

HD Riches won't make you happy, but a greener economy might

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WC 1,159 words

PD 30 April 2014

SN The Conversation

SC CONVAU

LA English

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In the industrial era, economic growth has become equated with human progress, with a fundamental assumption that material growth and consumption inevitably leads to improvements in our well-being.

Over the past 45 years, the world's population has doubled to seven **billion** people, and the world's economy has grown almost four-fold, from US\$11.2 trillion to US\$42.5 trillion www.worldbank.org. Thus, GDP per capita has almost doubled; so we should be twice better off, in terms of health, wealth and happiness, than in the 1960s.

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Certainly we are by some measures healthier: mean life expectancy has risen from 56 to 70 years, driven by a [two-thirds drop](#) in child mortality, from 153 to 51 per 1,000 live births. But these advances have come at a cost, borne by the natural world whose resources and vitality have been depleted. And they have been spread unevenly – despite producing a third more food than in 1961, some one **billion** people remain poor and hungry. Four-fold economic growth has still left more than two **billion** people living on [less than US\\$2 a day](#).

So there are many in the world who need to consume considerably more, simply in order to meet their basic needs. But taken as a whole, the average global citizen consumes too much. If those without are to reach decent levels of sustenance, housing and health, then those currently enjoying the fat must consume less. But this is not widely accepted.

Ever decreasing returns

Analyses [conducted across 189 countries](#) confirm that at very low per-capita GDP, life satisfaction increases sharply with any rise in income. This incline is steep, but above a surprisingly low threshold of approximately US\$10,000, affluence brings diminishing returns for life satisfaction.

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So well-being, understood as satisfaction or happiness, is not connected intrinsically to wealth and consumption, and the relentless pursuit of GDP growth does not **lead** to consistent gains in well-being in affluent countries, those that have passed the threshold of easy life improvement. But again, this is neither widely accepted nor understood. Consumption of any kind is usually viewed as an unchallenged good.

This decoupling of affluence and happiness has been demonstrated in [longitudinal measures of life satisfaction](#) since the mid-20th century. It can be seen by comparing relative changes in GDP in since the 1940s against changes in life satisfaction: it is the same in UK, the US, and Japan. More things do not seem to make people more happy.

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Professor [Tim Jackson](#) has concluded that we have been “ [betrayed by affluence](#) ”, and Professor [Partha Dasgupta](#) has observed “ [the rogue word in GDP is 'gross'](#) ”. A priority must now be to create opportunities for alternative, divergent ways of living, as the current material culture has failed, and continues to fail, both the rich and the poor.

Alternatives to 'gross' growth

The target is economic growth that is more [green growth](#), defined by the UNEP as “resulting in human well-being and social [equity](#), while significantly reducing environmental risks and ecological scarcities”. Deep political commitment to this is rare, despite the evidence that acting early to counter the effects of climate change, resource depletion and ecological destruction would be cheaper than bearing the costs later. A [UNEP report](#) concluded that investing just 2% of world GDP into the green economy would be sufficient to reduce [energy](#)-related CO2 emissions sufficiently to stay within the maximum level deemed safe of 450 parts per [million](#).

Some countries, including [China](#), Denmark, Ethiopia, South Africa and South Korea, are promoting a green agenda which could [lead](#) to a new industrial revolution. [China](#) has invested US\$100 [billion](#) since 2000 in eco-compensation schemes, mostly forestry and water management. Subsidies (feed-in-tariffs) introduced in 65 countries to encourage renewable [energy](#) has led to renewables now meeting 17% of world [energy](#) consumption.

Many poor countries' revenue is absorbed by the cost of importing fossil fuels – Kenya, Senegal and India spend 45-50% of their earnings from exports on importing [energy](#), for example. By investing in renewable [energy](#) – Kenya has introduced feed-in-tariffs for renewables, India is pressing ahead with huge [solar energy](#) parks – these nations save money, become more self-reliant, and improve the quality of the environment at home. Yet these kinds of green economies that seek to change aspirations and consumption patterns by increasing consumption of the currently poor and reducing that of the affluent, increases well-being and protects natural capital are not likely to look much like the current economy. Large changes are now needed.

The futuristic Korean science and technology vision envisages an advanced economy driven by clean [energy](#), low carbon use and green growth. [Priority technologies](#) include polymer electrolyte fuel cells, space [solar](#) power, integrated water and sewage management, bio-[oil](#) replacements, zero-emissions housing, seawater desalination, wearable robotics, vertical farms, self-diagnosing materials, automated driving systems, floating cities, [smart dust](#) technology and rotating buildings for sharing sunlight and views.

How much is enough?

Without moving economies and consumers towards an attitude of “enough, not more”, material consumption and the damage it brings the planet will continue to grow. But this requires knowing “how much is enough”, and teaching us all to recognise when we have it, and to look to other forms of non-material consumption; story-telling, creating, or engaging with nature. Cooperation will speed and improve community [bonds](#) and [social capital](#), which reduces inequality.

At the heart of a green economy will be four tenets: resist consumerism by opting out, such as through [downshifting](#) or voluntary simplicity, [retain possessions for longer](#) before replacement, make different choices (ethical or green consumerism), and substitute material consumption with non-material alternatives.

Conventional economic growth based on rising consumption is not tenable, and a shift to a green economy is inevitable; it is a question of whether it occurs before or after the planet becomes locked on a path toward severe climate change and other eventualities that will cause potentially irreparable harm to the planet.

It may all turn on affection for places and possessions, observed E [M](#) Forster. Even the greatest civilisations have their day and decline, and beliefs or ways of doing held as fundamental are dropped and others taken up. “Because a thing is going strong now, it need not go on strong forever,” said Margaret in Howard’s End, “it may be followed by a civilisation [that] will rest upon the earth.”

Jules Pretty does not work for, consult to, own shares in or receive funding from any [company](#) or organisation that would benefit from this article, and has no relevant affiliations.

NS e1101 : Economic Growth | e11 : Economic Performance/Indicators | ecat : Economic News

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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