much discussion. This is especially the case when we deal with macroscopic rebound effects (economy-wide, equilibrium shifts and transformational). These types of rebound effects are more difficult to describe and lead to much differences in analysis. But their existence is supported on the theoretical level and on the practical level explaining the incapacity of global efficiency increases to enable global reductions of environmental impacts.

The rebound effect in its widest understanding was quoted from the start of the degrowth debate in France as an important argument for the idea of economic degrowth. Although economic growth is considered by some authors as independent from rebound effect, we defend here that the problematic of growth and rebound effect are closely related. Also we introduce the concept of potential rebound effect. Growth of an immaterial economy has the potential of a reallocation to the material economy.

The fact that there is not degrowth but growth (or even steady state) leads to actual or potential rebound effects. The result from this is that technological solutions, but actually also sufficiency solutions (and eventual demographic ones) would not function to their full potential if our economies do not degrow accordingly. For example material efficiency will not lead to dematerialisation if there is no decrease of raw material acquisitions, and in general there is no guarantee that we would avoid recoupling if the collective capacity to acquire natural resources increases with economic growth.

It follows a discussion on different measures for degrowth: the idea is to have a “debound” effect in link with an economic degrowth for sustainability and equity. Ecotaxes for example would not give space to a rebound effect if they manage to reduce problematic activities (and in the long run the associated taxes) and support a process of redistribution and transition.

Francois Schneider
Research and Degrowth