

Four Planets

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Note to reader

One of my articles makes the case for “less is better”. In this one, I look at a particular case of “more is better” – the almost religious obsession with perpetual economic growth.

If the whole world were to consume energy and resources at the same rate as the USA, we would require approximately four planets to meet the demand. Clearly, we do not have four planets. Some might therefore think it odd that we are constantly encouraged to consume more and produce more. It seems less odd when we remind ourselves that we inhabit an Alice in Wonderland world of topsy-turvy values, in which many of us overprovide for our material needs - getting fat, sad and unhappy in the process – while underproviding for our spiritual needs.

There is widespread recognition that all is not well. We hear every day about drugs, violence, corruption, war, poverty and inequality, disease, pollution and many other problems. But there are still many who continue to believe that by consuming and producing even more, we will eventually be able to solve these problems. More money is widely regarded as the universal solution, or at least the precondition. Despite increasing evidence to the contrary, perpetual economic growth is still seen in government and business circles as highly desirable. It is not too much of an exaggeration to say that economic growth has become the central purpose of the world – a world that cannot tolerate any more of it.

We often hear about economic growth, but how many of us ever stop to ask ourselves what this

really means? When we take a closer look, we discover that many of the things that are growing are undesirable - traffic, crime, stress, pollution, violence, dishonesty, unhappiness, inequality, not to mention all the damage to the environment. We say that don't like these things, but we have a schizophrenic attitude to them because some of them register as growth in the economy, which we think is desirable. It should come as no surprise that our chief measure of economic growth, GDP, registers the bad and the ugly as well as the good, without telling us which is which. Actually, it is worse, because *GDP registers the costs of growth as if they were benefits*. If dealing with crime, congestion, divorce, pollution, and treating an unhealthy population involve legal money transactions, as they clearly do, then these costs will be shown as part of GDP. If an increasing proportion of our economic activity is going on this kind of expenditure, as it is, are we justified in saying that we are doing well and that we need even more growth? Of course not, yet governments and companies continue to advocate more growth.

In any event, it does not make sense for countries to compare themselves with each other on the basis of economic growth when so much activity in so many countries is either outside the official economy (transactions involving cash but which do not get recorded) or does not involve money at all (e.g. people doing housework or other unpaid work or bartering goods and services).

Genuine Progress

There are much better ways of assessing how we are doing as a society. The Genuine Progress Indicator (GPI) is an excellent example. It was created in 1995 and it is a much more accurate indicator of progress. In complete contrast to GDP, GPI subtracts the costs of dealing with crime, divorce, and pollution; adds in unpaid housework and volunteer work; and takes account of income distribution and resource depletion. In other words, it gives us a more accurate picture of how we are really doing as a society. At present, GPI is being actively developed in New Zealand, Canada, Australia, and in some states of the USA. It has made no impact whatsoever in the UK, which is still wedded to the outdated goal of economic growth.

It is significant that although GDP and GPI grew at about the same rate in the UK, USA, and Germany until the early 1970's, after that point GPI levelled off or declined, while GDP kept growing. If the GPI is a better indicator of what is really happening, this tells us that, although the

economy was growing, things were actually getting worse. Comparisons between the GPI and GDP tell us that, after a certain point in the development of any economy, the pursuit of economic growth causes at least as many problems as it purports to solve. *In economically developed countries, promoting more growth in the hope that it will enable us to solve our problems is the equivalent of using petrol to try to put out a fire.*

Of course, it is true that when people do not have their basic needs met, there is clearly a case to be made for growth. Economic development is undoubtedly required in those parts of the world where there is inadequate water, food, shelter, and health-care and education. However, once these basic needs are met, the desirability of more growth becomes increasingly questionable, especially when it is associated with a form of “development” that usually means disrupting the sustainable patterns of centuries. We make the mistake of thinking that because some people have less money or material wealth, they are worse off. *Happiness is not necessarily synonymous with having more.*

After a certain stage has been reached, economic growth is rarely synonymous with human development. On the contrary, it is closely associated with the many social problems of our times, and with pressures to work longer and harder and to spend more. This begs the question: will this process - of having to work harder, and having to become more competitive - ever stop, or will it go on until the end of time as we keep trying to overtake each other in order to get ahead? That is a dismal prospect. Is it not time to make well-being and genuine human development the central purpose of society? And is it not time to acknowledge that these desirable goals may be in fundamental conflict with economic growth?

