

BOOK REVIEW BY HARFIYAH HALEEM

PROSPERITY WITHOUT GROWTH: ECONOMICS FOR A FINITE PLANET
by Tim Jackson, Earthscan UK and USA 2009, 264 pp. ISBN 978-1-84407-894-3.

Professor Tim Jackson is Economics Commissioner on the Sustainable Development Commission, which advises the UK government. His book has attracted many plaudits from important establishment figures like Professor Lord Anthony Giddens, London School of Economics, Dr Robert Goodland, former advisor to the World Bank, from his erstwhile boss, Jonathon Porritt, and from several other professors, authors of books on sustainability and the environment, business leaders and one MP - Clare Short. Dr Goodland tells us that Jackson's book 'leads the burgeoning de-growth movement' along with others. SOME people are listening to the arguments propounded by this movement, though perhaps not the people who count. So what is he saying about growth?

The book does not contain a succinct definition of growth, so we are left to deduce what it means from the arguments. Mostly it seems to mean growth in profits fuelled by growth in consumption. Governments aim to increase growth, in order to finance their programmes from increased taxes. Economic growth produces booms, and when the boom balloon explodes, growth turns to recession. Nowhere does the book mention any underlying cause for the perceived need to grow the economy all the time. The closest it gets is on page 88-101 where it describes 'the profit motive' plus the 'complex social logic' of consumption as the driving forces of consumption. The social logic is driven by inequality, competition and 'anxiety', which in turn are produced by the growth imperative to stimulate demand: 'Nature and structure combine together here to lock us firmly into the iron cage of consumerism' (p.102).

In the first six chapters Jackson analyses the myths of growth, why it does not in fact produce more prosperity, equality, efficiency, happiness, 'flourishing' etc, using statistics, graphs and tables from respectable research sources. This could have been turgid, but he manages to maintain the flow of the argument lucidly. The only place he lost me was in the mathematical equations that are used to explain economic phenomena and thankfully these were limited to a few pages in two places. Overall the arguments look well supported, well rehearsed and convincing: there is no way to continue the policy of growth within ecological limits.

The rest of the book is given over to suggestions of better ways to organize society; things that can be done to shift the balance away from growth and towards stability. One of the main plans is the Keynesian 'Green New Deal', favoured by US President Barak Obama, to which the whole of Chapter 7 is devoted. Where Keynes favoured public borrowing to finance public works, Jackson suggests other alternatives in an already indebted situation, such as governments issuing 'green bonds' to attract savers, imposing green taxes, and buying equity in green assets to retrieve some of the money spent. A

table lists the billions of dollars nations worldwide are putting into economic stimulus plans, and the proportions of each devoted to green funds. Surprising variations emerge, with South Korea using 80% of its stimulus funds for green projects, and the EU overall 58% , whereas individual EU states are more stingy, the most generous being Germany at 13.8%. China's \$221.3 bn over only one year dwarfs the contribution of all the American countries at only \$114.9 bn, with the US contribution spread over 10 years - and the Chinese figure is only 37.8% of its total stimulus package. These figures represent real efforts by many nations to green the global economy and should provide us with hope for the future of the planet.

On p.185, Prof. Jackson declares 'Above all there is an urgent need to develop a resilient and sustainable macro-economy that is no longer predicated on relentless consumption growth.' In Chapter 8 on Ecological Macro-Economics (p. 128) he quotes Robert Ayres on possible new 'engines of growth' ... 'based on non-polluting energy sources and selling non-material services, not polluting products'. He describes the 'Cinderella economy' (p.131) of unpaid or poorly-paid carers and other such workers which does not enter into calculations of the GNP, and the folly of a macroeconomic model that emphasizes labour productivity, resulting in mass unemployment when orders fall. In the new macro-economy, these anomalies would be taken into consideration, work more fairly shared out, caring services valued and paid properly - all good socialist ideals that have long fallen into disuse in the years since Mrs Thatcher.

Nonetheless growth as a concept and an economic phenomenon will take some exterminating. Although it's on the wane in the West due to excessive debt, and even in some Arab countries that have overdone their borrowing and so had to slow down, in other countries growth is still steaming (and smoking) ahead. Nations that produce more than they consume have no need to borrow money, yet paradoxically they have the ability to borrow more than others. Perhaps it's now the turn of the West to feel the pain of overwhelming debt and interest payments, like the ones that crippled the Asian Tigers and Argentina a few years ago. But whoever feels the pain, the imperative of interest payments is bound to drive new efforts at 'growth' in order to pay the ever-growing debts that accrue with interest. This is surely what drives modern capitalist growth and, until bankers can agree worldwide to abolish interest, 'growth' (a good translation of *riba*), will remain a source of inequality, anxiety, tension, wars, and a drain on the ever-depleting resources of the finite planet. This book does not even hint that this important factor might underlie the pernicious concept of 'growth'.