



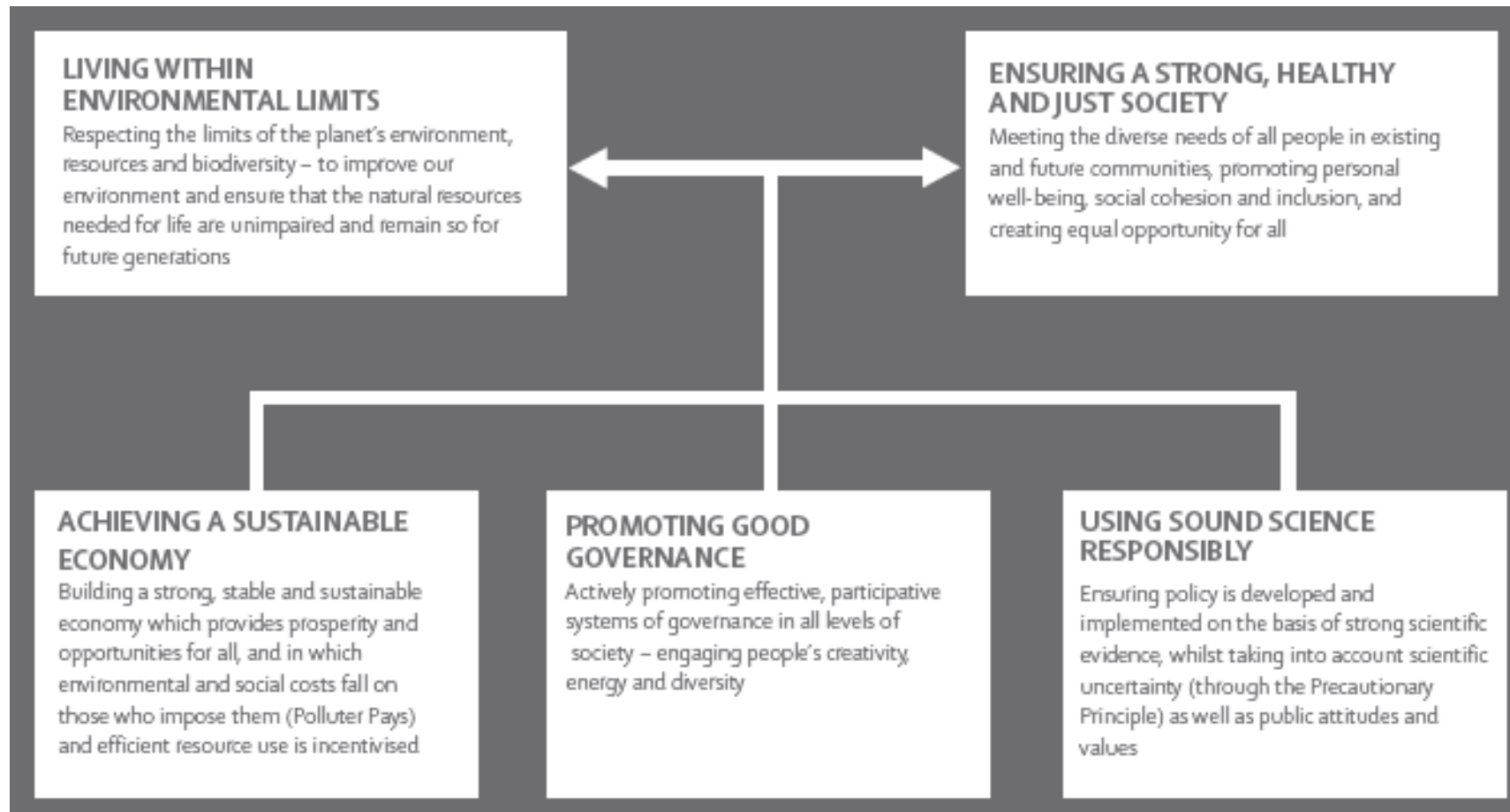
Sustainable
Development Commission

Prosperity without Growth?

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Sustainable Development – if this is the aim ... then what?



Are we prosperous?

