

Prosperity Without Growth

Tim Jackson gave a powerful and inspiring keynote talk at Church Action on Poverty's conference on 'Redefining Prosperity' in November 2009. This is an edited transcript of that talk.

I have found that it is very challenging to suggest to governments that economic growth is part of the problem we face, and that we need a different kind of economy. It's also of course challenging for those involved in fighting poverty to suggest that growth might be part of the problem – not least because there are some places where economic growth is absolutely vital.

Nonetheless, 2% of the world's population earns 20% of its income, and 2 billion are still living on a dollar a day. Even in the rich nations, inequality is increasing. The idea that economic growth would deliver us from this has simply failed, and we need to understand why. The plan was called 'trickle-down theory' – that as incomes were pulled up by this wonderful model of economic growth, the 'rising tide' would 'lift all boats' – even the poorest would eventually find themselves lifted from the shore and floating away into the great consumer ether. It did not happen. Growth didn't deliver wealth at the poorest levels, wealth didn't trickle down. Actually, if anything, it trickled *up*. So growth has failed in relation to equality and fairness, but that's not the only reason to question growth. The fundamental problem about an economy based on growth is that you have a finite system – it's called the planet in our case – and something within that system which is exponentially growing. At some point there's going to be trouble. The idea that you can have a continually, exponentially growing economy within a finite ecological system just does not compute.

In the 1970s we thought that we could get out of this bind by making everything more efficient – we would still get richer as a whole because by doing more with less, we could reduce environmental impact. Again, it didn't work. We did do things more efficiently – the carbon intensity of every dollar came down by a third in the last three decades – but total carbon emissions have still increased by 40% just since 1990. If you ask how far we have to push technological efficiency in that growth-based system to stay within our environmental limits, you come up with staggering numbers. If in addition you want that growth to deliver global equity, for everyone to have a chance of decent Western European-equivalent living standards, you find that by 2050 we'd have to increase our technological efficiency 130 fold, 10 times faster than anything that's happened in the past. As the system grows and grows, by the end of this century – and our children will be here to see it – the economy will need, instead of pumping carbon relentlessly into the atmosphere, to take carbon *out* of the atmosphere. What are those activities? What do they look like, how is the economy run, how does it resource itself – where would the energy come from? What are people doing in that society? What does it look like? How is it organised? And the astonishing thing is that those who say that a growth-based system will deliver us from this peril have no answers whatsoever to those questions.

And the growth economy, of course, has failed spectacularly in the last year. It failed on the fragility of a financial system that was built on leveraging debt all around the world. That debt was there to increase our ability as consumers to buy more and more stuff. This wasn't just about sub-prime mortgages in US, it wasn't just about the greed of speculators, it wasn't even about the laxness of regulators. It was about the pursuit of growth. We were pushed into levering debt using complex, unstable mechanisms, precisely because we thought that the right way to manage the economy is to grow it.

It's clear now that we have to think again about what prosperity really means. There are already approaches which talk about poverty in a multifaceted way, in terms of people's ability to thrive or to flourish [see page 9]. That's a useful way to think about prosperity as well. Of course it's nonsense to think that we can prosper without basic material needs in place – food, clothing, shelter. And yet beyond those material needs, we find that prosperity is actually about the ability to give and receive love, to have and maintain friendship, to protect and serve our family, to relate to our community, to find meaning and purpose in our lives. Those things are primarily social and psychological tasks rather than material ones. They can be summed up as the ability to participate in the life of society.

So, if material possessions do not deliver prosperity in themselves, they must be the means to achieve that end. Our consumer society clearly thinks that they are. Material things are like language – we communicate with each other through material things. In a very simple way we tell each other stories, by the way that we dress, by the houses that we have, by the cars that we drive, by the gadgets that we possess and the ones that we aspire to. This social story we're telling each other is played out through material goods. This tells us that poverty, as a lack of access to things that go beyond basic material functioning, is real. It affects people's ability to communicate, and to participate in society. If you don't have those latest gadgets you are not worth the same as all those around you. That idea of worth is really important to prosperity because it is about communication, participation, being able to flourish fully as a human being in the context of our society.

So we're locked into this growth-based system which is neither delivering fairness nor respecting ecological limits nor even stable in its own economic terms. But it seems to be locked into us through the way that we communicate and our economic structures.

At this point it can become very tempting to find yourself a small bit of land somewhere, escape the rising sea level, settle in a smallholding away from the madness, have a few chickens, a few goats, and grow your own vegetables, and in whatever time is left to this fragile society that we have inherited, make sure that you and your family are fine. Because I can see the writing on the wall, I can see that it's madness, why should I participate in this madness any longer? I want to have a place where it's possible, for me at least, to prosper and flourish.

