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Schima Labitsch – Deconstructing growth:
The why, what and how any alternative to growth must consist of

DECONSTRUCTING GROWTH: THE WHY, WHAT, AND HOW ANY ALTERNATIVE TO GROWTH MUST CONSIST OF

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Schima Labitsch is a Fulbright Scholar currently pursuing a Master's degree in international political economy and development at Fordham University in New York. In the past, she interned with the Austrian Economic Chamber in Tehran and the US Mission to International Organizations in Vienna. Schima developed the Austrian branch of the European Youth Parliament (EYP) – the largest youth organization for political education – for many years and was an elected member of the Governing Body of the EYP/Heinz Schwarzkopf Foundation in Berlin. She holds a Bachelor of Arts in political science and a Bachelor of Sciences in economics from the University of Vienna and read international relations at Sciences Po.

The advertisement slogan of the Austrian economic chamber is exemplary of the way we think and motivate growth today: "If the economy is well, we are all well." However, the promotion of economic well-being, or growth, as a driver of personal well-being is a fairly recent concept. In his treatise on the *Economic possibilities of our grandchildren*, John Maynard Keynes affirms that the concept was framed in the aftermath of the first industrial revolution by *the struggle for existence*. Back then, the discourse regarding growth was designed as an answer to the need of guaranteeing the survival of mankind. Keynes was optimistic that the challenges posed by technology and unemployment were of temporary nature and saw growth as a means to an end that would be reached by 2030. I believe Keynes was wrong. The concept of growth has come to achieve ultimate *sine qua non* status within politics and business today – and to some

degree society at large. Whilst alternatives have been raised and criticism not been short, their perception and advocating power is limited to a minority. In fact, Tim Jackson from the British Sustainable Development Commission has gone so far to assert that whilst business acknowledges the logic of alternatives, they are dismissed on political and practical grounds; hence, what is needed is a shift in the debate.

Philosopher Ludwig Wittgenstein believed that the limits of our thinking lie in the limits of the *speakable*, meaning that we need to develop a new *language* in order to discover what we cannot yet think about. Before we assess and discuss alternatives to growth, I believe we need to take a step back and realise the constructivist nature of our current image of growth, namely the importance of ideas, political agency, interests and language in shaping how we talk, act and assess growth. In what follows, I argue

that the foundation for an alternative to economic growth is first and foremost the establishment of a discourse that perceives our current emphasis on growth as a social construct. Put differently, I want to show that the way we portray economic growth is crucial to our understanding of growth and why growth alternatives are so difficult to implement. In doing so, I draw on Michel Foucault's understanding of societal discourse that looks at how certain ideas are portrayed, promoted and acted upon by agents in power. This in turn allows us to make inferences of how growth is embedded in our world. With such understanding, we can create an environment in which alternative policies can emerge.

DIFFERENTIATING THE NECESSITY AND
CONCEPT WITH REGARDS TO CONTEXT:
THE WHY

In Keynes' view, once basic needs are catered to, human kind can commit its time to "non-economic purposes" because it is "deprived of its original purpose". Already the ancient Greeks, Persians and Romans considered work beyond the necessary a mere evil. For a large part of the world, a state of plenitude is now reality and one may argue that economic growth is no longer needed as a means to live happy, healthy and long lives. Keynes himself assumed that economic growth ought to become a relict of the past once goods are produced technologically. Other parts of the world still find themselves in a very real struggle for subsistence, and it is in these countries that the concept of growth may be seen as extremely relevant (but even then economic growth does not equal economic development).

Yet despite these differences, growth is still largely framed as an objective in itself without qualitative underpinning. Even more, it is embedded in a discourse of competition as e.g. media reports analyse the *race* between China's and India's growth rates and wonder who *beats* whom. Whilst we characterise growth implicitly as a harbinger of prosperity, we measure it in mere quantitative terms, celebrate higher rates for their own sake regardless of their quality or context. Recent nobel laureate Angus Deaton showcases this paradox: whilst France's growth rate is much lower than the US's, "all but the top 1% of the French population did better than all but the top 1% of the American population". The very nature of changes in GDP further underline why economic growth needs to be perceived qualitatively: GDP rises in the aftermath of natural or human-made disasters

(e.g. a tsunami or war) or any challenge requiring increased government spending (e.g. the current refugee crisis). Growth rates may be based on unsustainable conditions ranging from e.g. disproportionate and risky indebtedness to the exploitation of ecological resources or human beings.

Hence, it is not growth per se but the quality of economic growth and the *perspective* of which one speaks about growth that determines its working. The mantra that more economic growth is needed at all times defies science. A competent understanding of growth must be based on *why* and not how much. Why does a country want growth? Simply saying that we want growth because a higher GDP is correlated with higher well-being or happiness is besides the point: growth captures the increase in GDP – however, if this increase is based on destruction and debt or captured by a minority, how do we assess its contribution? What kind of growth do we pursue? What do we want to achieve with it – employment, more taxes, or economic might? Can and should these goals be achieved differently? Policymakers, media, academia, and responsible businesses must ask and integrate these fundamental questions permanently in the discussion on growth.

