

# Analysing the Beyond Growth Debate

An Explorative Assessment of Potential Promises and Pitfalls for  
Implementation of Alternative Economic Concepts in the Netherlands

Management Summary



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Author(s)	Stephan Slingerland Eline Westbeek Mauricio Rodriguez Acosta Geerte Paradies
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# Management Summary

As a response to current environmental and social development crises, a public and academic debate has arisen about whether or not there is a need for more fundamental changes to our current economic system. In this 'Beyond Growth' debate, many alternative economic concepts have been proposed, however their implications for future societies are unclear. To provide more clarity in the debate and to examine potential implementation options of the suggested innovative policy routes in practice, this report examines in detail the alternative economic concepts: Green Growth; Mission Economy; Broader Welfare; Doughnut Economics; Degrowth; The Great Mindshift; and Buen Vivir; and their Dutch counterparts: Green Growth; Broad Welfare; Post Growth; and Purpose Economy. This paper examines the position of the various concepts in this debate in relation to each other, their proposed final impacts, and the policy routes towards these impacts, as well as possibilities to model quantitative impacts of the concepts, with a view to their potential implementation options in the Netherlands.

It is found that alongside their position towards GDP growth, important dimensions that distinguish the different concepts include the degree to which they propagate change of current social norms and the degree to which they foresee direct governmental steering. Furthermore, it is found that each of the economic concepts investigated holds distinguishing possibilities for innovative policymaking and for new societal solutions. However, it is also concluded that all of the concepts still show significant gaps in their proposed policy impact chains, from proposed policies to final societal impacts. Hence, for a practical implementation in Dutch policymaking, more empirical analysis would be needed of the required inputs and expected outputs, outcomes, and final impacts of the policies and pathways that are proposed by the concepts. Further research and empirical testing by policy experiments and evaluation is therefore necessary.

Undertaking four main activities in particular can guide these efforts: complete policy impact chains for all concepts; analyse what is seen as welfare by the concepts and which views on norms and values they hold; quantify the potential impacts of individual innovative policy measures suggested in the concepts; and examine public support for policies that aim at influencing current norms and values. It is also recommended to broaden the current, mainly economy-centred public debate to the underlying normative questions regarding different societal definitions of our future welfare and the role of government in influencing our individual norms and values. Recognising that these issues are at stake could help to take new steps in the public and academic debate.

## The current ‘beyond growth’ debate on alternative economic concepts is blurred

Internationally agreed climate, biodiversity and sustainable development goals are far from being met with currently planned policies (e.g. IPCC 2022a; IPBES, 2019; UN, 2023). Neither are most of the scientifically advocated planetary boundaries likely to be safeguarded (Richardson et al., 2023). Realising the urgency of the existing and ensuing environmental and social crises, an international scientific and public debate has emerged about the possibilities for system changes that can solve these crises. In particular it is questioned if our current economic system, focusing mainly on economic growth, will be able to deliver on these environmental and social targets (e.g., Spash, 2020; Widuto et al., 2023). In that debate, many alternative economic concepts have been proposed. However, so far the debate on these concepts is blurred and contested. This exploratory study therefore investigates the ‘beyond growth’ debate, with the main question of: what are the potential promises and pitfalls of the proposed alternative economic concepts for implementation in the Netherlands?

**The main research question of this report is:**

**What are the potentials, pitfalls, and further research needs for implementing alternative economic concepts?**

**The following sub-questions are identified**

- 1. How do the different concepts relate to each other?**
- 2. What are the theories of change of the concepts?**
- 3. How can potential impacts of the concepts be quantitatively assessed by modelling?**

