

# Only One Goal: Economic Growth. How Can Environmentalism Survive in the 21st Century?

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## Abstract

**This paper is aimed to explore environmentalism in the 21st century: this broad philosophy has to overcome its limits in order to survive in a society where there seems to be only one goal, the economic growth. In the first part of the essay, I want to analyze the present condition as a result of a weak environmental consciousness. In the second part of the essay, I want to describe and compare two mainstreams of present environmentalism: de-growth theory and sustainable development.**

## Keywords

**De-Growth Theory, Sustainable Development, Environmental Economics**

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## 1. Introduction

In Italy there is a proverb: “the exception proves the rule”. In this case, the exception is the Kingdom of Bhutan. In Bhutan, the Gross Domestic Product has been replaced by another index: Gross National Happiness. Unfortunately, the rest of the world has an idea of progress very related to the GDP. For more than a century, the common ground of western countries has been Capitalism, but after the end of the Cold War, it broke boundaries and conquered the whole world. The tragedy is that eastern countries had to limit the gap with western countries in a very small period and they were not able to develop adequate check and balances: neither a proper welfare state, nor effective environmental policies. The perfect example is the People’s Republic of China. The Chinese environment has been devastated by effects related to manufacturing industries: they need for a high quantity of resources as input, and they produce a high quantity of industrial waste as output. This correlation has been well described by Fred Pearce who analyzed the situation of Suzhou, a Chinese city situated on the

shores of Taihu Lake. Formerly known as the “Venice of the east”, that city has become the world capital of motherboards with terrible consequences:

“The pollution from the factories is playing havoc with the lake’s ecosystem. It has triggered a recurrent plague of algae. In 2007, the government declared the lake a natural disaster and hastily vetoed plans for the construction of a new prestige residential area on its shores. But the industrial development continues unabated” (Pearce, 2008).

In this world, wherever, economic growth has become a religion but it is time to face global challenges: climate change, lack of drinkable water, and diseases related to pollution are the main elements that make clear the need to try to change something. Environmentalism can play a key role in order to tackle these problems but if this philosophy, this movement wants to survive, it has to develop answers, adequate to a society dominated by the economy. As I wrote in the introduction, I want to analyze two mainstreams of environmentalism: de-growth theory (in French “*Decroissance*”) and sustainable development.

## 2. De-Growth Theory

Nicholas Georgescu-Roegen was a Romanian American mathematician: he is considered one of the progenitors of ecological economy. He considered Consumerism as a disease and economists should find a therapy against it. Economic growth, as a goal, and Consumerism have roots in a particular syndrome that is defined by Georgescu-Roegen as the “the circumdrome of the shaving machine, which is to shave oneself faster so as to have more time to work on a machine that shaves faster so as to have more time to work on a machine that shaves still faster, and so on *ad infinitum*” (Georgescu-Roegen, 1975). This thought has been recalled by a French professor of economy and philosophy, Serge Latouche. He wanted to overcome limits of ecological economy, so he developed the conception of *decroissance*, de-growth: economic growth should be avoided and if a society follows a particular program, it can be done without problems. This program is defined by Latouche as the “virtuous circle of the eight R” (Latouche, 2007):

- to Reassess our values: altruism has to defeat selfishness, co-operation has to defeat competition.
- to Re-contextualize them: we have to defeat the economic imaginary. Economy transforms the natural abundance in shortage.
- to Re-localize: there is the need to make decisions on a local-scale following the concept of “think global, act local”.
- to Restructure our social relationship: if there is a change in the economic structure, there should be also in the social one in order to obtain harmony.
- to Redistribute the wealth: we have to ensure the access to natural resources to the whole global population.
- to Reduce wastes: we have to reach an “ecological footprint” equal to 1, in Canada is equal to 7, in US is equal to 8 (2010, Global Footprint Network).
- to Re-use objects until they work: in this way, we can tackle Consumerism, overcoming our obsession for new things.
- to Recycle: we have to limit the environmental exploitation.

Serge Latouche defined better his thought saying:

“Proponents of contraction want to create integrated, self-sufficient and materially responsible societies in both the North and the South. It might be more accurate and less alarming if we replaced the word de-growth with ‘nongrowth’. We could then start talking about ‘a-growthism’, as in ‘a-theism’. After all, rejecting the current economic orthodoxy means abandoning a faith system, a religion. To achieve this, we need doggedly and rigorously to deconstruct the matter of development. The term ‘development’ has been redefined and qualified so much that it has become meaningless” (Latouche, 2004).

In addition, he strongly criticized the “no-global movement” because members are well aware about harms related to economic growth but they are fighting in order to enable developing countries to benefit from it.

