When the Unspeakable Is No Longer Taboo: Growth Without Economic Growth

Protracted and painful economic consequences of the COVID-19 pandemic are still unfolding. They are occurring alongside a crisis of trust in European institutions, the symptoms of which include the United Kingdom’s exit from the European Union, as well as the spread of divisive, EU-sceptical, and antidemocratic politics in several other EU nations.

These developments are taking place on top of wealth disparities exacerbated by the financial crisis of 2008. At the same time, economic growth and affluence, combined with a growing global population, continue to create ever-higher environmental pressures, including climate change, pollution, and an accelerating loss of biodiversity.

This amalgam of difficulties challenges the fundamental goal of modern capitalist democracies: continued economic growth. Brexit and Euroscepticism reveal that the promise of economic growth is increasingly less credible as a cure for political discontent. And the idea that economic growth can be decoupled from resource consumption and pollution in a new era of “green growth” remains elusive, despite its political appeal.

This report calls for “A new conception of economic progress—a deeper understanding of the relationship between growth, human well-being, a reduction in inequalities, and environmental sustainability, which can inform economic policymaking and politics.”

Taking advantage of this invitation by a mainstream institution to challenge conventional economic dogma, we argue that the future of growth in Europe could benefit from a shift in focus: from an increase in quantity to an increase in quality.

If growth and progress can be noneconomic and nonmaterial, a world of opportunities emerges. Quantitative growth beyond a certain point may be unnecessary to human well-being and harmful to the planet. A well-nourished humanity does not need, for example, to consume ever more food to be happy and healthy.

On an individual level, the ideal of Homo economicus—the ever-rational, self-interested independent entity—has been widely rejected as a gross distortion of how humans think and act. But the abstraction still underlies how many economists and policymakers define and pursue growth. In reality, people from all socioeconomic backgrounds pursue types of growth that go beyond the material. They devote time to learning and culture, seek access to
a rewarding job, cultivate meaningful relationships with nature, friends, and family, and discover spiritual dimensions of life.

Growth in quality could be achieved by rediscovering the European humanist tradition, focusing on quality of life beyond material aspects. Across Europe starting in the sixteenth century, the Age of Enlightenment embraced the importance of values such as tolerance, fraternity, equality, and freedom. Italy has historically been the cradle of cooperative movements. The Netherlands can be associated with values such as multiculturalism and tolerance. Many similar values can be found across countries and societies in Europe and beyond.

We do not suggest that these values are exclusive to Europe or that they originated in Europe. Nor do we mean to romanticize Europe’s past or present. Tolerance within Europe has often meant colonialism abroad, and it emerged as an attempt to correct the historical persecution of ethnic and religious minorities. But today the European Union is one of the most sought-after places to live in the world. We argue that it could continue to be a global beacon without maintaining its current, and seemingly endless, striving for economic growth. Europe may now be ready to focus on noneconomic growth.

Exchanging a single metric of economic growth, such as gross domestic product (GDP), for multidimensional qualitative improvements poses many challenges. One is that progress in this latter sense is hard to measure and accurately monitor. Economic growth allows for targets to be set and reinforces a governance culture of accountability in which a government can “demonstrate” progress. Growth in quality rather than quantity challenges the logic of measuring and monitoring growth, of creating projections and predictions of GDP growth, and renders obsolete the governance apparatus based on quantitative target-setting and progress-monitoring.

What we are suggesting, therefore, is not simply a new idea of growth, but a revolution of the institutions that support the old idea of growth. What happens to accountability if progress cannot be quantified? What happens to experts and the idea of “science speaking truth to power” if growth comes to include personal experience, a sense of locality, and tacit forms of knowledge?

Acknowledgment of the potential for noneconomic growth implies a rethinking of not only growth itself, but of the ways in which we observe, classify, assess, manage, and pursue societal development.

