

Enough!

*The challenge of a
post-growth economy*

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Enough!

The challenge of a post-growth economy

Rabbit has invited Winnie the Pooh to lunch. Finally, and only after checking that there really is no more, Pooh tries to leave, but his stomach is so gross after eating all the honey that he gets stuck in the doorway.

Even back then, the debate was underway about why this terrible state of affairs had arisen. Rabbit, an early ecologist (provided you discount his breeding habits) was clear: “Oh, dear. Oh, gracious. Oh. Well, it all comes from eating too much.”

Pooh, a modern consumer, had a different take: “It all comes from not having front doors big enough!”

A.A. Milne doesn't elaborate on the discussion that ensued during the following days of enforced dieting, but one can imagine the solutions proposed – “Rabbit, you should cut a larger doorway. Rabbit, you might need to move to a bigger tree.” I will call these Pooh responses.

But it is Christopher Robin who understands overconsumption and provides the common-sense answer: “Pooh, you will just have to stay there and not eat any more until you lose weight.”

Pooh's responses, which assume an infinite world, are not only alive and well today but dominate any discussion about scarcity of resources. Christopher Robin's small voice for living within the limits of our planet is barely heard.

What I am going to say today has been said many times before. But some things need saying over and over until they are heard. The fundamental message is this: continual growth is not possible; our current way of life is not sustainable; but life can still be good if we plan for a steady-state economy.

In the last few years we have had record heat waves, killing tens of thousands of people in Europe; sustained record summer temperatures in Australia; record floods; record droughts; and record storms of which Katrina and Sandy are the best known only because they occurred in the United States.

Glaciers and polar ice are melting at unprecedented and unpredicted rates. Crude oil prices multiplied by 10 from 1998 to 2008, and we are generally agreed to be past “peak oil”, at least for easily accessed low-cost quality crudes. The price of basic foods doubled and some tripled in 2008. Fresh water has become scarce in more countries. We are losing 150-200 species around the planet every day, despite the efforts of conservationists. The ocean is acidifying, fisheries are seriously depleted and there are 400 dead zones in the ocean, some with dense floating plastic waste many kilometres across.

Humanity uses eight times more material resources than 100 years ago, and this is measured by weight, which is misleading. Modern materials like aluminium and carbon fibre are much lighter than the steel and copper they replace, but are more energy intensive to make and more expensive.

I’m not going to dwell on these or lash you with figures to prove my points. There are dozens of books and hundreds of websites that will document these stark realities; but they are not the real problem. The problem is not climate change, or peak oil, or loss of biodiversity or ecological collapse of the oceans, or food shortages. They are just symptoms of the bigger problem, namely that the Earth is full.

Humanity has outgrown its habitat and there isn't another one to move to.

Since the 1970s we have been consuming more than the planet can provide on an ongoing basis. By now we are far advanced into ecological overshoot. The Global Footprint Institute calculates we are collectively using the annual productivity of 1.3 planets every year. If everyone lived like New Zealanders we would need two to three planets and if we all lived like United States citizens we would need five. These numbers vary as you use different calculators and proxies for resource consumption, but they all show us that exponential growth has put us seriously in ecological debt already.

Growth in our use of energy resources, water, land, forests, fisheries, minerals and the discharge of wastes to the biosphere add up to overall economic growth, the sacred cow no-one dares to challenge. Governments, business and society at large have for nearly 70 years measured our wellbeing and our progress by how much bigger the economy is every year. Growth is the holy grail by which governments stand or fall. Business claims it must grow or die, though it's not at all clear why. People expect their incomes to rise every year in real terms. Young people expect to set out in life with the same accumulation of consumer goods as their parents have when they retire.

These constant increases in food, buildings, roads, bridges, manufactured goods, transport systems and i-pads cannot be achieved without constant increases in the throughput of energy and resources. It doesn't take detailed research or computer models to suggest that sustained increase in the use of energy and resources on a finite planet spells grief. Surprisingly, that is not a new idea, even though most of us try to ignore it. Early economists, including Adam Smith, J.S. Mill and Keynes all foresaw the end of growth as natural and inevitable – presumably after all citizens had enough.

The numbers of global citizens expecting this constantly rising level of consumption has tripled in my lifetime and doubled just since my two children were born.