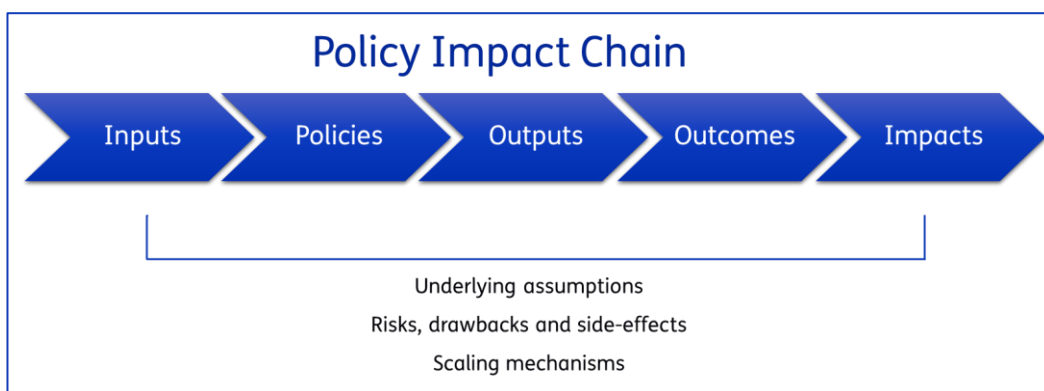
## Eleven international and Dutch concepts were investigated in detail

Through a comprehensive literature review, this study identified seven prominent and distinct international concepts in the debate that have been investigated in detail: Broad Welfare & Wellbeing Economies (‘Broader Welfare’); Green Growth; Mission Economy; Doughnut Economy; Degrowth; Great Mindshift; and Buen Vivir. In addition, four concepts specific to the Dutch debate were identified: Brede Welvaart (Broad Welfare\_NL); Groene Groei (Green Growth\_NL); Postgroei (Post Growth NL); and Betekeniseconomie (Purpose Economy NL). Some of these four concepts largely align with their international versions, but there are also elements that are unique to the Dutch situation to be considered. These concepts largely align with the corresponding international versions, but also contain some specific elements relating to the Dutch situation.

An assessment of the concepts was performed, resulting in a taxonomy that maps the debate and position of the concepts with respect to each other. This was complemented with a theory of change assessment, in order to investigate the completeness of proposed policy impact routes of each concept, i.e. how does each concept explain how it can reach its intended societal impacts with the proposed policies? In the taxonomy, the roles of: GDP; redistribution; technology and behavioural change; and norms and values were examined for each concept. In the theory of change assessment, for each concept a policy impact chain

was constructed that consisted of concrete policies proposed and the indications given by the concept about the inputs, outputs, outcomes and final impacts aimed at.

'Inputs' in this chain are defined as the resources needed to implement a certain policy, e.g., funding or staffing. 'Policies', or more generally 'activities', are the concrete actions that are implemented. 'Outputs' are the tangible products that result from a policy, e.g. 5% higher prices for environmentally damaging goods and services. 'Outcomes' is what is achieved by a policy in the longer term, e.g. the decoupling of economic activity from natural resource use. 'Impacts' are the final reason, goal or aim of a policy that derives from an accumulation of outcomes, e.g. broader welfare, or a sustainable society (FBK, 2023). In addition, the theory of change assessment comprised an analysis of underlying assumptions, proposed scaling mechanism and possible risks, drawbacks and side-effects of each concept's policy impact chain (Figure S.1).



**Figure S.1:** Theory of change analysis of alternative economic concepts, adapted from Rogers (2014) and FBK (2023)

Three main families of beyond growth concepts were identified: those that take present norms and values as a given, those that see change of norms and values as necessary, and a measurement family

Alternative economic concepts can be classified in three main families: a Current Norms and Values-family that takes present social norms and values as a given and mainly focuses on GDP growth and technological innovation; a Change of Norms and Values-family that regards change of norms and values as a necessary precondition to achieve environmental and social goals and sees economic growth or degrowth as a secondary result after prioritising environmental and social goals; and a Measurement-family that focuses on measuring a broad series of economic, social and environmental indicators, and claims to be policy neutral.

Using additional information on scaling mechanisms obtained from the theory of change assessment, the concepts were further distinguished by their primary driver for change being either governmental policies (top-down) or initiative from markets or citizens (bottom-up). This led to a proposed taxonomy of concepts shown in Figure S.2.

