



# Growth - do we need it and can we learn to live without it?

Colin Hay

► **To cite this version:**

| Colin Hay. Growth - do we need it and can we learn to live without it?. 2013. <hal-01070451>

**HAL Id: hal-01070451**

**<https://hal-sciencespo.archives-ouvertes.fr/hal-01070451>**

Submitted on 1 Oct 2014

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

18 June 2013

# Growth – do we need it and can we learn to live without it?

## Achieving environmental sustainability may require us to break from growth altogether in the long run

Professor Colin Hay, Director of SPERI



Colin Hay

So, do we need growth and might we learn to live without it? Nearly all of us who write regularly for *SPERI Comment* have at least nodded in the direction of the need to think beyond growth in some way. But we have typically left it at that, with the question of what ‘beyond growth’ actually means left unresolved. In fact, most of us (and I include myself here) have done rather worse than that – in that having identified the need to think beyond growth we have then reverted to the more familiar (and simpler) task of considering how growth (albeit a more sustainable growth) might be restored to our ailing economies. We all know this won’t do.

How then do we start to think beyond growth and assess what might this entail? The first thing to consider is whether environmentally sustainable growth is actually possible. What is remarkable is how seldom that question is ever directly posed. In a sense it haunts progressive political economy - which, for the most part, would like to think of itself as both green and yet seems decidedly (if often implicitly) pro-growth. We tend to assume (conveniently) that we can have environmentally sustainable growth and that, when we progressives talk of growth, this is the kind of growth that we have in mind. But I suspect that we also know that this won’t do either – not least because I imagine that I am not alone in my worry that environmentally-sustainable growth is in fact an oxymoron.

The literature, certainly the obvious literature, doesn’t really help us here. A close reading of Serge Latouche, doyen of *décroissance* (de-growth), reveals that even he can’t make up his mind whether de-growth means no growth, a-growth, anti-growth, green growth or post-growth. Actually, that’s perhaps a little too harsh. Latouche is in fact committed to one of these, the last, post-growth. He is clear that we need to move beyond the fetishisation of growth, whether that entails no growth, a-growth, anti-growth or green growth (‘the green shoots of economic recovery’ perhaps?). But, although that is almost certainly right, it still doesn’t help very much. Quite simply, we need to decide whether it is possible to envisage environmentally sustainable growth or whether environmental sustainability entails, at minimum, permanent recession.

Cast in such terms, de-growth sounds potentially rather scary. Can we learn to cope with permanent recession – and is that really what I am advocating? Probably not – or, at least, not yet. The first thing to say here is that permanent recession is certainly no guarantee of environmental sustainability – and, as such, is not a goal in itself. We might not (quite) have achieved a condition of permanent recession (though permanent austerity is well on the way to making that a more likely scenario than it has perhaps ever previously been). But the (politically) prolonged de-growth that we have endured since the advent of the global financial crisis has hardly been environmentally neutral.

Growth (certainly the kind of growth that our economies might have achieved had they been less hampered by austerity) has a carbon footprint and a very significant one at that. Indeed, arguably, the crisis has done more to slow the pace of environmental degradation than any policy innovation designed to achieve such an effect. But that is hardly cause for celebration, nor good reason to wish for permanent recession. The point is that, in time, we may well need to wean ourselves off growth (especially if my hunch about the environmental unsustainability of *all* growth is true), but that does not mean that all de-growth is good de-growth (one's enemy's enemy is not necessarily one's friend).

So where does this take us? I think the best way to think about this is in terms of the 'carbon footprint of growth'. If we acknowledge that all growth has a carbon footprint – and that is perhaps as close to a truism as anything in this extended thought experiment – then that suggests three potential types of response. We might seek to offset the carbon footprint (though, of course, that cannot work at a planetary level); we might seek to reduce the carbon footprint (by making our growth less environmentally damaging than it might otherwise be); or we might strive to reduce our dependence on growth and to promote other measures of economic success.

Of these, it is the third, which surely holds out the best prospect (though it is the least discussed). Growth, in a way, is a convention for measuring economic success. Indeed, it has become the global currency of economic success. It is not difficult to see why. But, like all conventions, growth need not be the global currency of economic success – and there is a very strong moral and ecological argument for suggesting that it should no longer be tolerated as that. Things could be different; we could target something else. But what we almost certainly cannot do is to replace GDP growth at a stroke with some other measure of economic success. The transition would need to be managed carefully and cumulatively, as well as coordinated globally.

But it is not difficult to imagine what might be entailed here. Alongside GDP data we would need to build a new index of economic success – a compound index, inevitably, which might include things like changes in the Gini coefficient (in the direction of greater societal equality), changes in *per capita* energy use (rewarding increased energy efficiency and sustainability), changes in *per capita* carbon emissions (rewarding the greening of residual growth) and perhaps a range of more familiar development indices (changes in literacy rates and so forth).

This alternative social, environmental and developmental index (SED) would be recorded and published alongside GDP, and would thus allow the production of a new hybrid GDP-SED index. Over a globally agreed timescale, the proportion of SED relative to GDP in the hybrid index would rise – from zero (now) to 100 per cent (at some agreed point in the future). And, of course, we would gauge whether our economies were 'growing', 'flat-lining' or 'in

recession' according to the new hybrid index as, in effect, we moved from measuring economic performance by relation to GDP to measuring it in terms of SED. The changes to our modes of living, over that period of time, would be immense. But if we are to think beyond growth that, quite simply, is what is entailed. It is a daunting prospect, but such action is long overdue.