

Prosperity without Growth?

Victor Anderson interviews Professor Tim Jackson,
SDC Commissioner for Economics.

Victor Anderson: The Sustainable Development Commission has just published a major report called *Prosperity without Growth?* I'm talking to the report's author, Tim Jackson, the Economics Commissioner at the SDC. Tim, can you tell us what the SDC is saying about economic growth?

Tim Jackson: We're saying it's time to question it. The UK Government, like many governments around the world, has had a sort of unfailing allegiance to the idea that we must keep the economy growing at all costs, and it's time to question that goal.

VA: And what do you think would happen if people came to the conclusion that economic growth was a bad thing? Wouldn't that be a disaster for the economy?

TJ: Well of course at the moment we've got the reverse problem in the sense that we haven't got an economy that is growing, so we do have to think a little about how to maintain economic stability and economic resilience. But actually the goal of the economy is not economic growth in itself: it's believed that that's going to give us prosperity, it's going to give us a good life, it's going to give us the conditions in which we can flourish as human beings. And the point of our report is to say that that's the goal that we should be going for - that the aim is to deliver the ability for people to flourish. But we can only do that within the limits of the natural environment, we can only do it within the ecological capabilities of the planet. And at the moment we're going in completely the wrong direction in ecological terms, and that is going to mean ultimately that we won't have prosperity in any form if we don't think more carefully about that relationship now.

VA: So what are you recommending that government should actually do?

TJ: Well I think what we're saying is that we need to put prosperity itself at the heart of government policy, and that means understanding what prosperity means. Our report argues that it means we have to put people's capability to flourish, to live well, at the heart of policy; so that they have, for example, a good work-life balance, that they are capable of integrating into their communities, that they have the necessities of life, of course. But it's also vital that people can participate and take part fully in the life of society in ways that are less materialistic than they have done in the past. And so there are really three tasks for government: one is to fix the economics that we've been working on which assumes that we can grow consumption endlessly; the second is to go directly for the jugular - what matters is people's capabilities to flourish, we should build those capabilities and protect peoples' ability to flourish; the third key message is that government needs to establish the ecological limits. At the moment some of those are half-established but most of them are just lying in the margin, we don't know what our requirements are, what our limits are in terms of material throughputs, and we need to establish that.

VA: Why do you think nobody else seems to be saying this at the moment? What's distinctive to the SDC here?

TJ: Why is no-one else saying it? Because it's deeply unpopular. It may seem really inopportune to be asking this kind of question at a point when we just can't seem to keep the economy growing at all, and that is a priority, it is a priority to have an economic system that works, because society relies on that economic system. And so the last thing in the world that anybody wants, and it's certainly not what we're advocating, is economic collapse. We know that when economies collapse it has social impacts and ultimately our report is attempting to forestall the time at which we will have economic collapse because we're living beyond our means. But in the meantime, the reason why nobody asks the difficult questions that we are asking here is because nobody really has any answers to them.

VA: But isn't the obvious answer that we should try to de-couple economic growth from its environmental impacts, so that we can square the circle between the economy and the environment?

TJ: That's certainly the most common answer, in fact it's the only answer that exists to this idea that actually we're faced with quite a fundamental dilemma around growth, that growth seems to be necessary to keep the economy going on the one hand, but actually on the other hand it's driving unsustainable throughputs. So yes, as you say, the answer that's out there at the moment is that we de-couple, that we just continually keep growing the economy but make everything much more efficient in order to reduce its material impact. The evidence in our report is very strong that this just isn't working – it's not happening, we're not de-coupling the economy fast enough. Past trends suggest that there's nothing like as much de-coupling as we would need in order to stay within environmental limits, that globally many of the most important resource trends are going in the wrong direction. Actually, far from de-coupling, we're intensifying resource use associated with economic output, so whatever else we say about de-coupling, we have to say, 'It ain't working right now.' And it doesn't show any signs of working unless we really confront what's going on within the economic system itself.

VA: What about poorer countries? Surely the lifting of millions of people out of poverty in China and in India is a good thing for the world.

TJ: It's absolutely essential for the world. And in some sense that is the heart of *Prosperity without Growth?* *Prosperity without Growth?* is conceivable only in the richer nations, in the developed economies, in the advanced economies of the West. A key part of our argument, and it goes back to that question of fair allocation of resource throughputs, is that the developed world has to consider *Prosperity without Growth?* if the developing countries have any prospect at all of getting to the living standards we've enjoyed over the last fifty years.

VA: How hopeful are you that the report's recommendations will be taken on by the Government?

TJ: Ultimately what we've pitched into is a debate which has gone on for thirty or forty years. It's a long debate about the nature of progress, and it's longer than that if you think of it in terms of what is the nature of progress, but certainly in terms of the role of growth it's a

debate that's gone on for some time. It's not an easy debate, we are locked into growth through all sorts of things, so it won't be an easy debate to change overnight, it won't be an easy model to change overnight. But I think the point at the moment particularly is that this is just a unique moment in history, it's a moment in history in which the world as we know it in economic terms has almost literally collapsed, and we are desperately in need of solutions which make sense, not just in economic terms but in social terms, in terms of fairness across the world, in terms of breaching ecological limits: in terms of all the things we're talking about, there is a really challenging need for opening out a policy debate for moving forward the discussion on this question, for putting in place clear pragmatic steps that would take us towards a different kind of prosperity. And ultimately I think that's the goal of our report: not to change things overnight - that's too ambitious - but to create the space within which it's possible to have this discussion now, when we need it the most.

VA: Thankyou, Tim.