Before provoking the usual cry that “they” should have fewer kids, I must tell you that consumption per capita has risen far faster than the number of people. Since I was born in 1945 world population has tripled but global economic output has risen 20 times. If this meant that the number of people who don’t have enough for a decent life had markedly reduced, it would be a cause of celebration. However, there are more people in extreme poverty than a lifetime ago and the extremes of wealth have become sickening. Just 2% of all adults in the world own nearly half the total household wealth.

Since Schumacher wrote *Small is Beautiful* in 1973, world population has doubled and global consumption risen five times. He was right that the problem is one of scale – the scale of human numbers and consumption. How much more trouble are we in now?

The first systematic assessment of the *Limits to Growth* was the Club of Rome’s book of that name in 1971. The authors built a computer model of the global economy and known resources and ran “what if” scenarios plotting the effects of continuing the same rates of growth in population, food production, minerals, energy, and pollution. All scenarios showed a collapse of the global system in the first half of the twenty-first century. The discovery of new resources, along with massive improvements in technical efficiency, delayed the result only a brief time.

It has been common over those 40 years to ridicule the report as wrong; that it made predictions which have not been fulfilled and neglected key issues. While the authors did not foresee the rapid economic rise of developing countries, or the seriousness of climate change, or the extent of some forms of technical progress, those have

not altered the conclusions and we remain right on track to validate the model. We have already overshot the capacity of the atmosphere to absorb greenhouse gases and of the ocean to produce fish, and we have hit the limits globally of fresh water and fertile land. There are declining reserves of some metals, and crucially, energy.

This is not because we are “running out of oil” but because the energy that needs to be invested to obtain another barrel is increasing exponentially. Early oil exploration obviously developed the largest, cheapest and best quality fields first. When the Saudi oil-fields were developed, one barrel of oil equivalent invested in infrastructure and production yielded well over 100 barrels of new oil. Now one barrel invested in the Canadian tar sands is estimated to yield about three – less if you go after the deeper stuff.

I expect my grandchildren, innocent of all this right now, to say one day, “Nana, when you knew all this, how could you have done nothing for 40 years?”

All of this came to a head in 2008 and the world changed. Growth stalled and for a while reversed. The Global Financial Crisis was at least as much about the price of oil, growing shortages of water and the resulting price of food as about sub-prime mortgages – though we shall see later the role of debt and interest in this whole mess.

The economic challenge facing us between 1971 and 2008 was not how to grow faster, but how to stop. That challenge was laid out by Hermann Daly and others, but it was never accepted. “Faster, faster!” was Pooh Bear’s only response.

The challenge now is not how to resume growth, but how to manage a post-growth economy in a way that nurtures wellbeing. As Daly said in 2008, “A failed growth economy and a steady-state economy are not the same thing; they are the very different alternatives we face.”

The longer we double and redouble our efforts to grow, borrowing more to invest in large dams to irrigate dairying, begging oil companies to come and drill below the sea, mining coastal sand for iron ore, pushing wages and benefits down to increase profits for business and force people into meaningless work, removing the key protections of the Resource Management Act, opening conservation land for mining, taxing and borrowing to bail out irresponsible banks – I could go on, but you get my drift – the more we will damage the earth we depend on and the happiness and health of our people.

Daly, in *For the Common Good*, graphs economic growth in several countries against his Index of Sustainable Economic Wellbeing and shows that up to a certain level of consumption they are in parallel; but that beyond that level – which I would call “Enough” – they diverge rapidly and more growth tends to harm rather than help wellbeing.

We have 30 years of such literature showing that increased economic growth in wealthy countries does not increase human wellbeing, so I am not going to make that case again. The important thing is that it is not just effort wasted, it is effort we desperately need to be investing in creating a new way forward in which other goals take precedence over growth.

Perhaps it will be easier now than it has ever been. If growth is hard to achieve, more people may be willing to look at the alternatives. Some mainstream respected economists and analysts and even businesses are joining our analysis and turning away from the goal of growth, and that may be influential – or it may simply marginalise them, too.