RE-POSITIONING ECONOMIC GROWTH
AS A POLITICAL AGENDA: THE WHAT

Branding economic growth as a proxy and *sine qua non* for prosperity is not simply distorting but also an act of apolitisation. It is distorting because the repercussions and disadvantages of growth are real and growing: environmental degradation, pollution, neglecting work in the *informal economy*, inequality and in light of technological substitution of labor, unemployment.

Second, hiding behind the objective of

growth is easy because it avoids addressing topics and stakeholders that are both difficult and political. Economic policy options to improve socio-economic conditions are hardly ever neutral. However, the constant perpetuation of the ideal of growth may be used as an excuse to pass policies without normative discussion. In order to raise living standards, should a country amend its tax structure to distribute wealth more evenly or opt for an increase in government investment? In both cases, both options come along with radically different side-effects. However, proclaiming growth as a policy goal is far easier than initiating a debate a) about the actual underlying socio-economic bottlenecks and b) whether and how we want to address them and to what end. Essentially, this means tackling a problem at its root rather than merely its symptoms, requiring us to take a political stance on what our society should look like (e.g. more or less egalitarian).

Third, the neutrality of economic growth is an illusion because there is a strong case that Western businesses dominate the discourse and denounce growth alternatives as *too costly for consumer welfare*, leveraging for profit-friendly policies. In the past, such lobbying served to open up developing countries prematurely, initiate redistribution towards the top and weaken political organisation. Foucault emphasises the importance of such power relationships in analysing discourse. It is necessary to see growth as an economic policy generating winners and losers and which is inextricably linked to increased trade, integration between countries and human expansion. In short, growth is a close companion of globalisation, which has seen arguably more public discussion because its adverse effects are embedded in a more tangible and present discourse (e.g. changing nature of labor, production etc.).

Opening the black box of growth must also call for the identification of concrete responsibilities and accountability: with growth goals, either no one or everyone (i.e. the entire government) is blamed if they are not achieved. Governments should include more nuanced policies in their economic agenda (such as literacy rates, poverty, material deprivation, infrastructure, security etc.) that may correlate with growth, but that enable people to identify clearly labeled accountabilities (with each minister).

CREATING MOMENTUM FOR ALTERNATIVES THROUGH LANGUAGE AND CONCEPTS: THE HOW

The arguably more practical part of the quest for growth alternatives focuses mainly on the political economy of wealthy countries ranging from cutting/redistributing work time (e.g. Keynes), measuring growth differently (e.g. by happiness), a post-consumer society focusing on the revival of the Arts, Sciences and relationship-building through a *Plenitude Economy* to substituting growth with the *structuring of collective existence* to achieve the *good life* (as coined by Aristotle) aided by a basic income and reduction in consumption. With regards to poorer countries, it is less about alternatives than about competing theories on how to escape poverty in the first place: theories range from development aid to import substitution industrialisation and increasing-returns to scale activities.

This (incomplete) numeration suggests that it is not necessarily a lack of alternative ideas – these ideas are all well and long known – about which we should worry, but their portrayal and acceptance. I argue that the final crucial element in realising them in practice lies in Foucault's idea of rendering social constructs explicit through language. Wittgenstein holds that the limits of

language can prevent us from going further in our thinking about what can possibly be (or not be) in the world. In arguing that “the limits of [our] language are the limits of [our] world”, his final proposition holds that, “[w]hereof one cannot speak, thereof one must be silent.” Realising that language and concepts are limiting and heavily biased is a first step in opening up a more pluralistic debate.

First, we need to make our language more tangible and qualitative when talking about growth – it is not just a number; it can also be *unsustainable, rigged, biased, irrelevant* etc., words that stakeholders in media, politics and business are encouraged to incorporate on a daily basis. In Foucault's understanding, it is particularly crucial how figures in authority use language towards a subordinate audience. As such, authority has the ability to perpetuate or break with established perceptions of growth. Second, it is absolutely essential to incorporate underlying concepts of growth such as work, performance, value-creation, and consumption permanently in the debate about growth and alternatives. Introducing such familiar but contextually rare vocabulary helps pushing Wittgensteinian boundaries of thought. Third, to speak about growth differently also means measuring growth differently. Measurement informs policy decisions to a major extent. The search for new ways of measuring growth has only just begun, and measurement should always be closest to what society believes growth to be, e.g. prosperity. Politicians and academia bear an equal responsibility in asking how something can and should measure our well-being that “measures everything, [...] except that which makes life worthwhile”.

WHERE DO WE GO FROM HERE

When growth is portrayed as a *conditio sine qua non*, it will turn into a self-fulfilling prophecy because authorities act upon this notion. Any alternative to economic growth must have as its foundation an alternative discourse that starts by asking why, re-politicises growth by asking what socio-economic goals, as well as revisits the power of language and concepts as a means – the how – to give way to growth alternatives. It is absolutely imperative to understand growth as a normative concept, because as we do so we understand it as a *choice*. This in turn is crucial in understanding alternatives also as *choices* and not as idealised images. In doing so, we change the realm of action and establish legitimacy for alternatives which would otherwise not come to fruition.

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