

Prologue

The great majority of men and women, in ordinary times, pass through life without ever contemplating or criticising, as a whole, either their own conditions or those of the world at large. (Bertrand Russell, 1918)

The end of World War II in September 1945 was celebrated in many ways. I was the result of one such celebration, born some nine months later into a middle class Jewish family in a north London suburb in the UK. I was on the leading edge of the baby boom, the generation whose demographic weight has given it a disproportionate impact on society for over half a century. The adventure playgrounds of my childhood were an unsupervised, overgrown field known as the barn, though there was no longer a barn, and a local bomb site which became the site for a Woolworth's store. I was educated at a private nursery school, a local primary school and a highly regarded all boys grammar school from where I went to Birmingham University and then to the University of British Columbia to study economics.

I recount these few details of my early life not because they are especially interesting but because they tell you something about the values that I acquired growing up in post-war Britain. These were typical middle class values which stressed the importance of family, education and hard work and which generally equated success with a secure income earned in a profession and the acquisition of material goods.

It is difficult, if not impossible, to step outside your own value system and to reflect upon it, but that is what I try to do in this book. I also invite you to do the same. The main value that I want to call into question is the primacy that we in rich countries give to economic growth as the overriding economic policy objective for government. Sometimes growth comes dressed in other clothes such as 'competitiveness' or 'free trade' or 'productivity', but underneath is a commitment to economic growth, defined and measured as an increase in real, inflation-adjusted gross domestic product. It is the policy objective against which all other proposals must be judged. Environmental policy must not be allowed to impede growth, and where possible should be advocated because it will boost growth. Apparently a green economy will be even bigger than a brown one. Education policy must see that students are trained for work in the 'new economy'.

Transportation policy should result in a more rapid movement of goods. Immigration policy should attract the most highly educated and wealthiest to meet the needs of a growing economy. Support for the arts, for sports, for child care, for less inequality, for better access to public goods, or for greater environmental protection all too often must be justified by their contribution to economic growth.

Growth of the economy supports and is supported by a variety of not necessarily compatible objectives such as maximizing profits, raising shareholder value, increasing sales and market share, higher wages, more consumption etc., etc. I do not include happiness in this list though it is often assumed that economic growth provides the means to fulfillment and therefore, I suppose, to happiness. We shall see later whether the evidence supports this assumption. Nor do I include freedom, justice or equity, or quality of life, or Maslow's 'self-actualization', or Sen and Nussbaum's 'capabilities', which some argue are fostered by growth if not guaranteed by it. And I certainly do not include peace and quiet and a contemplative life.

What I am most interested in, and what this book is about, is the rationale for a continued commitment to economic growth as the primary economic policy objective, and whether countries such as Britain, where I grew up, and Canada, where I have spent most of my adult life, or the USA, which still claims to be a world leader, can and should manage without growth. This is not to say that we should adopt zero growth as an alternative, overarching policy objective. Rather that we should not bother with economic growth as a policy objective at all or only as subsidiary to more specific objectives that have a clearer and more substantiated relation to well-being. Clearly, there are many areas where growth is to be welcomed, such as in well-being, literacy, life expectancy, social justice, security, conviviality, environmental quality, vibrant ecosystems and thriving populations of other species, and resource efficient sectors and activities, but we should not assume that these are only to be had in the context of economic growth – quite the opposite in many cases. And there is another list where stability or decline is to be welcomed, such as in material and energy use and related emissions causing degradation of air, land and water, habitat destruction from land conversion, the human population, stocks of physical capital and artifacts, and resource inefficient sectors and activities. As we shall see, more often than not, economic growth in rich countries exacerbates these problems.

In the first chapter I describe how economic growth emerged as the pre-eminent economic policy objective of government and how that commitment lives on, obscured perhaps by the language of 'sustainable development', 'sustainability' or 'smart prosperity'. In Chapter 2 I consider several reasons for managing without growth: from the implications

of living in the Anthropocene, to the tempting but false hope of green growth and the permanent decoupling of economic output from its material and energy requirements, to the evidence that economic growth is slowing anyway and, like it or not, adjustments and accommodations to these new circumstances will have to be made. The third chapter presents an ecological economics perspective on the economy as a system with particular emphasis on the essential but imperfect role that prices play as the conveyors of information in the economic system. In Chapter 4, which is entirely new, I take a critical look at the fashionable interest in conceiving of nature as a form of capital and pricing it. Chapters 5, 6 and 7 provide an empirical assessment of some of the main connections between the economies and biosphere in which they are embedded: the sources of raw materials, the disposal of wastes into environmental sinks, and the impacts of these flows on the capacity of the environment to support life. In Chapter 8 I return to the issue of decoupling and its potential to prolong economic growth indefinitely by considering the interactions between the scale or size of an economy, what it produces, and the technologies employed. Next comes Chapter 9 on economic growth and happiness, and Chapter 10 on the disappointments of economic growth. Having laid all this groundwork for considering managing without growth, in Chapter 11, co-authored with Tim Jackson, we use a revised and updated version of the LowGrow macroeconomic simulation model to explore what might be achieved in terms of employment, poverty elimination, environmental protection, and fiscal prudence in a no or low growth economy. Notably, in this revised edition we go beyond the discussion of policies arising from the computer simulations of Chapter 11 and take up the question of whether substantive changes to the economic system itself will also be required to manage without growth. I touch on policy issues throughout the book but it is in Chapter 12 where I pull together policy implications of managing without growth.

If, like me, you have been inculcated with the virtues of economic growth, you may have to suspend your belief in this fundamental value of contemporary society as you read on. It is the best way to make the most of the journey. Of course, I expect that it will take more than this book to change your mind about something you may feel deeply, but humor me. I'm only asking you to think about managing without growth. The really exciting part comes later when enough of us in the rich countries are convinced that it's the best, if not the only way to go. Then we shall have some real work to do.