



# Beyond the Growth Paradigm: Creating a Unified Progressive Politics

## THE U.S. POLITICAL ECONOMY IS FAILING ACROSS A BROAD FRONT

– environmental, social, economical, and political. Deep, systemic change is needed to transition to a new economy, one where the acknowledged priority is to sustain human and natural communities. Policies are available to effect this transformation and to temper economic growth and consumerism while simultaneously improving social well-being and quality of life, but a new politics involving a coalescence of progressive communities is needed to realize these policies. Yet, on the key issue of economic growth, differing positions among American liberals and environmentalists loom, a major barrier to progressive fusion. This Perspective proposes a starting point for forging a common platform and agenda around which both liberals and environmentalists can rally.

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## An Overarching Challenge

While progressives in the U.S. and its congress generally support both liberalism and environmentalism, separate organizations advocate one of the two causes and typically go their own separate ways.<sup>1</sup> In order to make headway on issues basic to a Great Transition, however, there must be a fusion of progressive causes; we must forge a common agenda and build a unified force on the ground. Why is this critical?

Consider a world in which environmentalists continue to lose on big issues such as climate change. Many observers see current trends leading to catastrophe, with environmental crises as major ingredients in a devil's brew that includes such stresses as population pressure and energy supply problems; global income disparities and economic and political instabilities; terrorism, failed states, and nuclear proliferation. A world where environmentalists fail is one of food and water shortages; sea level rise; increasing heat waves, fires, floods, storms, droughts; deforestation, desertification, and biotic impoverishment; pollution and toxification; energy shortages; plus unpleasant surprises. The poor and powerless, even the average citizen, are unlikely to fare well in such a world.

In scenarios of the future, a continuation of “business as usual” can lead to a “fortress world” response to crisis, where the affluent live in protected enclaves in rich nations and in strongholds in poor nations.<sup>2</sup> In the police state outside the fortress, the majority is mired in poverty and denied basic freedoms. Military and intelligence experts also have warned that climate disruption could lead to humanitarian emergencies, refugees, and rampant conflict.<sup>3</sup> At a minimum one can conclude that unfolding trends threaten the liberal program. Historically, times of great stress, loss and instability lead societies to illiberal responses. Liberals must appreciate how serious environmental threats are, and that they threaten political and social systems, not just ecological ones. We all need to recognize that environmental threats are too serious to leave to environmentalists.

## Questioning Growth

Another line of inquiry also points to the need for the greening of liberalism: what is required for environmental success? The basic conflict between environmental thinking and the current liberal agenda centers on economic growth, of which American liberals tend to be strong advocates.<sup>4</sup> Indeed, because of the unquestioning way growth is viewed in American politics, those fighting current battles in Washington have little choice in the matter.

Still, an increasing number of thinkers are urging another perspective, which reveals a world where growth has brought us to a perilous environmental state; where growth is proceeding with wildly wrong market signals and without needed constraints; and where politics has failed to correct the economy's obliviousness to environmental needs. An expanding literature challenges the viability and desirability of endless growth in rich countries, where material wealth adds little to human well-being, and stresses the resilience of our finite planet. Tim Jackson writes: “The modern economy is structurally reliant on economic growth. . . . Questioning growth is deemed to be the act of lunatics, idealists and revolutionaries. But question it we must. The idea of a non-growing economy may be an anathema to an economist. But the idea of a continually growing economy is an anathema to an ecologist.”<sup>5</sup> Economists talk of “decoupling” economic growth from material throughputs and environmental impacts, but the staggering pace and scope required to de-materialize a rapidly growing economy is not in the offing. Indeed, we have no choice but to question growth.