In a study commissioned by French President Sarkozy in 2009, a panel of leading economists including Nobel laureates Joseph Stiglitz and Amartya Sen called for better measures of wellbeing than Gross Domestic Product (GDP). Stiglitz, a former White House adviser and World Bank chief economist, was reported in *The Guardian* as saying,

“Chasing GDP growth results in lower living standards”.

The first international conference on “Degrowth” was held in Paris in 2008.

The report which has blown my mind, published since I was first asked to do this lecture, is *Perfect Storm: Energy, Finance and the End of Growth*. That’s not so much because of what it says, but because of who is saying it. Tullett Prebon – some British NGO I haven’t heard of, I thought. But it turns out that Tullett Prebon is a large international financial brokering firm based in the United Kingdom. At the wholesale level, it brokers financial instruments and coal, among other things.

They say growth is finished, and give as the main reason the rapidly declining energy return on energy invested. They describe the economy as “an energy dynamic, not a financial one”. The real economy is about energy, not money. Someone in there has done some physics, and is not afraid to face the outcome of their analysis.

Production from existing oil wells is declining by 6.7% a year. At that rate, by 2030 the current 86 million barrels a day will have declined to 25. New discoveries which aim to fill this gap have much lower energy returns on energy invested. Compared with those early oil-wells of Saudi Arabia which achieved well over 100:1, most new discoveries today are less than 10:1. North Sea oil is estimated at 5:1. Tar sands and shale are less. Fracking of shale oil may appear to have given us a short-term bonanza, but it has not changed the underlying situation.

Nor will renewables allow us to return to growth. Wind and solar photo-voltaic are both well under 20:1, but they are better than tar sands or shale or bio-fuels, which in unfavourable circumstances can be negative.

Tullett Prebon claim that by 2020 it will be costing us so much for energy to invest in obtaining more energy that there won't be much left to invest in anything else.

In another chapter they analyse the role of debt both in driving the need for growth (otherwise how do you pay the interest?) but also in fuelling consumption. They describe financial speculation as “lunacy” and “collective insanity” and derivatives as “the triumph of greed over fear”. A whole chapter is devoted to “the disaster of globalisation”.

This is language we are familiar with, but when have we ever heard it from the heart of the speculative economic system itself? It suggests to me that something is shifting, and that when people with this background start saying it, economic culture could change very fast. That is encouraging, because without a dramatic change in economic culture the only possible future is the chaos of a failed growth economy.

A failed growth economy is where we are heading right now. The first obvious signs are growing unemployment and debt. Governments everywhere promise jobs, which fail to materialise because effort is focused on growing material production. Consumption continues to grow for a while, fuelled by increasing debt, but then the debt leads to default or vicious retrenchment by governments determined to keep the old model going but unable to balance their books and satisfy Standard & Poors.

As the economy shrinks, government revenue drops and Ministers of Finance struggle to keep coalition governments together, because there is no budget leeway for the favourite projects of their small support parties. They struggle to keep their own ministers in line, because they can no longer promise that what can't be afforded this year will be possible next year.

They also fail to keep their voters in line, because the options of more

tax or less spend are equally unpopular. Crime and civil unrest increase. Small nations like New Zealand lose what little sovereignty they had to overseas creditors who threaten to pull the plug. If it looks too bad and there is anywhere in the world looking less bad, capital flees the country, with further loss of jobs. It is no wonder that governments everywhere are terrified to contemplate the end of growth.

The pain, of course, is not borne equally. Those with secure jobs or land and resources manage, with perhaps a light “haircut”, as they say in Cyprus this year. Others go over the edge.

Instead, we could have a thriving society which aims for a better economy rather than a bigger one. A society which values quality rather than quantity. A society which says, “Enough pollution, enough waste, enough corruption, enough greed”. Where people say at a certain point: “I have enough now. The rest is for others, or for Nature so that the kokako, the kiwi, the polar bear and the Maui’s dolphin can have enough, too, and can thrive.” Such a society would make it a primary goal for everyone to have enough food, clean water, shelter, health care, education and space for recreation, both in our country and worldwide.

We have been told all our lives that: “To provide these things, we need to grow the economy bigger. How can we afford for everyone to have enough unless we produce more?”

