Growth independence: A new approach to economic, social and environmental policy

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Green growth, degrowth and post-growth/a-growth

Adequate decoupling of economic output and resource consumption will not be achieved.

Degrowth

Post-Growth

Green Growth

Higher quality of life possible with lower GDP

Higher quality of life requires further GDP growth

Unclear whether adequate decoupling can be achieved

Adequate decoupling will be achieved

Source: own illustration
The concept of growth independence

• Analysis:
  • Certain institutions are growth dependent
  • Strict environmental policies might lead to economic shrinkage
  • This would have strong negative social consequence – which is why the polices are not put into place

• Central examples:
  • Employment and wage income
  • Social security systems
Employment and wage income

• Analysis:
  • Growth needed for employment?
  • Or growth due to employment?

• Strategies:
  • Redirection of technological change
  • Working hours reductions
  • Less dependence on wage income

-> Is employment really growth dependent?
-> More research needed

Social Security Systems

• Analysis:
  • Financing dependent on wage income and/or taxes. Both correlate with GDP/growth.
  • Insurance system works in principle without growth
  • Pensions lower than in growing economy
  • Health system more complex

-> Mainly a distributional issue?
-> More research needed

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<tbody>
<tr>
<td>Number workers</td>
<td>20</td>
</tr>
<tr>
<td>Number pensioners</td>
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<tr>
<td>Production per worker</td>
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<td>GDP</td>
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<tr>
<td>Income per person</td>
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<tr>
<td>Pension contribution rate</td>
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Thank you!