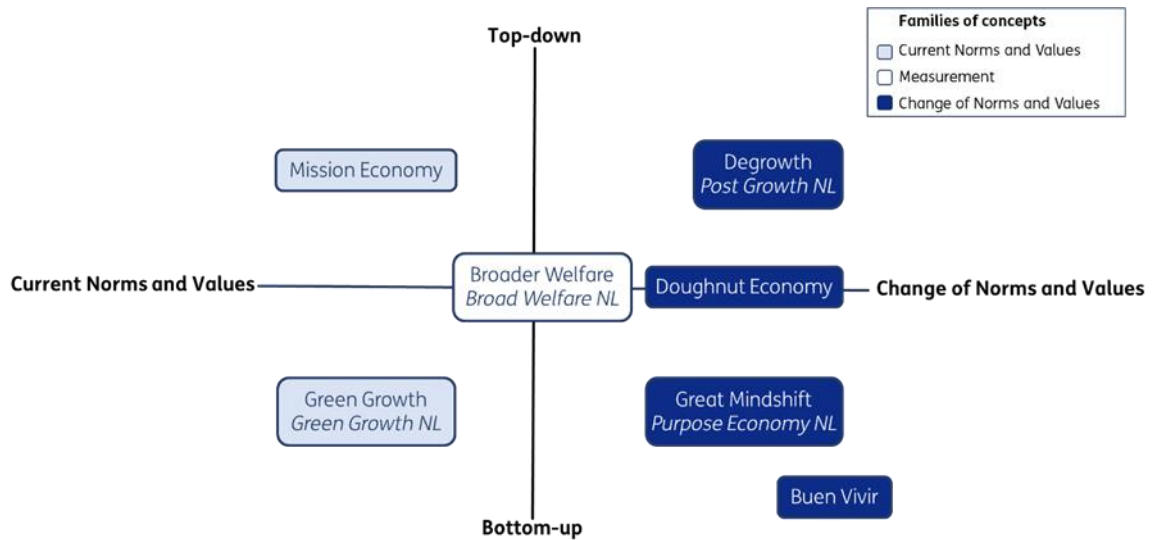


Figure S.2: Proposed taxonomy of alternative economic concepts

In the assessment of the theory of change of the selected alternative economic concepts, it was found that all concepts show critical gaps in their policy impact chains. Also, they rely on underlying assumptions that need further empirical underpinning. The Change of Norms and Values-family is particularly unclear about how the final impact of more eco-centric values in practice would look like. The Current Norms and Values-family mainly lacks evidence of the feasibility of an absolute decoupling between economic activity and natural capital use as a result of technological innovation. Furthermore, it was found that the Broader Welfare-family is not yet able to clarify how providing a more comprehensive set of indicators will lead to policy innovation in practice.

The assessment of current modelling tools for quantitative analysis of policy impact chains and final impacts furthermore showed that none of the state of the art models by itself is at present able to fully assess the policy impact chains. However, by assembling relevant suites of different models together it might be possible to obtain a more precise overview of these chains and their final quantitative impacts.

## The concepts offer a variety of potentials and innovative individual policies that need further analysis

Looking at pitfalls and potentials of implementing alternative economic concepts in the Netherlands, the main overall pitfall found are the gaps in the policy impact chains of all concepts. As a result, there is no conclusive scientific evidence yet that Green Growth, Degrowth, nor any of the other concepts are able to address the environmental and social crises mentioned at the outset. Therefore, none of the concepts is ready for full implementation in the Netherlands. However, as current policies also seem limited in their abilities to meet international agreements on environmental and social goals, continuing with the status quo might carry large risks as well.

