

Engaging the Powers

PART 5. TOWARDS A DIFFERENT FUTURE

The Jackson Papers

Prosperity Without Growth (2nd edition)

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Introduction

Nations which aim to maintain or improve their prosperity must increase their wealth. This necessarily involves making greater demands on the earth's natural resources. At the same time, it is clear that a drastic reversal of current levels of exploitation of natural resources - starting with the consumption of fossil fuels - needs to happen within a very short time frame if ecological disaster is not to overtake our planet.

Jackson calls this 'the impossible theorem of lasting prosperity': Prosperity depends on economic growth but growth involves making unsustainable demands on natural resources, and that is the short route to disaster. How is it to be tackled? That is the subject of *Prosperity Without Growth*. Jackson deals with it by examining the implications of 'growth' and what is meant by 'prosperity'.

Prosperity

The majority of people in the developed world are prosperous enough. They don't need to devote their energies to producing enough food for themselves and their families; they have adequate homes equipped with heating and refrigeration; most have cars and enough money to buy whatever they need and, in many cases, plenty to spare. This is not true for everyone, of course. Inequality of income is a major problem waiting to be tackled.

Current economic strategies required to increase national wealth depend on persuading the public to spend more. That is to say, to pile on possessions and luxury consumption over and above what is needed to pursue an adequate though not spectacular life-style. Jackson considers ways to help people to appreciate that 'enough is enough' and to resist the drive from politicians and others to consumerism. In general, the developed world can afford to cut back on current levels of consumption.

The position in the developing world is different. Here, many people do not have enough to eat, they have neither food security nor any other kind of security. Economies in the developing world still urgently need to grow, reaching out to the prosperity they can see in the advanced economies. Looking at the situation globally, Jackson points out that those of us living in the more prosperous countries need to modify economic growth sufficiently, not only to set our own house in order ecologically, but to make room for the necessary growth in the developing world. This is an uncomfortable prospect unless, of course, we are satisfied with the idea of growth in the poorer parts of the world in principle, provided that doesn't diminish our own level of prosperity.

Growth

Economic health, and thus national prosperity, depend on growth - the continual expansion of the economy. This is the central case that Jackson disputes, but first he puts forward the very case he

is about to challenge - and very effectively too. It all centres on something the economists call 'labour productivity'; that is the measure of how much the average worker produces; the general rule is that businesses perpetually seek to get more product out of less labour. The businesses that are less successful at that are in danger of failing.

On this basis there is a perpetual pressure to shed labour. The expansion of the economy is vital, it is argued, to mop up the unemployed workers that 'the system' creates. Ergo, if there is no growth, unemployment will increase uncontrollably. Jackson agrees with this premise - assuming that present patterns of employment continue. But this is the assumption which he challenges.

Summing Up

General readers as they make their way through our set of papers on *Prosperity Without Growth* will wonder whether Tim Jackson really has his feet on the ground; is this perhaps no more than a glorified wish list? This may particularly seem to be the case from reading the present introduction. But this is a bird's-eye summary concentrating on the main theme of Jackson's exposition. Embedded in the text is much working through contentious propositions and various complexities both ethical and economic. All of this is drawn together in the last few chapters which comprise our fourth and fifth papers. I have read the text several times and considered it carefully, and I judge these concluding chapters to be a remarkable drawing together of many complex factors to present a coherent and persuasive argument.

In the course of Chapter 11, *The Transition Towards a Sustainable Economy*, Jackson states:

Above all there is an urgent need to develop a resilient and sustainable macro-economy that is no longer predicated on relentless consumption growth. The clearest message from the financial crisis of 2008 is that our current model of economic success is fundamentally flawed. For the advanced economies of the western world, prosperity without growth is no longer a utopian dream. It is a financial and ecological necessity.

Earlier, he has brought the discussion on prosperity to a conclusion by identifying what might be meant by this very subjective term in the new environment which he envisages. He looks at prosperity, not in quantitative money terms, but, following the work of Amartya Sen, as having enough to take an active part in society which he sees as a criterion of 'flourishing'.

Achieving a lasting prosperity relies on providing capabilities for people to flourish- within certain limits. These limits are established not by us, but by the ecology and resource of a finite planet. Unbounded freedom to expand our material appetites just isn't sustainable. Change is essential.

Two specific components of change have been identified. The first is the need to fix the economics; to develop a new ecologically literate macro-economics. This new economic framework will have to place economic activity within ecological limits. It will need to reduce the structural reliance on relentless consumption growth and find a different mechanism to achieve underlying stability.

The second component of change lies in shifting the social logic of consumerism. This change has to proceed through the provision of real, credible alternatives through which people can flourish...They must provide capabilities for people to participate fully in the life of society without recourse to unsustainable material accumulation...

Making these changes may be the biggest challenge ever faced by human society...

Jackson gets down to detail too. Here is just one example which points to some clear about-turns involved in 'placing economic activity within ecological limits':

Rather than stimulating a continued search for high productivities (eg.labour productivity as already outlined) it would be better to engage in structural transition towards low-carbon, labour intensive activities and sectors. Ecological investment has emerged as a key requirement in this analysis...(It) has some clear targets. These include:

* **Retrofitting buildings with energy and carbon-saving devices;**

- *. Renewable energy technologies;
- *. Redesigning utility networks particularly in the electricity grid;
- *. Public transport infrastructures;
- *. Public spaces (green spaces, libraries and so on);
- *. Ecosystem maintenance and protection.

This may all sound very revolutionary, but Jackson stresses that it can't possibly be all done in one go and it can't all be done by government diktat by any means; the process is incremental and involves changes in general social and political outlook which can't be manipulated. All Jackson is doing is pointing the way. But urgency is required. It would be a good start if government would give a clear lead through the kind of legislation it enacted:

(At present, there are) subtle but damaging signals sent by government, regulatory frameworks, financial institutions, the media and our education system: business salaries are higher than those in the public sector, particularly at the top; nurses and those in the caring professions are consistently less well paid...success is counted in terms of material status (salary, house size and so on)...These kinds of asymmetry represent a culture of consumption that sends out all the wrong signals...

Several messages flow from this. The first is for the government to get its message straight as a contribution towards shifting the general climate of opinion.

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These five papers on Tim Jackson's *Prosperity Without Growth* are taken from the 2nd edition of 2017. This includes several worthwhile amendments not least a more long-term perspective on the consequences of the financial crisis of 2008 than could be achieved in the first edition, the gestation of which took place in the immediate aftermath of the events concerned.

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