

# KOSMOS

the journal for world citizens creating the new civilization



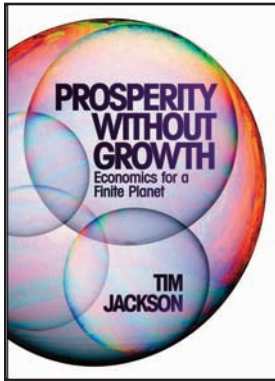
## TURNING CRISIS INTO OPPORTUNITY

World Crisis | World Opportunity

Cultivate the Self | Get Involved

\$10 US | \$11 Canada  
Spring | Summer 2010  
display until November

## book review



**Prosperity Without Growth:  
Economics for a Finite  
Planet**

**Tim Jackson**

**London: Earthscan 2009**

**Review by Jordan MacLeod**

Tim Jackson has spent the past six years as Economics Commissioner for the Sustainable Development Commission (SDC), the UK government's independent advisor on sustainable development. In his latest book, Jackson builds on his 2009 SDC report, "Prosperity Without Growth? The Transition to a Sustainable Economy," with a thorough and highly readable account of the central problems and paradoxes of a global economy oblivious to the ecological limits of a finite planet.

Although Jackson does not propose solutions to the central economic challenges of our times, he accomplishes precisely what's needed most in today's sustainability debate: he cuts through the vagueness and ambiguities of deeply held assumptions about growth, 'decoupling' and prosperity to identify the core tensions and barriers that seemingly place economic activity irreconcilably at odds with further human flourishing.

Take labour productivity, for example. With economies hard-wired for endless GDP growth (and certain to manifest unemployment, recessions and malaise if they fail to grow), Jackson makes glaringly apparent that behaviors which might represent solutions to the problem of finite resources in a rapidly growing global economy, such as voluntary simplicity and living with lighter material footprints, are broadly counterproductive to the economic growth mandate.

Conversely, by GDP standards, any growth is good growth, regardless of how we get there. For growth as we know it, it's all the same whether we rely on an explosion of debt, assumed risk via multi-trillion dollar derivatives trading, the exhaustion of physical resources, or the creation of ingenious products that improve life conditions for the whole of humanity. Our compulsion for endless, undifferentiated growth therefore makes it all too easy and common to cast aside value judgements of what serves the greater good. Under such pressures, the erosion both of public goods and our sense of shared prosperity should not come as much of a surprise.

Jackson directly confronts one of the most common barriers to accepting the limitations of our market system: decoupling. It is widely assumed by many economists and commentators that

technical innovation will lead to enhanced resource productivity and thereby offset resource depletion created by compounded economic growth. While there is evidence to support a relative decoupling—meaning that resource productivity can help mitigate resource depletion—he shows there is little to no evidence of absolute decoupling, where increased resource productivity more than offsets resource depletion due to growth.

This kind of myth-busting exercise is precisely what's needed to help take the sustainability debate to a more constructive level. By cutting through vague notions and blind faith in technology, Jackson leaves little room for economists and policy makers to continue side-stepping the monumental problem of resource depletion in an economy programmed to grow endlessly. Through a comprehensive analysis of complementary social, cultural and personal dynamics, such as his insightful views on 'the iron cage of consumerism,' he makes it clear that our problems cannot be solved with partial approaches or even the most enlightened intentions so long as we continue to simultaneously generate powerful systemic currents moving in the opposite direction.

When C.G. Jung observed in his *Red Book*, "the signposts have fallen. Unblazed trails lie before us," he was broadly speaking to Western civilization's vulnerability to entirely new problems and emerging opportunities, where past lessons and cumulative knowledge could only help so much. After reading Jackson's book, the reader will come face to face with this reality in our economic life. We are literally in new territory, where old structures and theories have reached their limits to make sense of the world and deliver answers to our most valued questions.

No, Jackson does not erect new signposts. Yet, his sense of optimism combined with the care he takes in mapping out the unsolved questions is enlightening. By holding the tensions between our current paradoxes, like endless growth and finite limits, and higher incomes and declining prosperity, without taking sides, he does the field of sustainable development an enormous service by refusing to oversimplify the problems or solutions.

This book may leave readers with the discomfort of developing a strong grasp of complex problems that are presently lacking broadly acknowledged solutions. Yet, in the post-Lehman Brothers world our images of security and trust in the free market have already been severely damaged if not shattered. No doubt, it is far better to own our post-modern Gordian Knots and bring them to the fore of our public debates. Jackson's book should make a strong contribution to this cause and play a foundational role in creating an economy that supports human prosperity.

**Jordan MacLeod** holds degrees in economics and fine arts. He is the author of *New Currency: How Money Changes the World as We Know It*. He is founder of the New Currency Institute and a co-founder and director of Cornerstone Global Associates.