The main overall potential is that all concepts offer policies and partial policy pathways that are innovative from a societal perspective, and therefore deserve further policy and research attention. Examples of such policies are, for instance, a progressive tax on consumption, substantially reduced working weeks, or inclusion of unpaid care work into the economic

system. Furthermore, the call for a shift in norms and values by some concepts has already contributed to bottom-up action in several fields that at least should be monitored for its potential to scale up in the future. The main potentials and pitfalls per concept are identified in Tables S.1 and S.2.

**Table S.1:** Analysis of the main potentials and pitfalls of international alternative economic concepts

Concept	Key policy impact chain-mechanism	Key potential(s) identified	Key pitfall(s) identified
Broader Welfare	Wide indicator set to guide policymaking towards 'broad welfare'	Allows for multi-criteria analysis of 'broad welfare'	Trade-offs between indicators unspecified; no guidance on how indicator set will lead to changes in policymaking
Green Growth	Internalisation of environmental externalities in prices and stimulation of (primarily) technological innovation	Fits with present economic views through reliance on market based policies to reach environmental goals. No major changes in norms, values, and institution needed	The possibility of absolute decoupling of economic activity from natural capital depletion in practice lacks conclusive scientific evidence
Mission Economy	Mobilisation of economy and society by directive governmental action	Allows the steering of innovation into chosen directions. Fits with present norms and values. Strong governmental action might overcome (market) barriers	Risk of 'Mission' failures with high impacts to economy and society because of high public investments
Doughnut Economy	Regenerative and redistributive policies steer change that keep the economy within social borders and planetary boundaries	Offers a different perspective on societal welfare. Agnosticism about economic growth might gain more societal support, than negative economic growth as a goal in itself	Final societal impacts and exact policy routes are unclear
Degrowth	Strong governmental policies lead to reduced consumption and/or keeping the society within social borders and planetary boundaries	Offers a different perspective of societal welfare together with alternative policy options	Wide variety of more and less radical interpretations of the concept. Lack of clarity about final societal impacts and intended policy routes towards value change
Great Mindshift	Bottom-up innovation in 'niches' aided by 'regime' and 'landscape' shifts will provide necessary economic and societal change	Offers a different perspective of societal welfare starting from individual value change	Lack of clarity about scaling mechanism from individual personal or entrepreneurial innovations towards societal change
Buen Vivir	Community-based governance and rights for nature lead to living in balance with natural resources and to meeting social needs	Offers a different perspective of societal welfare based on the connectedness of people and the planet as they are all part of nature	Unclear scaling mechanism from local to global level. Dependency on specific cultural contexts unclear

**Table S.2:** Differences in potentials and pitfalls with international counterparts of Dutch alternative economic concepts

Concept	Related international concept	Differences with counterpart	Differences in potentials/pitfalls assessment with counterpart
Broad Welfare_NL	Broader Welfare	Relatively high stage of development required, and implemented in the Netherlands already	None
Green Growth_NL	Green Growth	Specifies sectoral policies for the Dutch context	Less strict interpretation of Green Growth, with more attention to redistribution and social welfare
Post Growth	Degrowth	Follows growth agnostic interpretation of Degrowth. Progressive consumption tax combined with reduced tax on labour are main instruments. Specifies sectoral policies for Dutch context. Provides explicit policy impact chain	Less strict interpretation of Degrowth, relatively well developed theory of change
Purpose Economy	Great Mindshift	Strongly focuses on entrepreneurial frontrunners. Few/no specifics for Dutch context provided	None

## Main directions for future research are: policy impact chains, scenario analysis, modelling, and public support investigation

This project involved an exploratory investigation as well as the setting up of a new assessment methodology for the alternative economic concepts. A set of alternative economic concepts that figure prominently in the current debate were identified, but given time and capacity constraints, others might have been missed due to the limited scope of this study. Also, additional assessment criteria (e.g. looking in detail into the intended energy and material use impacts of specific environmental goals) might refine the taxonomy of alternative economic concepts. Further research is therefore necessary.