That is demonstrably false and its deliberate falsity makes me very angry. How is it that the richest society in the world, with unprecedented levels of personal consumption, cannot afford to provide quality healthcare for all its citizens? Yet much poorer countries do. If a society chooses not to afford enough decent quality food and housing and healthcare for all, but instead chooses to spend billions on weapons, gambling, stadiums and conspicuous consumption of all kinds, it is not going to choose differently, even if the economy is twice the size.

In case people find it hard to imagine that a steady-state society could be good to live in, here is a thumbnail of what it could be like.

A steady-state society has less stuff but more time. Time for families and friends, time for democracy, time for art, music, sport, science, creativity. Less work, but shared more equally. It values quality relationships with people and with Nature. It travels less but has thriving local communities and local production. It is not the end of growth, only the end of growth in the throughput of energy and materials. Growth in knowledge, science, innovation, the arts, craftsmanship and personal development would flourish.

There are people living like that now. There always have been, but they don't figure much in economic growth statistics. There are others who aspire to live that way. It can't be imposed by governments, but it can be caught by those in the new economic culture.

It is what Tim Jackson calls "Prosperity without Growth" in his book of that name.

While growth in overall throughput of resources stops or shrinks, there is still a need for rapid growth in the industries that support the new way of life. Some industries will shrink or disappear – armaments, tobacco, fossil fuels, plastics, pesticides, some pharmaceuticals, building new motorways and advertising, releasing the resources they currently use for solar energy, reuse and repair, local food production, bioplastics, expanded rail transport. Society is dynamic and exciting – it just doesn't keep getting bigger.

Production processes would mimic nature, producing no wastes that could not be reused or broken down to substances easily absorbed by the biosphere.

The advertising industry in the West currently spends \$470 billion a

year, mainly to persuade people to buy things they neither want nor need. That would go a long way towards providing enough of the things that do matter for those who don't have them.

However, the transition will test all our resolve and ingenuity. Just suppose for a minute that there was a widespread change in economic culture that elected a government on a platform of creating a steady-state economy with goals of increasing happiness, equality and care for Nature and each other, rather than growing bigger. The challenges would be enormous.

Without growth, government income would drop and “jobs” as we currently know them would shrink. This is what scares people to the point they are not prepared to consider such a future.

Either income would have to be decoupled from jobs, as with a universal citizens' dividend, or working hours would have to reduce in order to share the work available. New jobs would certainly be created in the shift to a sustainable economy, in renewable energy, energy efficiency, low energy transport systems, environmental restoration, land care, people care, social services and craft industries. But jobs would also disappear in coal-mining, motorway building, pesticide manufacture and application, for example.

Ecological tax reform would be needed to reduce or remove tax on work and increase it on resources and pollution. To rescue government income from declining income and company tax, and to address growing inequality, a wealth tax would be useful, and more effective than a mere capital gains tax. However, ecological tax reform by itself may be insufficient to stem the increase in throughput that is needed. We might need an outright prohibition on new coal mines, undersea oil drilling, the worst toxic materials, and activities that are undermining our survival on the earth.

International relations would need skilled diplomacy if the rest of the world and our trading partners were still stuck in “failed growth” mode. We might seek out countries with similar aspirations and values and form a sustainable trading bloc. Let’s hope that when that happens there will be more of them than just Bhutan, much as we admire its national goal of “Gross National Happiness”.

Perhaps the biggest policy challenge would be debt. At the macro level, borrowing at interest assumes that income will grow sufficiently to pay back both capital and interest. If income is not growing, it can’t be done. It is debt, more than anything else, that drives the need for growth. If there is no growth, debt is stealing from our children and grandchildren who will not have the means to pay for our consumption.

The U.S. public debt is currently \$15 trillion, a number none of us can truly comprehend. As growth fails, more and more debt is required to squeeze out a little more growth. In the U.S. in the 1990s every additional dollar in GDP required \$3.20 in additional debt. In the 2000s it was \$5.67.

Questioning the role of private banks in creating money as debt is perhaps the most radical suggestion anyone can make in a capitalist economy, but it has been discussed in the past. Known as the Chicago Plan, after the economists from the Chicago School of Economics, who developed it in response to the great depression in 1933, it proposes that governments take back from private banks the right to issue credit and create money. Banks must be limited to lending out only what has been deposited, ending fractional reserve banking and requiring 100% reserve backing for their loans. Central banks have a crucial role in regulating the money supply and, through that, in controlling inflation.