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Among the myriad threats growth imposes on biodiversity and resources, the existential issue posed by climate disruption is particularly worrying. Many analysts have concluded that reducing greenhouse gas emissions at required rates is likely impossible in the context of even moderate economic growth. To reduce U.S. carbon emissions by 80% between now and 2050, the carbon intensity of production must decline by 7% every year, if the U.S. economy grows at 3% a year. That entails wringing carbon out of the economy at a phenomenal rate.<sup>6</sup> If the United States were to do the right thing – reduce emissions by 90 percent in 35 years – the rate of carbon intensity reduction would have to be 9.5 percent. Clearly, a tradeoff between prioritizing growth and prioritizing climate protection is emerging.

Yet, we can solve this puzzle. A recent model of the Canadian economy shows “it is possible to develop scenarios over a 30 year time horizon for Canada in which full employment prevails, poverty is essentially eliminated, people enjoy more leisure, greenhouse gas emissions are drastically reduced, and the level of government indebtedness declines, all in the context of low and ultimately no economic growth.”<sup>7</sup>

Building the political support for the systemic changes America needs requires, first of all, a political alliance among progressives, and that fusion should start with a unified agenda. Given the current split on the growth issue, one must ask: is it possible to successfully craft a common platform among American environmentalists and liberals? Nothing ventured, nothing gained, and so let me now offer a first draft of such a platform, concentrating almost exclusively on domestic, not foreign, affairs.

### **A Platform for Progressives**

Today’s political economy is failing in many spheres of national life. The economic crisis of the Great Recession has stripped tens of millions of middle class Americans of their jobs, homes, and retirement assets. A social crisis of extreme and growing inequality has been unraveling America’s social fabric for several decades. Social mobility has declined, the middle class is disappearing, schools are failing, prison populations are swelling, employment security is a thing of the past, all while American workers put in more hours than workers in other high income countries. An environmental crisis, driven by a ruthless drive to grow profits and expand the economy regardless of the costs, is disrupting Earth’s climate and impoverishing its biota. And a political crisis has led to governmental paralysis and a democracy that is weak, shallow and corrupted by the consuming pursuit of money and the influence of powerful lobbies.

Why is today’s system of political economy failing so broadly? Key is the insight that major features of the system work together to produce a highly destructive reality: an unquestioning commitment to economic growth at any cost; powerful corporate interests whose overriding objective is to grow by generating profit; markets that fail to recognize “externalized” social and environmental costs unless corrected by a government itself beholden to corporate interests; and rampant consumerism spurred by sophisticated advertising. All combine to deliver an ever-growing economy insensitive to the needs of people, place and planet.

For the most part, liberal-progressives and environmentalists have worked within the prevailing system of political economy, but the big environmental and social challenges will not yield to this problem-solving incrementalism. Having gone down the path of incremental reform for decades, we progressives have learned that it is not enough. We need to reinvent, not merely reform, the economy. Because the roots of our problems are systemic, they require transformational change – the shift to a new, sustaining economy based on new economic thinking and enacted by a new politics. Sustaining people, communities and nature must become the core

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goals of economic activity, not hoped for by-products of market success, growth for its own sake, and modest regulation. That is the paradigm shift we seek.

The reigning policy orientation holds that the path to greater well-being is to expand the economy. Productivity, profits, the stock market, and consumption must all go up. This growth imperative trumps all else, though it undermines families, jobs, communities, the environment, a sense of place and continuity. Economic growth may be the world’s secular religion, but for much of the world it is a god that is failing – underperforming for billions of the world’s people and, for those in affluent societies, now creating more problems than it is solving.

It is time for America to move to a post-growth society where working life, the natural environment, our communities and families, and the public sector are no longer sacrificed for the sake of GDP growth; where the illusory promises of ever-more growth no longer provide an excuse for neglecting to deal generously with our country’s compelling social needs; and where true citizen democracy is no longer held hostage to the growth imperative. The claimed necessity for growth puts American politics in a straightjacket, giving the real power to those who have the finance and technology to deliver growth.