## 3. Sustainable Development

Sustainable development is a mainstream of environmentalism that, like the de-growth theory, highlights the necessity to stem environmental exploitation and the necessity to improve efficiency of the industrial system in

order to limit waste of important natural resources. Nevertheless, this mainstream is not trying to limit economic growth, because the key word in this case is “efficiency”. De-growth theory describes Capitalism as an enemy, to the opposite, roots of Sustainable Development are inside Capitalism. Joseph Schumpeter, an Austrian American economist and political scientist, was one of the progenitors of the 20th century Capitalism. He developed a theory very focused on efficiency: according to Schumpeter, Capitalism is able to ensure, automatically, the predominance of effective enterprises at the expense of inadequate enterprises. He defined this theory “Creative Destruction” writing that is “the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in” (Schumpeter, 1976). This theory has become an important part of the theoretical structure of Sustainable Development. In a world where natural resources are every day more limited, efficiency is very related to the capacity of improve the productivity while using less resources. This is an important point because it turns upside down the line of reasoning of Degrowth theory: enterprises have to become more efficient in order not only to survive but also to increase profits. In terms of productivity, it would mean increasing the markup *per* single resource utilized: that is not only economy but also philosophy. It means that we can obtain an economic growth turning from a quantitative productivity to a qualitative productivity.

Herman Edward Daly, an American professor of the University of Maryland, has developed the theory of the “Steady-State Economy” based on the qualitative productivity. According to Daly, we have to understand the Earth: the planet is in a steady state because there is not an important exchange of material elements with the rest of the universe. By the way, being in a steady state does not mean that the planet is in a static state. Many changes can happen inside a steady state because the inside, called ecosphere, is composed by many subsystems: the condition and hierarchy among them can change. Today, one subsystem seems to dominate others: that is the economy. In addition, the Earth is similar to human beings: interrelation among systems is similar to a circulatory system and the way to assimilate changes is similar to a digestive tract. Quantitative growth cares about the circulatory system forgetting the digestive tract. Natural world is not able to keep assimilating the existing oversized economy and there is only one alternative: sustainable development. According to Latouche, development is a meaningless word; according to Daly is the opposite, it is the most important. Development means eating better food in order to better assimilate it.

Daly wrote:

“Would it be possible to have qualitative improvement (e.g. increasing efficiency) forever, resulting in GDP growth forever? GDP would become ever less material-intensive. Environmentalists would be happy because throughput is not growing; economists would be happy because GDP is growing.” (Daly, 2008)

The goal is to limit the quantitative growth rate within the possibility of assimilation and regeneration of the ecosystem. Recalling Schumpeter, now it is clear the role of “Creative Destruction” in Environmentalism: the raise of resource prices will force greater efficiency of production. This could be an important kind of check and balance of Capitalism, maybe the only one that is positive for Environment. However, there is a massive threat: free trade among different countries. Daly underlines that Free Trade should be permitted only among countries deeply committed in sustainability: the risk is that other countries could have benefits by avoiding environmental policies in order to produce cheaply and in order to be more competitive in the global scale. This is the reason for a strong critique against the International Monetary Fund, World Bank and World Trade Organization: according to Daly, they “contradict themselves in service to the interests of transnational corporations. International capital mobility, coupled with free trade, allows corporations to escape from national regulation in the public interest, playing one nation off against another” (Daly, 2008).

#### 4. Conclusion

These two mainstreams have some common ground: the will to limit the waste of natural resources and a strong opposition against global economy. Nonetheless, there is a clear contrast: de-growth theory seems to be too aggressive and it could represent a cultural shock. This kind of thought could be rejected by popular opinion. I think that it underestimates the cultural power of economy and the deep need of human being to have more. Especially after the financial crisis, it could be very dangerous to show an environmentalism hostile to economic growth and even addressed to its opposite, de-growth. People are well aware of consequences of an economic shock. “Degrowth” can mean less pollution but also a higher unemployment rate and a lower quality of life. Serge Latouche asks for changes in social structures but this mainstream has all the features to be unpopular.

The other side of the coin is the Sustainable Development: this mainstream is addressed to change the way to obtain economic growth and not to counter it. It provides many new opportunities: green energy and green economy have popular meanings and the perception is that they can improve the quality of life. I wrote that it is very important for this mainstream the word “efficiency” but there is another recurrent word and concept: “quality”.

In the introduction, I highlighted that Environmentalism has to overcome its boundaries. One of the most resistant brick walls is the conception of this movement, this philosophy, as negative similarly to that kind of environmentalism of the 1960s and 1970s described by Daniel Botkin, that “was essentially a disapproving, and in this sense, negative movement, exposing the bad aspects of our civilization for our environment” (Botkin, 1990). If the movement wants to survive, it should stop fighting economic growth; rather it should try to shape it. For this reason, in my opinion, Sustainable Development is the right mainstream. Positive goals like “quality” and “efficiency” could help to develop a fundamental common ground between economy and environmentalism: the awareness of the need of a symbiosis among them.

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