

## To Build a Better World, Stop Chasing Economic Growth

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The past year has given many of us pause. We are in a race of planetary tipping points --- the climate is changing faster than expected and we've already breached 6 out of 9 sustainable planetary boundaries, including biodiversity loss, climate change, freshwater change, land systems change, biogeochemical flows, and novel entities<sup>1</sup>. Summer Antarctic sea ice was at its lowest extent on record<sup>2</sup> and 2023 is on track to be the warmest year on record<sup>3</sup>.

People around the world recognize that life is not getting better. Runaway inequality and political polarization are eroding social capital. Oxfam reports that eight individuals now own more than the poorest 50% of the world's population.<sup>4</sup> Levels of anxiety, depression, and burnout are skyrocketing. Full-time employees are unable to pay rent, forcing them to turn to precarious part-time work to make ends meet, while employers are cutting staff and increasing workload. These have become normal in this global economic system that depletes natural and social capital, energy, and time in the name of GDP growth at all costs.

But, looking to 2024, I'm also hopeful that the world can turn in a better direction. For example, a meeting I attended in May 2023 on sustainable prosperity buoyed my spirits. The [Beyond Growth conference](#) at the European Parliament attracted more than 2,500 participants plus 2,000 online. Sponsored by the European Commission and the [Club of Rome](#) (a non-profit organisation fostering research and action around pressing global issues), this conference was an event that I believe signalled the beginning of a tipping point in thinking and governance in response to the convergence of crises facing humanity today.

In a stirring opening address, [Ursula von der Leyen](#), President of the European Commission, said governments must stop misusing GDP growth as their goal and move swiftly and urgently to sustainable wellbeing within planetary

boundaries. She got a standing ovation. [Agata Meysner](#), the young leader of the Climate and Social Justice movement concluded the 3-day event with a call to join the “movement of movements”, to create a new economy based on sustainable prosperity, justice, and sufficiency. Everyone rose to their feet to show their solidarity.

The attendees at the conference were admittedly *not* representative of the current crop of politicians and decision-makers. They were, however, representative of the growing ‘movement of movements’ that will be necessary to overcome our addiction to the current political and economic system. One group trying to build such a movement of movements is the [Wellbeing Economy Alliance \(WEAll\)](#), also a sponsor of the event.

Leaders of these movements, and increasingly others, around the world recognize that the root cause of our interconnected crises is society’s addiction to the pursuit of GDP growth at all costs. It is an outdated paradigm that claims that all people want is more income and consumption with no limit. In this paradigm the market economy can grow forever, massive inequality is justified to provide incentives to promote growth, and efforts to address climate and other environmental and social problems must not interfere with growth. In fact, in this paradigm, GDP growth is seen to be the essential solution to all problems.

The EU conference, by contrast, emphasized what has long been recognized in parts of academic and policy circles: that GDP was never designed to measure societal wellbeing, only market production and consumption. GDP says nothing about the distribution of income, unpaid work, or damages to natural or social capital. The misuse of GDP as a primary policy goal is driving societies toward an unsustainable future that benefits an increasingly small fraction of the population while impoverishing the vast majority<sup>4</sup>.

### **Better Measures of Societal Wellbeing**

And efforts to find better measures of societal wellbeing to inform policy are growing fast. There are now hundreds of societal wellbeing indicators in use, including by the UN, the World Bank, the OECD, NGO’s, countries, academics, and others. Examples include the Genuine Progress Indicator (GPI), the OECD Better Life Index, and annual surveys of Life Satisfaction<sup>5</sup>. These are beginning to provide the basis to move toward a broad consensus on what needs to be included to form a more complete and useful picture of societal wellbeing that can replace GDP as a societal goal. These measures include not just income,

but how that income is distributed and the costs of environmental and social degradation. They also include the many other contributors to wellbeing that are not connected to income – our relationships and communities, good governance, the ability to participate in decision-making, and the ecosystem services provided by the natural environment, among others. As Robert F. Kennedy famously said in 1968: “GDP includes everything except that which makes life worthwhile.” There are several new and ongoing research initiatives aimed at addressing these issues, including one I am involved with funded by the EU titled “Measuring what matters: Improving usability and accessibility of policy frameworks and indicators for multidimensional well-being through collaboration (MERGE).”

### **Better and More Comprehensive Modelling**

Better modelling is also needed to understand the complex dynamics of the economic system embedded in society and the rest of nature. Interactions among stocks and flows and projections into the future must be included to assess the sustainability of societal wellbeing. Such models under development include the [Eurogreen](#) model, which has been applied to France, and the [LowGrow](#) model of the Canadian ecological economy. These national scale models include not only the dynamics of the macroeconomy but the complex connections between those dynamics and environmental and societal wellbeing. The [Earth4All](#) model of the Club of Rome takes a comprehensive global perspective.