It is incomprehensible to me that governments have not done this

long ago. Why would you give away the sovereign power of your country like this? However, the banks are not particularly enamoured of this idea, and have in the past presumably had enough influence to discourage it.

Fortunately, the idea has never died. In August 2012 two economists from the International Monetary Fund (IMF) revisited it, finding that all the claims made for the proposal were justified and that, in addition, it could hold inflation at zero without crippling interest rates.

At the time of writing (March 2013) the *New Zealand Herald* is reporting a proposal by the Reserve Bank to increase the capital ratio that banks have to hold against home mortgages, so as to reduce the risk of many of them defaulting at the same time. The banks are fighting this proposal hard, even though it is a relatively small increase and nothing like 100% capital reserve. What is clear is that if a government is to remain solvent in a steady-state economy it must regain control of its currency.

The new economy of Enough would be more localised, with food, energy, shelter and other basics produced locally to a much greater extent, reducing the high-energy cost of long-distance transport. Trade would be for luxuries or things where local resources were absent. Local economies can be strengthened with the development of local currencies, which are legal tender only in the local area and which carry no interest. There are many examples around the world where these have run successfully over long periods

The multiple challenges to an economy of Enough are formidable: employment, government revenue, debt, trade and foreign relationships. These have always been enough to deter all but the bravest visionaries from contemplating such a future. But they are readily solvable compared with the biggest challenge of all. Governments who attempted such a transformation would disappear without trace as long

as a majority of the voters hold the current values of consumerism and “more”.

It is our core cultural values and our sense of identity that are holding back any move to an economy of Enough. How those might change is a psychological and cultural question, not a technical one.

We are also trapped in the systemic framework of capitalism which we have set up and which is now the only way we know of organising an economy – based on competition, greed, surplus and waste.

In *Requiem for a Species* Clive Hamilton develops the argument that people in Western countries now have made economic growth a fetish – a quasi-religious symbol with magical powers to cure all ills. People’s personal identity – the deepest part of themselves – is as consumers constantly needing and wanting more stuff. “I shop therefore I am”. Dealing with climate change, peak oil and ecological breakdown challenges people’s core identity as well as our national identity and so we use various strategies of denial and avoidance to say to ourselves, “It can’t be true. Or at least it can’t be that bad”. This is why climate skeptics don’t have to prove anything they say – they just have to sow doubt and we will gratefully grasp it and believe it.

Trying to do more with less is seen as a narrow vision: mean, penny-pinching. Pooh Bear people say, “I can afford to waste water/ food/ fuel because I earn enough money not to have to worry about it. So why shouldn’t I?”

Not all cultures have been like this. A colleague doing development work in Africa told me in the 60s about the efforts of copper-mining companies in central Africa to increase production when the world price went up. Seeking to attract more workers and getting them to work longer, they raised the hourly rate. It would have worked in Western countries; in Africa it didn’t. Workers knocked off earlier,

once they had enough. “Enough” for them was food, clothing, shelter, a bicycle and education for their kids. After that, they would prefer to play the guitar and socialise. Much of what the West calls “development” has been an effort to change this culture so that more can be produced.

In Thailand, the Agri-Nature Foundation has been working for the last 12 years to put the “Sufficiency Economy” advocated by the King into practice. In 80 agricultural learning centres across the country they help farmers and local communities build resilience into their local economies. The foundations are sufficient food, shelter, basic household products, and a clean environment. They value ancient wisdom and avoid all toxic pesticides. Values of giving and sharing the surplus come ahead of trading it and trade must be based on ethics.

Gandhi has inspired generations of people with his commitment to simplicity and his courage in standing up to oppressive power.

What movements such as these have in common – and I include the Quakers with their traditional testimonies to simplicity and equality – is a shared moral philosophy, an ethical purpose that underpins social cohesion and collective values. Only a widespread change in social values and a reorienting of personal identity will bring it about.

There is a significant body of writing showing that emotion, values and culture have far more influence on our beliefs and actions than logic and facts. George Lakoff has written on the topic, particularly as it applies to politics and elections.

