Re-thinking growth

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Outline

1. The economy: a sub-system of the biosphere
2. Transgressing planetary boundaries
3. Technology: helpful but not sufficient
4. Scale matters
5. Extreme global inequalities: rich countries should go first
6. Managing without growth in Canada
1. The economy: a sub-system of the biosphere
2. Excessive Burden on the Environment: Transgressing Planetary Boundaries
3. Technology: helpful but not sufficient
Rebound effects - consumers

[Diagram showing a car and a gas pump with "Less energy" in between]
4. Must address scale as well as intensity
Energy consumption - same story
5. Extreme global inequalities: rich countries should go first
5. Managing without growth

Can we have full employment, no poverty, fiscal balance, reduced GHG emissions without relying on economic growth?
You bet!

LowGrow
Canada
What makes an economy grow?

• Macro demand (what we spend money on):
  – Consumption
  – Investment
  – Government
  – Trade

• Macro supply (what we can produce):
  – Labour
  – Capital
  – Productivity
‘Business as usual’
What happens if we eliminate increases in all sources of economic growth? (starting in 2010 over 10 years)

• Consumption
• Investment
• Government
  • Trade
• Population/labour
• Productivity
A no growth disaster
Larry Elliot (economics editor)
The Guardian Weekly 29th August 2008

‘The real issue is whether it is possible to challenge the “growth-at-any-cost model” and come up with an alternative that is environmentally benign, economically robust and politically feasible.’
A better low/no growth scenario

How?
- Macro demand and supply stabilized (stable population and labour force)
- Carbon price
- Shorter work year
- More generous anti-poverty programs
‘It may not be possible to increase the production, especially of goods, beyond limit, because of the environmental damage that this would entail…

As society progresses, it is not unreasonable to expect people to enjoy some of the fruit of that progress in the form of leisure.’
Changes

- New meanings and measures of success
- Limits on materials, energy, wastes and land use
- More meaningful prices
- More durable, repairable products
- Fewer status goods
- More informative advertising
- Better screening of technology
- More efficient capital stock
- More local, less global
- Reduced inequality
- Less work, more leisure
- Education for life not just work
Can we adapt?
Thank you