For example, the [Earth4All](#) model explores two scenarios towards 2050. The first --- business-as-usual (BAU) or “too little too late” --- looks at continuing trends of increasing inequality, climate disruption, and decreasing wellbeing even as GDP continues to rise. The second “giant leap” scenario shows how investing in five areas --- renewable energy, regenerative food, reducing inequality, eliminating poverty, and empowerment (Fig. 1) --- could ensure a sustainable, prosperous, and equitable wellbeing for humans and the rest of nature. For example, rather than BAU policies that reward the fossil fuel sector with enormous subsidies in order to maintain economic growth at the expense of climate and social disruption, new policies would focus on transitioning away from fossil fuels and at the same time implementing policies to achieve the other four turnarounds to achieve sustainable wellbeing, regardless of the effects on GDP.

The pioneering efforts of several governments to move to a wellbeing focus also need to be recognized. The EU and the Wellbeing Economy Governments

([WEGo](#)) group that includes Scotland, New Zealand, Wales, Finland, Canada, and Iceland, for example, have begun to implement measures of sustainable wellbeing and policies to achieve them.

### **Policies Aimed at Sustainable Wellbeing**

What are these ‘beyond growth policies’? There are many versions, but an [open letter](#) signed in May 2023 by myself and over 400 leading economists, scientists, policymakers, and activists provides a starting list of some policies on which there is growing consensus. These are reproduced here:

- **Biocapacity:** fossil fuel phase-outs, limits to raw material extraction, and nature protection and restoration measures for healthy and resilient soils, forests, marine, and other ecosystems. For example, a Fossil Fuel Non-Proliferation Treaty, a Resource Justice and Resilience Act including a binding material footprint reduction target and real, area-based nature restoration.
- **Fairness:** fiscal instruments to foster a more equal society by eradicating income and wealth extremes, as well as super-profits. For example, a carbon wealth tax, both minimum and maximum incomes.
- **Wellbeing for all:** secured access to essential infrastructures via an improved, ecologically-sensitive welfare state. For example, Universal Basic Services (including the human rights to health, transport, care, housing, education, and social protection etc.), job guarantees, and price controls for essential goods and services.
- **Active democracy:** citizen assemblies with mandates to formulate socially acceptable sufficiency strategies and strengthen policies based on ecological limits, fairness and wellbeing for all, and a stronger role for trade unions. For example, local needs forums, climate conventions, and participatory budgeting.

Of course, the specifics of these policies will have to be co-produced in a broad range of contexts. In addition, the vested interests who are maintaining the current system, including billionaires, the fossil fuel sector, big pharma, defence, and industrial agriculture will continue to fight to prevent the transformative changes needed. Removing perverse subsidies to these interests and overcoming their continuing lobbying and misinformation will require a broad consensus and pressures from the growing ‘movements of movements’ around the shared goal of sustainable wellbeing for humans and the rest of nature.

## **Building a Shared Vision**

Continuing to build this shared vision must be a key goal for 2024 and beyond. We are very much locked in, or addicted, to the current political and economic system. Like drug addicts, positive short-term rewards blind the growing long-term negative consequences. One effective therapy for addictions at the individual level is 'motivational interviewing'<sup>6</sup> which engages addicts in a positive discussion of their life goals, which are then used to motivate change. Likewise, at the societal scale, to overcome our addiction to growth at all costs, we need a positive shared vision of our societal goals toward sustainable wellbeing<sup>7</sup>.

This shared vision of the world we all want has been evolving and the UN Sustainable Development Goals (SDGs) are a key step in that process. The SDGs represent a unique milestone in human history when all countries have agreed on a broad set of goals that together represent a vision of sustainable wellbeing.

But they have not been fully embraced by governments that are still in the throes of the growth addiction and they are largely unknown to the general public. To change that we need to more fully engage the public. We need creative approaches to expand and deepen the shared vision. For example, the arts and humanities can get more involved in creating positive visions of what life would look like in a world where the SDGs have been achieved. This could help motivate the movement of movements and other changes needed to overcome the addiction.

People often fear that making these transformations will require sacrifice. In the short run, change is difficult, and addictions are powerful. But in the long run, it is a huge sacrifice of our personal and societal wellbeing to continue down the business-as-usual path. A sustainable wellbeing/SDG world can improve the lives of everyone, as well as protect the biodiversity and ecosystem services on which we all depend. In the coming year, let's continue to build the shared vision of the world we all want and accelerate progress toward it.

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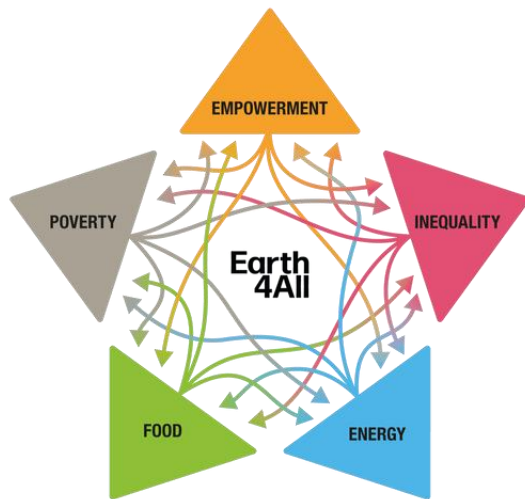


Figure 1. The five turnarounds

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