A very valuable summary of eight pages of references on the subject is a 100 page U.K. report by the World Wildlife Fund and four other non-governmental organisations (NGOs): *Common Cause – the case for working with our cultural values.*

The global problems above are characterised as “bigger than self” problems. We are affected by them, but we cannot much reduce those effects on ourselves by the personal efforts we make. Addressing them therefore requires values that go beyond personal self-interest.

Taking action to reduce our contribution to climate change, in particular, requires us to care deeply about people not yet born and on the other side of the world – as well as our own descendants, of course.

Common Cause points out that every communication, intentionally or not, conveys values of some sort. There is no such thing as a value-free statement. In conveying those values, it helps to reinforce them and to suppress the opposite value. So it is important, especially in a democracy, to recognize and publicly debate the values that underlie our behaviour and our statements.

“Debates on the consequences of cultural values and the mechanisms by which they evolve,” the authors say, “must become as vigorous as public debate about the evidence base for government policy, business practice or civil society campaigns.”

Values like financial success, personal status and power tend to be opposed to values like empathy, concern for the common good and universalism. The former are unhelpful in solving “bigger than self” problems and the latter are helpful.

Any public policy, therefore, will have two kinds of impact: material impacts (we kept the coal in the ground or stopped nuclear power or got an energy efficiency law passed) and cognitive impacts (we reinforced – or not – values of concern for the environment or for the most underprivileged). It is, therefore, possible for a campaign to be unsuccessful in its goal, but still contribute to strengthening underlying helpful values. Maggie Thatcher said her policies set out “to change the heart and soul of the nation”. Changing the economic system would

flow easily after that. Policies that reinforce greed, individualism, and competitiveness will have far-reaching effects in making further policy changes in that direction better accepted. I believe such a change happened in New Zealand in the mid-1980s when the “greed is good” idea was promoted.

It is also possible to succeed in the material goal of a campaign or policy and inadvertently strengthen unhelpful values which in the long run will be counter-productive to our overall goals.

The hopeful news is that everyone holds both sets of values to some degree. Everyone is motivated by self-interest, and everyone has some common-interest values that can be activated. The question is the relative strength of these, and what triggers them. A lifetime of living with public policy based on familiar implicit values – that the market will decide, that greed is good, that the role of the state in the economy should be as small as possible, and that people who are poor usually have themselves to blame, etc – reinforces values of individualism and competitiveness, and suppresses values of community and collaboration and empathy. But the latter values are not gone, only weakened. This leads to the question, what influences our values?

Probably the most important is our peer group, family and role models. After that, commercial advertising is insidious and very powerful. Its purpose (and certainly its effect) is often not just to sell a particular product but to reinforce consumerism and increase demand for all products. Research shows a strong correlation between time spent watching TV and the strength of materialistic values. Other significant influences are the media (particularly social media these days, I suspect), civil society campaigns and communications, public policy norms and education. The order here is intentional.

If we analyse the Emissions Trading Scheme (ETS) in this way we should be very worried. The stated purpose of the Act when introduced

to Parliament did not even include reducing greenhouse gases. The select committee added that. But it is widely acknowledged that this is not its main purpose and that, in fact, it has done and will do virtually nothing to achieve that. It is designed primarily to appeal to values of commercial gain and competitiveness. It is set up to foster speculation in the price of carbon in a “beggar-my-neighbour” kind of way that will not reduce emissions at all, but may help grow “the economy”. In the process it embeds the notion that climate change can be addressed by speculating and making money and reinforces values of greed and materialism. In the four years since it was introduced, that is exactly how it has been used.

In contrast, a carbon charge with the proceeds recycled to the whole community would reinforce the value of community and co-operation – “we are all in this together”. Now that we have reinforced people’s greed and competitiveness with the ETS, it will be doubly hard to introduce any climate-related policy that requires a concern for the common good.

Finally, let’s return to the question of how society’s values change. They cannot “be changed” by governments – but they can be influenced by leadership and example.