Of course, even in a post-growth America, many things do need to grow: jobs and the incomes of poor and working Americans; availability of good health care efficiently delivered; education, research and training; security against the risks of illness, job loss, old age and disability; investment in public infrastructure and environmental protection and amenity; the deployment of climate-friendly and other green technologies; restoration of both ecosystems and local communities; non-military government spending at the expense of military; and international assistance for sustainable, people-centered development for the half of humanity in poverty. In all these areas public policy needs to ensure that growth occurs.

Jobs and meaningful work top this list because they are paramount. We must insist that government take responsibility to ensure work for those seeking it. The surest, most cost-effective way to that end is direct government spending, investments and incentives targeted at creating jobs of high social benefit. Creating new jobs in areas of democratically determined priority is not only better but also more effective than trying to create jobs by pump priming aggregate economic growth.

Of concomitant importance for the new economy are government policies to slow GDP growth, sparing the environment, while improving social and environmental well-being. Such policies exist: shorter workweeks and longer vacations, with more time for children and families; greater labor protections, job security and benefits, including generous parental leaves; guarantees to part-time workers and combining unemployment insurance with part-time work during recessions; restrictions on advertising; a new design for the twenty-first-century corporation that embraces rechartering, new ownership patterns, and stakeholder primacy rather than shareholder primacy; incentives for local and locally-owned production and consumption; social and environmental provisions in trade agreements; environmental, health and consumer protection that include full incorporation of environmental and social costs in prices through, for example, mandated caps or taxes on emissions and extractions; greater economic and social equality, with progressive taxation of the rich and greater income support for the poor; spending on neglected public services; and initiatives to address population growth at home and abroad. Taken together, such policies would slow GDP growth, yet quality of life would improve. In this policy mix, the importance of work time reduction must be stressed.<sup>8</sup> For example, if productivity gains are taken as shorter work weeks, personal incomes and overall economic growth can stabilize as well-being increases.

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Beyond policy change, another path to a sustainable, just future is to support innovative models. A remarkable phenomenon in the United States today is the proliferation of innovative models of “local living” economies and for-benefit businesses which prioritize community and environment over profit and growth. State and federal programs can support community development and finance corporations, local banks, community land trusts, employee and consumer ownership, local currencies and time dollars, municipal enterprise, and non-profits in business.<sup>9</sup>

Parallel to these changes, national values must evolve so we can move beyond our runaway consumerism and hyperventilating lifestyles. The environmental and social costs of American affluence, extravagance, and wastefulness keep mounting. The good news is that people sense a great misdirection of life’s energy. We know we’re slighting the things that truly make life worthwhile. In one survey, 81% say America is too focused on shopping and spending; 88% say American society is too materialistic. Indeed, psychological studies show that materialism undermines happiness. More income and possessions do not lead to lasting gains in well-being or satisfaction. What does make us happy? Warm personal relationships, and giving rather than getting.

### **Toward a New Politics**

Everything said thus far about the transformation of today’s economy underscores the need for strong and effective government action. Thus, the drive for transformative change leads to the political arena, where a vital democracy steered by an informed and engaged citizenry is fundamental. Yet, for Americans, to state the matter this way suggests the enormity of the challenge. The ascendancy of market fundamentalism, anti-regulation, and anti-government ideology has been disturbing, but even if these extreme ideas declined, the deeper, longer-term deficiencies would remain. Just as we need a new economy, we need a new politics to get there.

Building the strength needed for change requires, foremost, political fusion among progressives. A unified agenda would embrace an interlocking commitment to both social justice and environmental protection; a challenge to consumerism and commercialism and the lifestyles they offer; a skepticism of growth-mania and a democratic redefinition of what society should be striving to grow; a challenge to corporate dominance and a redefinition of the corporation and its goals; and a commitment to an array of pro-democracy reforms such as campaign finance and regulation of lobbying. A common agenda would also include an ambitious set of new national indicators reflecting the true quality of life in America. GDP is a terrible measure of national well-being and progress. We tend to get what we measure, so we should measure what we want.

