

1. Economic System

For: In classical economy from Smith to Mill the economic system was considered with a view to the quality of life. The concept of quality of life was replaced by preference satisfaction by neo-classical economists in the second half of the 19th century. The economic value in society ought to be as large as possible in order to satisfy the largest amount of preferences. Karl Marx pointed out that capitalists were subject to an almost inescapable growth imperative. He used the formula M-C-M to illustrate how the capitalist economy tends to entail limitless accumulation. The competition among capitalists drives each individual capitalist to increase his profit to avoid losing out in the market.

Meanwhile, the expanding consumer demand for more commodities and services and new products also makes up the dynamics of long-run growth.

Against: Economy is inclined to stabilize in the end in biophysical terms, as the Earth as a whole is approximately in a steady state, and the closer the economic subsystem approaches a global scale, the more it will have to conform to the Earth steady state. Accompanying this argument are the concepts of steady-state economy, non-growth and de-growth.

Challenges of steady-state argument:

- (1) A violation of current tendencies, so robust and powerful interventions from authorities are needed;
- (2) Moral awakening among capitalists and consumers is difficult.

2. Social Perspective

For: The association of social benefits with economic growth includes improving quality of life, helping alleviating poverty, reducing unemployment, enhancing social equity, etc. A famous metaphor for their argument is 'a rising tide lifts all boats' or 'trickle-down effect', which means the improvement for the general economy can expand the beneficiaries from the rich to the poor.

Against:

(1) Empirical evidences show that life satisfaction does not go along with significant economic growth in most advanced economies. This is similar to some entitlements like life expectancy, health and education participation. Conventional income growth becomes less important in improving quality of life in rich societies.

(2) Economic growth has helped relieve absolute poverty, but broadened inequality between the rich and poor. 'Raising the tide' is not an efficient way of eliminating poverty, compared to policies focusing directly on the poor.

(3) Growth does not necessarily lead to reduced unemployment if people cannot adapt to the changing conditions due to increased production and productivity.

Life expectancy at birth vs. average annual income



Happiness vs. average annual income



3. Environmental Perspective

	For: Environmental Economists	Against: Ecological Economists
Basic Assumption	Economy is an isolated system in which environmental problems can be internalized	Economy is an open subsystem of the Earth ecosystem
Historical impacts of growth on environment	Past growth has led to environmental deterioration	Past growth has led to environmental deterioration
Attitudes on future growth towards improvement of environment	Positive: growth does not contradict environment and future growth can provide better solutions	Negative: growth contradicts environmental protection and biocapacity cannot support endless growth
Main strategy	Decoupling growth from environmental impacts	Zero-growth or degrowth
Assumed result	Green growth and sound environment	Steady-state economy and sound environment

For: EKC hypothesis supports the notion that economic growth is good for the environment in the long run.

Environmental problems are seen as environmental externalities that can be solved by being incorporated into economic accounting.

The environmental economists' points are somewhat associated with ecological modernization, where eco-efficiency and substitution are two main ways in dematerialization to decouple growth from resource consumption and environmental affects.

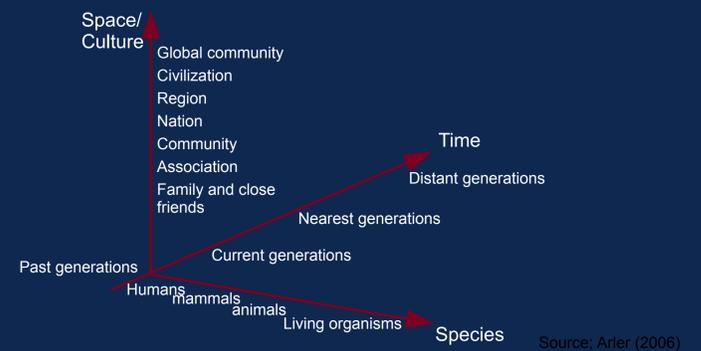
Against: The capacity of nature as resource base and waste sink is limited.

EKC hypothesis can only be found in specific pollutants.

Economic accounting fails to deal with a broad range of environmental problems and 'willingness to pay' is unfair to some people.

Depending on increasing eco-efficiency by technological advancement is insufficient to achieve effective decoupling at least in the long term.

4. Moral Perspective



For: Proponents argue that growth furthers happiness, preference satisfaction, and freedom of choice, improves the conditions of the worst off members society, and promotes virtues like prudence, innovation, and industry.

Against:

Time: Present generation has obligations to not to ruin future people's opportunities to have equitable access to resources and benefits based on the principle of inter-generational equality.

Space: Given the limited natural resources of the planet, affluent nations have the obligations to cut their ecological space for the poor to increase their welfare.

Species: Humans have a duty to conserve and protect non-human nature because the flourishing of other organisms and species is valuable in itself.

5. Concluding Remarks

	For	Against
Economic system	- Capitalism contains an unavoidable growth imperative and is so far the best available system - Continual demand for more goods and services and more refined consumption supports growth	- Economic growth collides with the inescapable need for a steady state in biophysical terms and thus undermines capital accumulation in a longer term
Society	- Growth brings social benefits even to the worst off people - 'a rising tide lifts all boats' - Non-growth causes increased conflicts over distribution of limited resources	- Social benefits do not increase with growth proportionally - Growth tends to increase, rather than reduce inequality - Poor people are particularly vulnerable to negative environmental impacts of growth
Environment	- Environmental problems can be internalized into current economic system - Economic growth makes it possible to develop better solutions to solve environmental problems	- Higher production and consumption increase the pressure against nature - Increased resource efficiency within a growth paradigm postpone resource scarcity, but cannot solve the contradiction between growth and ecological constraints
Morality	- Growth furthers happiness, preference satisfaction, freedom of choices, and promotes virtues like autonomy, self-command and self-reliance, prudence, accuracy, diligence, frugality, innovation and industry - Growth in affluent countries is necessary to provide markets for the poor and to ease investments in poor countries. Rejecting growth in affluent countries will cause increased hardship for the world's poor	- The present generation has obligations not to ruin future people's opportunities to have equitable access to resources and benefits based on a principle of intergenerational equality - Given the limited natural resources of the planet, affluent nations have the obligations to cut their ecological space for the poor to increase their welfare - Humans have a duty to conserve and protect non-human nature both because humans benefit from the continuous presence of other species and the flourishing of other species is valuable in itself

Endless economic growth in already affluent countries is not necessary for the inhabitants' well-being and seems impossible due to limits set by environmental, social and the human psyche and physiology.

However, non-growth paradigm still faces challenges, like the the risks of increasing social inequality, because any increase in consumption among the rich requires a decrease among the poor and vice versa.