

Growth in this article

[Education](#), [Sustainability](#)



I am going to analyse the problem of economic growth in this article. As we are all aware, in the world we live in, there is this huge question everyone is trying to answer: "Is economic growth desirable - and most importantly - sustainable?" There are roughly two sides on this subject. Green-leftists, who are not supporters of the economic growth; and liberals who argue that prosperity will occur when economic growth exists. I want to go way back, in order to understand when economic growth started.

Figure 1 According to the graph above, it started in the mid 18th century with the Industrial Revolution. It was a result of "mass production", basically.

Producing in mass amounts caused economic growth, this led to globalization, decrease of tariffs, international trade. As some people might argue, globalization is key for countries to have a strong economy.

Globalization means that we can now solve our problems together and be heard by someone all across the world. Globalization has helped several illnesses, as Alex Tabor - a Professor of Economics - puts it, "globalization saves lives".

Figure 2 Figure 3 Figure 4 As we can see from Figure 2, life expectancy in 1800 was 40 in the UK where GDP per capita was around 3500 dollars, and about 27 in Cape Verde where GDP per capita was below 400 dollars. We can see from here that GDP per capita has a positive correlation with life expectancy, as years past, in 2012 as it is shown in Figure 3, same correlation applies. As Figure 4 clearly shows, child mortality has a negative correlation with GDP per capita. With economic growth, came better healthcare, wealth, technology, novelty, but that is just one side of the story.

Economic growth also brought environmental problems. Carbon emissions, pollution, global warming... These are all world wide issues we have to deal with if we keep this track. First of all economics is the science of scarcity, as we can roughly describe it. So we have scarce resources, how do we keep growing? Most importantly, can we sustain this growth? Figure 5 (23. 12. 2013) As Figure 5 shows, we have limited resources, which we are running out of very quickly. This indicates that economic growth is not sustainable.

Alex Tabor disagrees, he claims that incentives are key to ideas, and scarcity will be an incentive or everyone to invest in new energy systems. He believes that humanity has overcome many disasters and with the help of technology we can lower carbon emissions -even invent a machine that can absorb carbon from the atmosphere- and keep growing economically.

Figure 6 Figure 6 indicates that there is a positive correlation between carbon emissions and GDP per capita. Here, I would like to refer to Tim Jackson who is a professor at University of Surrey. I want you to imagine a world, in 2050, of around nine billion people all aspiring to Western incomes, Western lifestyles. And I want to ask the question: How far and how fast would we have to move?... The carbon intensity of economic growth at the moment is around 770 grams. In the world I describe you we have to be at six grams of carbon. It's a 130-fold improvement and that is 10 times further and faster than anything we've achieved in industrial history. " I went further on my research and found some data on something called an " ecological footprint". It shows that we would need 7. Worlds if everyone lived like the average American. This means, people who insist that economic growth will bring wealth and everyone will have western lifestyles, are mistaken. If

everyone on Earth had Western lifestyles, none of us would survive. We have the "developing" countries to thank for that. Even if we had this "blind faith in our cleverness" as Tim Jackson puts it, economic growth did not only bring environmental issues. It has also brought inequality in human society.

Augusta Comet had similar concerns about this issue. He was afraid that inequality would cause dissolution in society.

Druthers called it an "anomie" and he claimed that this anomie led to aimlessness and despair. (He concluded that aimlessness and despair caused an increase in suicides, in the modern society. The rich became richer and the poor became poorer as economies kept growing. The gap between the poor and the rich got wider, inequality caused exploitation, and this caused "class struggles" which we can describe as the keystone in human history according to Karl Marx. I want to show you some data on the wealth distribution in America, one of the wealthiest countries in the world.

Figure 7 Figure 7 shows that the bottom 80% has the 5% of the financial wealth. This indicates a great inequality, it means our economies keep growing but the only people who are getting richer are already rich. Liberals, as I mentioned before, support economic growth which leads to a rise in the GDP per capita. They argue that GDP is the keystone to check, in a prosperous society. This statement is true at some cases, but not always as it is shown in Figure 7. In a world where 1% of the population owns 40% of the planet's wealth, it is crucial to talk about equality.

Economics is considered as "the science of scarcity" as I already mentioned. We argue that we use this science to fulfill the infinite needs of human

beings. Here is where I disagree; I don't think a human beings needs are infinite. Tim Jackson defines this as " conspicuous institution". He says: " This is a story about us, people, being persuaded to spend money we don't have, on things we don't need, to create impressions that won't last, on people we don't care about. " I believe with the resources of our planet; we can create a more egalitarian and prosper society.

Our aim must be to stop the exploitation/domination of the strong one over the weak ones. I want to go back to the environmental issues now. They can never be ignored because environment is what we need to survive, if we damage it somehow, there is no turning back. So I believe environment should be our first priority. In a growing world, all states/ governments have to narrow down their economies, and start investing in alternative energy systems. I believe human beings are adaptable and they can always figure out a way to survive.

So I'm not suggesting to shut down all economies and stop global trade etc. I am suggesting to slow down the growth, because if we keep up this track, the destruction of our planet will be inevitable. Then there are Moos: Huge companies without nationalities. The only thing they care about is to make profit according to economics. A rational company/individual maximizes its profits and minimizes its costs. This statement is, sadly, true in most cases. If we are these " self maximizing individuals" as Adam Smith defines us, I believe governments have to step up here and create an international committee.

This committee should regulate these companies' investments, expenditures etc. It should enforce laws in order to make sure that these companies show an effort to protect the environment and invest in alternative energy systems and not use nonrenewable energy sources. I have stated a few keystones that I believe are relevant to the subject. These keystones were; environmental issues, equality in terms of wealth distribution, reverting exploitation, investing in alternative resources and small regulations in the economy.