Our own learning process has led us to realize that there is space for proposals that do not promise to make current patterns of production and consumption sustainable within a paradigm of continued growth, but look toward more radical transformations. For example, we have been critical of sustainability strategies such as decoupling (in which economic growth is unlinked from resource use and environmental damage) and the circular economy (which aims to use resources more efficiently and reduce waste). Both of these concepts are at the core of the European Green Deal, the EU’s 2019 to 2024 growth strategy. We are not critical of these ideas because they are bad, but because their applicability is limited. They are not enough to bring about changes on the scale needed to move toward true environmental sustainability while ensuring growth in quality of life.

Our critique is of the assumption that economic growth itself must lie at the core of the EU’s view of its future. The challenge, though, is that new ideas find traction if they fit their institutional setting. What we are seeing is that ideas become appealing when they can be viewed by decisionmakers and citizens alike as “actionable knowledge.” Promoting alternatives to economic growth requires not only the idea itself but also the institutional work of rethinking governance.

In developing and discussing the idea, we have discovered that the prospect of jettisoning the imperative of economic growth is appealing to some European publics and institutions, such as the European Environmental Bureau, a network of over 160 civil society organizations. Our idea has provided the opportunity to discuss alternative perspectives about growth with representatives of the European Commission and the European Parliament that were unspeakable just a few years ago.

What we suggest is not to substitute GDP growth targets with some sort of “happiness” or “utility” objective. We think change needs to go deeper and include the
very role of government: from governing by setting (quantitative) growth targets to the government as guarantor of the quality of the process of establishing paths to well-being outside economic growth. Finding bold but realistic alternatives to economic growth requires a process that engages with a plurality of existing as well as fresh perspectives. We must also acknowledge that new actors will participate even if not invited.

The task of finding alternatives is very different from that of formulating the solution to a problem. The latter closes the decisionmaking process, while the former requires opening up and accepting that problems might be debated without necessarily being solved. An inevitable part of opening dialogue is a diversity of opinions, values disputes, and possibly even conflict. What is needed in this process is not an expert who may identify the best alternative or a facilitator committed to creating consensus, but a mediator committed to maintaining dialogue even if—especially if—the process is uncomfortable.

Climate change, the crash of 2008, Brexit, and COVID-19 have all contributed to an emerging awareness of the limits of the prediction-and-control model of governance, which is based on technocratic expertise and appeals (often contradictory) to evidence. We see an increased interest in adaptive governance. Although the concept of adaptive governance has gained popularity and entered into the European institutional discourse, it remains an elusive concept in practical terms.

Adaptation is invoked when the future cannot be predicted, controlled, or anticipated. It is also used to promote more open-ended forms of governance through experimentation. Adaptive governance acknowledges the possibility of policy failure and the need to learn from errors. The innovative aspect of adaptive governance is its cyclical approach, in which policies and decisions are not made once and for all, but are understood as subject to revision. What matters is not necessarily the ability of the government to deliver, but its ability to change its course of action when needed with the consent of the people. Rather than holding the government accountable to delivering 2% annual growth, we might explore how best to ensure that processes are more democratic and less technocratic.

More than anything, we should respect everybody’s need to find hope within economic, ecological, cultural, and political changes. Values are at the core of that challenge. If hope is locked into the frame of materialist values, the prospect of limits to economic growth is unbearable. If hope is set free so that other types of growth can be pursued with equal purpose, we may find that creativity, in addition to science, may be a fruitful source of advice to power.

Art, for example, can be a powerful means of imagining alternatives and of engaging in political debates. Art allows people to engage emotionally and cognitively, collapsing the modern divide between subjective expression and objective observation. Hybrid forms of knowledge and action help create the space needed to imagine, experiment, and collaborate. Creativity is needed not only to imagine alternatives to economic growth, but also to create alternative processes that allow for the participation of multiple voices, actors, and ways of knowing and being.

Many of the most valuable experiences in life cannot be monetized or measured. Finding meaning and purpose does not necessitate material riches. This has always been known in civil society, but the obsession with measuring growth seems to have derailed public policy. The contemporary challenge is to translate this insight and the momentum it carries into public deliberation and meaningful change.

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