How likely are environmentalists, liberals, and other progressive constituencies to unite around this proposed common agenda? Everyone might agree that some of it is ahead of its time, certainly in terms of U.S. politics today. Yet if some of the ideas seem politically impracticable today, just wait until tomorrow. Soon it will be clear to many more people that business-as-usual is the utopian fantasy, while creating something very new and different is the practical, pragmatic way forward.

Liberal and environmental thinkers can begin a dialogue focused on the issue of growth and on the goal of progressive fusion. That approach supports the goals liberals see growth as supporting, notably job creation, while still accepting the underlying reality, namely that GDP growth in America today is not delivering on its intended purpose – better human lives – and

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is, meanwhile, at the root of environmental losses and the emerging climate crisis. Our growth fetish will not be missed after it is outgrown.

In summary, then, let us imagine the following: a decline in legitimacy as the system fails to deliver social and environmental well-being, a mounting sense of crisis and loss, a new American narrative or story, the appearance around the country of new and appropriate models, and a powerful set of alternate ideas and policy proposals showing a viable path to a better world. If these factors are joined, prospects for change brighten, advanced by a powerful, inclusive social movement.

All progressive causes now face the same dark reality in a political economy that cares profoundly about profits and growth, and about society and the natural world only to the extent it is required to do so. Thus, citizens must inject values of justice, fairness and sustainability into the system, and government is the primary vehicle for accomplishing this end. With government more and more the pawn of corporations, the best hope for change lies in a fusion of those concerned about environment, social justice, and true democracy into a powerful progressive force. We are all communities of one shared fate. We will rise or fall together, so we had better get together.

### Endnotes

1 This Perspective focuses on politics in the United States, a major international player for good or ill in the planet's destiny. Clearly, addressing climate change requires an inclusive international approach, and deemphasizing economic growth will need international cooperation, as well. But the United States is well behind much of the industrialized world on both issues, and it's important to try to find a way to move the country forward on these fronts.

2 P. Raskin et al. **Great Transition: The Promise and Lure of the Times Ahead**. Boston, MA: Tellus Institute, 2002 ([http://www.gtinitiative.org/documents/Great\\_Transitions.pdf](http://www.gtinitiative.org/documents/Great_Transitions.pdf)).

3 G. Dyer. **Climate Wars: The Fight for Survival as the World Overheats**. Canada: Random House, 2010; M. Klare, **Rising Powers, Shrinking Planet**. New York: Holt, 2008.

4 For a recent articulation of this viewpoint, see R. Reich. **Aftershock: The Next Economy and America's Future**. New York: Random House, 2010.

5 **Prosperity Without Growth: Economics for a Finite Planet**. London: Earthscan, 2009.

6 J. G. Speth. **The Bridge at the Edge of the World: Capitalism, the Environment, and Crossing from Crisis to Sustainability**. New Haven: Yale University Press, 2008.

7 P. Victor. **Managing Without Growth: Slower by Design, Not Disaster**. Northampton, MA: Edward Elgar, 2008.

8 J. Schor. **Plenitude: The New Economics of True Wealth**. New York: Penguin, 2010.

9 A good example is the community-owned Evergreen Cooperative. Gar Alperovitz and his colleagues underscore the policy opportunities in **Making a Place for Community**. New York: Routledge, 2003.

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*This Perspective was prepared by James Gustave (“Gus”) Speth, drawing from his 2010 E.F. Schumacher Lecture. In the course of a distinguished career, Speth was co-founder of the Natural Resources Defense Council, Chairman of the U.S. Council on Environmental Quality, founding director of the World Resources Institute, Administrator of the United Nations Development Programme, and Dean of the Yale School of Forestry & Environmental Studies. Currently, he holds a professorship at the Vermont Law School. His latest book is *The Bridge at the Edge of the World*.*

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