We know that people respond better to positive messages than negative ones. This creates a dilemma. We can praise the benefits of a steady-state economy, but unless we also are honest about the impending collapse of the present system, why would anyone make the effort to change? People react very differently to the same information. For some people even a gentle discussion of the facts is enough to make them give up in hopelessness. For others, the message has to be pretty strong to get through. This all reinforces the need for personal conversations with people we know, not just mass communication with no idea how it will be received.

We can also try to remove some of the drivers of the current value system.

I think the first thing I would do is reclaim the taxpayer's share of the \$2.1 billion spent on advertising in New Zealand. That's about \$600 million of government revenue that we forgo every year. There is no reason why we as taxpayers should be subsidising efforts at persuading us to buy what we don't need or want and to live unsustainably. Advertising is currently tax-deductible as a cost of doing business. In an economy where growth is the recognised goal, that makes sense. In an economy of Enough it is daft.

Removing the tax deductibility of advertising (other than information at point of sale) is a win-win regardless of how business reacts. It would still allow advertising if firms believe it is so valuable to them that they are willing to pay for it themselves. In that case it would increase government revenue. If firms cut back their advertising it would reduce the constant brainwashing to make us want more. The money saved by firms would be taxable profit, or go into more useful forms of product improvement.

Before anyone gets too excited about doing this right away, let me say that of all the policies that have even been hinted at – no-one has ever dared to actually propose it – this has brought down more wrath than anything else in my political memory. It would be a huge fight, but we shouldn't run away from that.

At the same time, governments could institute a national conversation about which future we would prefer. Government ministers make hundreds of official speeches where growth is constantly held up as the goal. Imagine the effect on social values if instead they talked about measuring wellbeing rather than growth, quality rather than quantity, and progress towards an economy with enough for everyone.

This is about leadership. A national conversation will be picked up in the media, around the dinner table, at the club, and views will start to change. Regular publication and reporting to Parliament of national statistics on quality of life rather than growth will start to refocus people on what matters. Instead of berating ourselves for not catching up with Australia we could be celebrating our high educational, artistic and sporting achievement; our low crime rate compared with other countries (while committing to get it lower still); our public health system which is light years ahead of the U.S.; our access to open space and our amazing environment.

Restructuring tax could happen gradually, as social attitudes shift. We know they do shift – drink driving is no longer acceptable as it once was, and neither is smoking in work-places or restaurants. Some bold political moves have made capital gains tax and quantitative easing acceptable subjects for discussion even if one does not agree with them.

Most people know, deep down, that as John Lennon said, “Money can’t buy you love”. But no-one they trust has shown them a different goal they can believe in.

Beyond some general principles, there can be no universal blueprint for an economy of Enough. Each society will have to invent it for themselves. But as the chaos of the failed growth economy increases, it may start to look more feasible to more people.

There are some signs of hope. One I mentioned earlier – some respected mainstream sources are starting to get it. Another is the passion and organisation of some young people. The Occupy movement was important not because it offered any detailed solutions – how could a spontaneous movement do that? – but because it changed the language. We now all know about the 1% and the 99% and we know how right that analysis is. Even the media reports on Occupy events described them as protesting against corporate greed and political

corruption. There were no quote marks around these terms – they were generally agreed to be factual.

Motivated by the extreme threat of climate change to their generation and their children, 350.org and Generation Zero organised an event in December 2012 which brought together 700 young people at Auckland University for lectures, workshops, and activist planning. And as far as I could see they did it without a hitch. These young people are much more clear-eyed about the dangers than I or my generation were at their age. They are happy to seek advice from grandparents who have pioneered the values they embrace, but it is clear that they are in charge and it is their show.

I believe an economy of Enough is possible – in fact, in the medium term it is the only future that is. The system is so complex that it requires deep change. That means a change in values, expectations, and behaviour. All of us have a role in either making it happen or obstructing it. Society divides now into the Pooh Bears and the Christopher Robins and none of us can avoid choosing which side we are on.

Further reading

This is just a sampling of some of the relevant literature, including ones I have quoted from.

On the biophysical limits to growth

Meadows, Donella, et al., *The Limits to Growth*. Report for the Club of Rome, Potomac Ass. 1972.

The book that first laid it all out. Modelled extrapolation of 1972 trends in resource consumption, population and pollution.