Truly Sustainable Human Development

There are some chinks of light. The mood is changing - away from economic growth as such. The Holy Grail of many governments these days is “to promote economically, environmentally and socially sustainable development”. In practice, however, society and the environment are still considered to be secondary to the economy. That said, many businesses are trying to tread the fine line between being, on the one hand, profitable and competitive and, on the other hand, socially and environmentally responsible. Businesses know that they need the good society. They

need happy, healthy, educated, energetic, creative people, and an attractive natural and built environment. The challenge remains: how to have this and to pursue competitiveness and a fair profit at the same time?

Perhaps a better question is this: can we evolve and practise a form of socio-economic development that *automatically* enhances wellbeing, social justice, and the environment? Now, this really would be a Holy Grail! Can we, in other words, move away from a world based on the exploitation of people and resources to a world based on cooperation and the wise development of people and the planet? The answer has to be yes. If it is not, then we are in serious trouble. If we carry on pursuing material growth and the belief that more money is the answer to our problems, while treating the other two points of the triangle - people and the environment - as secondary, things will only get worse. Yet we are unlikely to change while we continue to subscribe to the belief that more is better. So long as economic growth remains the central purpose, we will continue to have to use specifically targeted policies to try to counteract the negative fallout of our obsession with material things and money. Meanwhile, the contrast between the excited expectations generated by the “knowledge economy” and the deterioration of the earth’s ecosystem could not be greater.

Just to be clear, sustainable development does not mean “economic growth as usual, while keeping a weather eye on the environment”, which is how the term is often interpreted. Sustainable development is as much about the sustainability of society and as it is about the sustainability of the economy and the environment. After all, without a society there can be no economy, and without an environment there can be no society. Increasingly, people are asking: are we living to work or working to live? Does society exist to serve the economy or does the economy exist to serve society? Lying behind these questions is an even more fundamental question: what is it that we really want?

We are unlikely to get to the point of knowing what we really want unless we make this possible for ourselves. This would mean giving ourselves the space and time to think and feel more deeply about what we are doing and why we are doing it. At present, much of our thinking is carried out in knee-jerk reactive mode, and many of our actions reflect this. *There is an urgent need for deeper, reflective thinking.*

Let us assume that we were able, as individuals and as communities, to work out what we really want. We would then need to find ways of getting there, and we would also need to design much better indicators to tell us whether or not we are on track. In my view, we will get there only if the means are the same as the ends. Paul Ekins expressed this beautifully in his book *“Wealth Beyond Measure”*:

“Many enlightened capitalists, and socialists who connive with them for the sake of economic growth, believe that solving the problems of production will lead people, once they have enough, to turn towards the higher things of life: beauty, spirit, art, love. They are wrong. Making the market the principal instrument of human development has transformed it - in the form of shopping - into society’s principal cultural expression. It is no use changing the goals from economic growth to basic needs or sustainability, for example, if the means, the economics, remains the same. It is the means that determine where we end up. The challenge is not only to decide on another destination...but also to design an economics, and a development process to go with it, that is as sustainable, participatory, equitable and satisfying as the end that is in view.”

People are confused. On the one hand, they are being asked to work harder, to be more flexible, and to be more enterprising and competitive, so that they can stay ahead of each other, other companies and other countries. They are caught up in what seems to be an endless race for competitive advantage, yet they instinctively feel that they cannot continue this way. At the same time, they are being asked to do their small bit to help promote social justice and environmental sustainability. It feels very much as if they are being asked to go faster and slower simultaneously!

Anyone who understands how systems work knows how important a system’s central purpose is. It literally determines what the system looks like and how it functions. If the world’s central purpose really is economic growth, then all other purposes, such as justice, equality, ecology, health and happiness, will always take second place and they will be deeply influenced by the economic growth imperative, because the values of the system will always reflect the central purpose. It is no accident that we live in an age of rampant materialism. It is interesting to reflect that one of the fastest growing industries in the USA is the self-storage industry. This is where

many Americans store goods that they cannot keep in their house or garage, because they have no more space. The industry reports that many of the owners of these additional goods never see them again, once they have been put into storage. This suggests that, for many people in the modern world, the act of buying things is just as important, if not more so, as using them.

We urgently need a new central purpose. My own personal preference is that our new central purpose be the spiritual development of the human being, this planet and everything in it and on it. I freely admit that, when I look around me at a world that seems to be getting madder by the day, such a purpose feels impossible. Yet, I wonder how long we can continue spiralling downwards, ever deeper into materialism. We keep getting wake-up calls – crises, natural disasters, man-made disasters etc. – and each time we wake up for a few days or weeks. But we soon go back to sleep again and get back on the materialist merry-go-round. How loud and painful will the wake-calls have to be before we really do wake up and take notice?

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