For a future research agenda regarding alternative economic concepts, it is recommended that policy makers and researchers work together to produce more evidence regarding policy impact chains of alternative economic concepts as a whole, as well as regarding individual policies within these concepts. Four key research directions and ten underlying questions are suggested in Text box S.1, which could shape the research agenda for alternative economic concepts.



**Text box S.1:** Proposed research agenda on alternative economic concepts

**Route 1: Complete policy impact chains for all concepts**

1. **Policy impact chain** – This project showed that many concepts remain unclear about steps in their policy impact chain and how they are linked. Further research is therefore needed to fill the gaps in inputs, policies, outputs, outcomes and final impacts in the policy impact chains that were identified.
2. **Risks** – Risks, side-effects and drawbacks of each concept have mainly been raised from outside the main proponents of a concept, often by proponents of a different concept. A more detailed risk analysis for each concept, also investigating possible routes for risk mitigation, would therefore be necessary.

**Route 2: Analyse scenarios based on the norms, values, and welfare views that are underlying to the concepts**

3. **Underlying assumptions** - To what extent are the underlying assumptions of concepts empirically supported, e.g. could absolute decoupling of economic activity and natural resource use be achieved for a wide range of resources simultaneously on a global scale and for a longer time frame? And could such a decoupling rely solely on technological innovation, as Green Growth and Mission Economy seem to imply?
4. **Scenarios** – There appears to be alternative views on welfare, norms and values underlying the concepts and these need to be further analysed. How would society look in practice if a concept like Degrowth or Mission Economy would be implemented? Could concepts be implemented in different contexts, e.g., could concepts from the Global South, such as Buen Vivir, be adopted in the Netherlands?
5. **Governance and power relations** – What would transitions mean for transitional governance, leadership, democracy and power relations? Who would be winners and losers and how could they accelerate or delay a transition?
6. **Measurement** – To what extent are the indicators of e.g. the Broad Welfare dashboards, robust enough for different worldviews underlying to the concepts? What priorities would be given to different indicator sets in different scenarios?

**Route 3: Quantify the potential impacts of innovative policy measures suggested in the separate concepts**

7. **Modelling** – The final impacts of concepts and of selected individual policies on society could be investigated and quantified by way of modelling.
8. **Individual policies** – Within the alternative economic concepts, several individual innovative policies, like a progressive consumption tax, significantly shorter working weeks, and including unpaid care work in the economy are proposed. These could be further explored, independent of the concept in which they were proposed.

**Route 4: Examine public support for policies that aim at influencing current norms and values**

9. **Public support for norms and values policies** – Some alternative economic concepts require not only behavioural change, but also changes in underlying norms and values. If social innovation via change of behaviour, norms, and values is considered necessary, how could public support for such policies be realised?
10. **Policy evaluation and experiments** – While some concepts have been applied on larger or smaller scale (for example, Green Growth, Mission Economy, Doughnut Economics), others have not. Policy evaluation and experiments into the application of the concepts could provide empirical insights into the effectiveness of suggested policies.

## The ‘beyond growth’ debate could be widened from economics to a discussion on societal welfare and wellbeing definitions, norms and value change, and governance in order to move forward

Finally, revisiting the academic and public debate on alternative economic concepts, the research findings show that while a whole range of alternative economic concepts is identified in this project, the most prominent debate seems to take place between the concepts of Green Growth and Degrowth. Yet, so far there appears to be no conclusive arguments for either side of this debate.

However, underlying to the debate are two fundamental questions that so far are only addressed to a limited extent. One question concerns the differing views on what welfare is composed of that is at the core of all concepts: how should individual wellbeing and collective welfare be defined? The other question concerns the extent to which the government is normatively allowed and practically capable of influencing present individual norms and values to fit with a collectively defined notion of welfare. It is therefore recommended to focus the further debate on these societal and governance questions, rather than on the question of whether we should go for growth or degrowth economics. In this way, it is believed that fruitful next steps could be taken in the beyond growth debate.

Energy & Materials Transition

Radarweg 60  
1043 NT Amsterdam  
[www.tno.nl](http://www.tno.nl)

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