‘Prosperity without Growth’

Professor Tim Jackson

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Overview

In this lecture Professor Jackson, drawing on his recently published book Prosperity without Growth, showed that in a finite world our current economic structure and associated growth is *unsustainable*. This poses a dilemma as, at the same time in the current structure, ‘degrowth’ which is *unstable* would result in problems like increasing unemployment. To outgrow this dilemma, we need to realise that another world is possible: one in which the economic engine and associated social logic moves towards activities that promote flourishing within well understood ecological limits.

Summary

Professor Jackson began his lecture by outlining a profound dilemma that our economy currently faces. He highlighted the fact that our current level of economic activity exceeds the Earth’s carrying capacity (or safe operating space for humanity) in several important respects and is reaching the limits in several other important areas (e.g. climate, biodiversity, natural resources). This confirms that the current form of economic growth is *unsustainable*. Thus while economic growth has provided great benefits in developed nations and continues to do so in the poorest countries on earth, there is increasing evidence that the benefits which it provides are no longer clear cut in developed nations.

He showed data which compared life expectancy at birth with Gross Domestic Product per capita across a range of countries. This data shows that up to the level of about $15,000 per capita, life expectancy increases but not thereafter. There is some evidence to suggest that some lower income per capita countries (e.g. Cuba, Cost Rica, Chile) have life expectancy at least comparable to some higher per capita income countries (e.g. USA, UK). This suggests that above a certain level, further economic growth does not confer further benefits in population level life expectancy. Better human outcomes might well be achievable at much lower levels of income if economics were handled differently. In a world of finite resources, income growth matters most at the lowest levels of per capita income.

This maxim tends to be unpopular in high income countries. A principal reason for this is that 'degrowth' is unstable. This is principally because GDP is a function of labour multiplied by its productivity. Over the 20th Century, increases in productivity have come largely from technological advance. If this continues and GDP is to be brought down, this implies that within current arrangements, unemployment must increase – an inherent and unpopular instability.

The usual response to this dilemma is to suggest decoupling growth from material use – doing more with less, or dematerialisation. While there has been much talk about this there has been very little of such action.

Professor Jackson then presented data on four scenarios which show that, to keep on the current trend of income growth and maintain the carbon intensity of such growth, at 1990 levels it would require each dollar of production/activity to produce just 14 grams of carbon. The current level is 768 grams of carbon per dollar spent on production. Allowing a modest increase of 2% in income leads to a per dollar output carbon cost of just 6 grams, requiring a 130 fold improvement over the current position and a carbon per dollar income level of *less than* zero by 2100.

Remaining hopeful

While these challenges are considerable, Professor Jackson considered that it is possible to outgrow them. In doing so another definition of prosperity is necessary. He suggested the following as a working definition –

"Prosperity consists of our ability to flourish as human beings within the ecological limits of a finite planet."

This definition contains the following elements:

- Material flourishing: food, clothing, shelter;
- Social & psychological flourishing: identity, meaning and participation in society;
- Rethinking social goods and public space.

Drawing on 2009 Reith lecturer Michael Sandler, he suggested that this cluster of issues is integral to flourishing and not simply a safety net for those who cannot afford to resort to the market.

Developing the argument further, he suggested that there are two key dimensions to economic possibilities which amount to a new way of thinking about the role of economics rather than simply providing another engine of growth. These are:

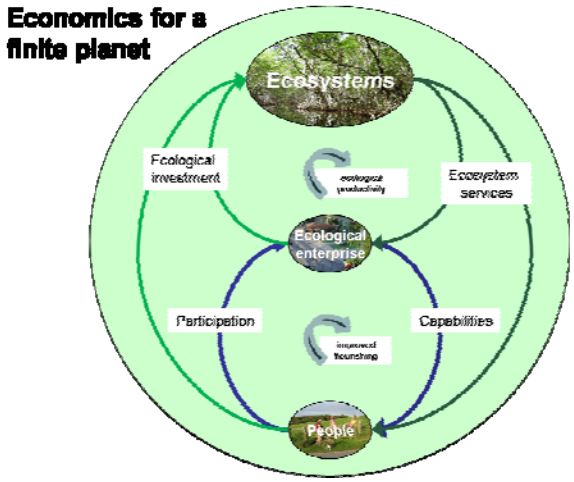
Ecological Investment which has three main dimensions:

- the transition to a low carbon economy;
- investment in ecological assets which currently are treated as a free resource;
- the protection of livelihoods.

Ecological Enterprise which needs to:

- have a low resource impact;
- support communities to flourish;
- provide livelihoods.

He sketched these ideas out as a cycle of activity contained within the finite limits of the planet. In this view of economic activity, ecosystems, ecological enterprise and people are linked in a mutually beneficial single system which promotes the flourishing of all three. Ecological investment in the Earth's systems (e.g. habitats, species, air) ensures that the vital services which those systems provide can be used in ecological enterprises to build human capacity and participation through ecological enterprise.



He concluded by suggesting that current institutions could begin this task by doing three things:

- Establishing what the ecological limits of the planet are (not well known).
- Fix the economics (which keep us locked into unsustainable GDP growth).
- Change the social logic (away from unending novelty consumption and towards interdependent flourishing).

The views expressed in this paper are those of the speaker and do not necessarily reflect the views of the Glasgow Centre for Population Health.
Summary prepared by the Glasgow Centre for Population Health.