But we have to ask what our responsibilities are at this time. I think there is a necessity to engage, and look for some solutions. Certainly those who govern the country have a heavy responsibility to search for those solutions - in so far as we can show that any exist. And one of the lessons of *Prosperity without growth* is that there *are* solutions. An economy doesn't have to work like this.

Instead of having a government that encourages us to borrow more money and spend on our credit cards to kickstart the economy, we need one that encourages us to save, to invest, to put our money into places which connect us to the future. We need to invest in low-carbon technologies, in ecological structures, in resource productivity, in all the things that will save us from the global crisis – but we also need to invest in social structure, the idea of public goods and public spaces.

Public spaces are often the spaces to which those who are excluded from material access are relegated – they are like a safety net for those who can't afford to be rushing down that motorway in their private car. Public transport is seen that way, public spaces are seen that way, public institutions are seen that way, as a sort of second-class citizen in an economy geared towards individual materialism. Reversing that dynamic is absolutely vital. We have to reinvest, to rebuild the concept of social space, to look at green space, at public libraries, at the institutions that bring people together. This is important because it allows us to flourish, it gives us an idea of participating in society in less materialistic ways. It also connects us to each other, to our environment, to our

past – changing it from something which is entirely trivial in the consumer world into something which grounds us and connects us to the future. That connection can allow us to see that we can prosper without destroying the planet on which we depend for survival. Pulling social structure and public space back into the forefront, and investing in our own future are absolutely key to a different vision of prosperity.

I can attest that this is not an easy idea to sell. When we published *Prosperity without Growth* we got a message that “Number 10 had gone ballistic”. And much of the press coverage we’d been promised just didn’t emerge. But then a strange thing happened – the report was downloaded faster than anything we’d ever done before. It began to have a viral impact and people wanted to engage in this conversation. I’ve done talks in town halls in the heat of summer where 200 people would crowd there for two hours and not let me go. There is a sense in which we understand these things, they are pretty basic. The growth-based economy we’ve got is not delivering, so engaging in that conversation is absolutely vital.

When politicians began to engage with it, they would say something that politicians often do: “Tell us what you want us to do on Monday in policy-making.” Actually, there are so many policy ideas in the report that this attitude baffles me. We even list the ideas in the executive summary, and some of them are things the Government promised to do 12 years ago. But I can list three things that don’t even have to wait till Monday. You can do them now. Curiosity, rage and hope.

Curiosity relates to the questions I’ve been exploring here. Why does the economy work like this? Why is it that we’re so ingrained in materialism? Why are the social structure and social institutions so degrading? Why is government so intransigent? A lot of *Prosperity Without Growth* is about these questions. But they don’t stop there. Curiosity drives you forward, keeps you exploring options. This is the first of our tasks – curiosity.

Rage can be damaging, I admit, but it can also be transformational. There are places where clearly rage is appropriate, in response perhaps to the greed of speculators through the financial crisis, to the institutions that supported that, to the fact that the trickle-down theory never worked. To the enemy within, our own consumer appetites. Maybe even towards some higher power that we would like to rail against – and that also has a long pedigree: “My God, My God, why have you forsaken me?” There are of course more proximate targets as well, such as Her Majesty’s Treasury!

The third thing is hope, and it is absolutely essential. It is in some sense an act of faith to maintain that hope, but I think it’s justified by the way this conversation has changed in the period since the report was first launched, by the things that people are prepared to do to change, to fight poverty, to create a better world. In spite of all my railing against Her Majesty’s Treasury, I went there the week before last to do a seminar about this, and it was standing room only. And the conversation I had there was intelligent and engaged – there were people who had already registered some of this and were prepared to listen. The public debate is changing. For example, President Sarkozy has launched a report on social progress which questions that idea of economic growth. He said “the crisis not only frees us to imagine other models, another future, another world, it obliges us to do so”.

This is about responsibility, about choices we face at this point in time, about the chance to engage in what is possibly the most important conversation of our age.

Further reading

Tim Jackson's book *Prosperity Without Growth: Economics for a Finite Planet* is published by Earthscan and costs £12.99. If you order a copy online at www.earthscan.co.uk/pwg, you can enter the code PWGPP in the voucher box to receive a 20% discount.

Redefining Prosperity

Our conference was an exciting and inspirational day, full of ideas for how we can reimagine the economic structures that create poverty and inequality.

Visit <http://bit.ly/redefiningprosperity> to see more materials from the conference:

- A video interview with Tim Jackson
- Video clips of other speakers and panellists
- A *PowerPoint* presentation from Ann Pettifor, introducing the 'Green New Deal'

The Wee Yellow Butterfly

Also speaking at our conference was Cathy McCormack, a community activist from Glasgow. Cathy has done incredible work making the connections between poverty in her community and global economic structures. You can see a video clip of her telling her story at <http://bit.ly/redefiningprosperity>. If you'd like to see more, you can order her biography, *The Wee Yellow Butterfly*, using the form on page 11.