On the steady-state economy

Daly, Herman and John Cobb, *For the Common Good*. 1989

Combines the biophysical facts about growth with the moral dimension – Daly is an economist, previously of the World Bank, and a founder of ecological economics; Cobb is a philosopher/theologian. Introduces the Index of Sustainable Economic Wellbeing – an alternative measure of economic success. Old but still one of the best.

Jackson, Tim, *Prosperity without Growth*. 2009, Earthscan

Updates the argument, addresses some of the problems, incorporates inequality.

Global Footprint Network <http://www.footprintnetwork.org/en/index.php/GFN/>

International think tank founded by Mathis Wackernagel which has developed a method of resource accounting for nations to measure whether they have overshoot their ecological capacity and by how much.

Dietz, Rob & Dan O'Neill, *Enough is Enough*. 2012 Earthscan

Dietz is the former executive director of CASSE, the Centre for the Advancement of the Steady-State Economy and O'Neill is their chief economist. Canvasses the biophysical arguments why growth cannot continue and is damaging, and advances strategies for a steady-state economy. Very readable.

Finance, debt and monetary policy

Lietaer, Bernard, *Money and Sustainability*. Club of Rome 2012.

Lietaer, formerly of the Belgian Central Bank, gives the best explanation I've read of the role of debt, fractional reserve banking, and monetary policy in driving unsustainable growth. He advances ideas for a basket of complementary currencies, issued locally and not debt-bearing. See also his other books.

Hallsmith, G & Bernard Lietaer, *Creating Wealth*.

Many examples of local currencies designed for various purposes throughout history.

Morgan, Tim, *Perfect Storm: Energy, Finance and the End of Growth*
Tullett Prebon UK, 2013. <http://ftalphaville.ft.com/files/2013/01/Perfect-Storm-LR.pdf>

Excellent chapters on debt and the GFC, on globalisation and on the limiting factor of energy return on energy invested.

Benes, Jaromir & Michael Kumhof, *The Chicago Plan Revisited*. IMF Working Paper 2012

Re-examines the 1933 proposal that states should issue their own currency and finds it still valid.

On values and culture as drivers of action

Lakoff, George, *Moral Politics* 2002; *Don't think of an elephant* 2004.

Explores values and framing as more powerful reasons for action than facts and logic.

WWF *Common Cause – the case for working with our cultural values* Sept 2010. http://assets.wwf.org.uk/downloads/common_cause_report.pdf

A report written jointly with four other British NGOs looking at how to change environmental behaviour by working with cultural values.

Appendix

Quakers

The Religious Society of Friends – Quakers, to use their informal name – began in England in the mid 18th century as part of a more general wave of dissent against the organisation and practices of the older Anglican and Roman Catholic churches. An essential Quaker belief is the uniqueness of every person’s spiritual understanding and that this understanding does not need the mediation of pastor, priest or bishop. Thus Quakers subscribe to no formal creed. However, collective experience is as important as individual understanding, so Quakers see it as important to worship and act together despite the emphasis on the uniqueness of individual belief or revelation.

In terms of worship, Quaker meetings in New Zealand are simple. The group will sit for an hour or so in silence, though this might be broken occasionally by a contribution from someone who feels led to speak. There is no formal pastor, and indeed there is no paid position anywhere within New Zealand Quakers. There are formal responsibilities and jobs to be done, but these are shared among Friends (as Quakers call themselves) in rotation.

Although Quakers have no creed, they have a traditional set of principles they call “testimonies”, namely Simplicity, Peace, Integrity, Community, Equality and Sustainability. They are not rules but rather a set of guiding ideas for living. “Simplicity”, for example, is an attitude leading to a richness of experience rather than a list of prohibitions resulting in a barren set of deprivations.

Quakers have had a history of social involvement. Historically they were much involved in anti-slavery, anti-war initiatives and prison reform, as well as being active in other social issues such as universal suffrage, worker rights and social and environmental sustainability.

The Quaker Lecture

The Quaker Lecture is a public lecture given annually in New Zealand on some social or spiritual topic of current importance. The lecture is initially presented in association with the Quakers' annual Yearly Meeting, but it is usually repeated in other centres. The theme of the lecture will normally reflect one or more of the Quaker Testimonies.

For more information about Quakers visit the website:
www.quaker.org.nz