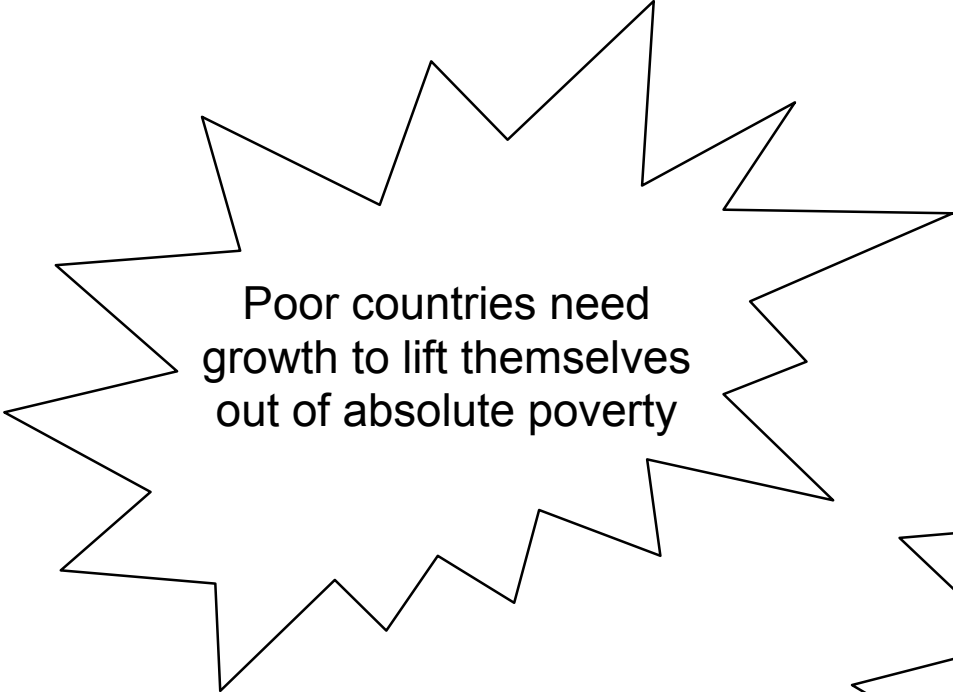
OUTCOMES

- Ecological impact of our current approach to prosperity
 - 60% of ecosystems are degraded
 - Dangerous climate change
- Social outcomes of existing economic activities
 - “Islands of prosperity in oceans of poverty”
 - Poorest 20% have 2% of income
 - 1bn people live on less \$1/day
- Psychological evidence of wellbeing (for the rich)
 - Affluenza, obesity, mental illness, drinking levels

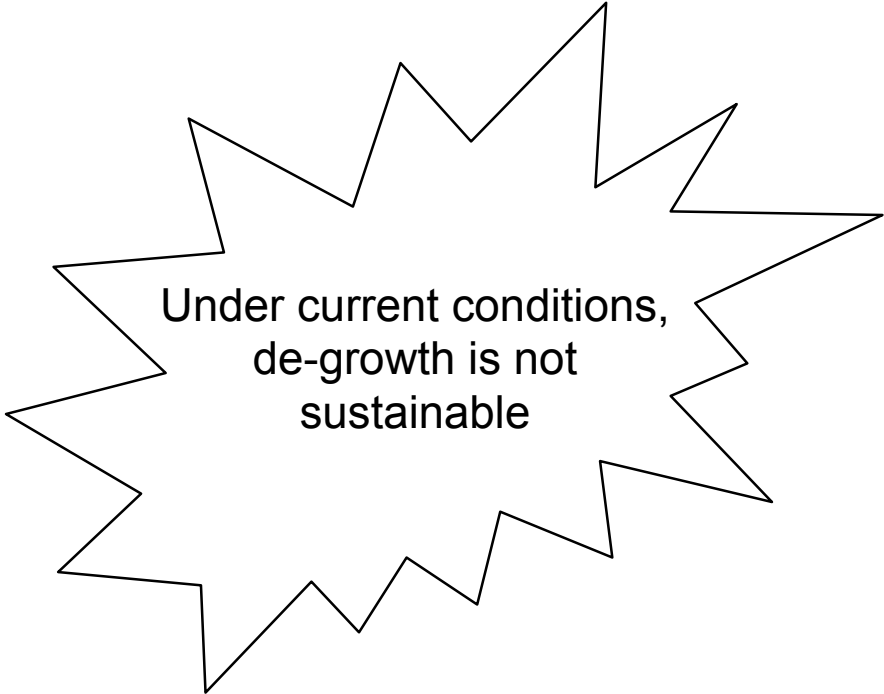
DRIVERS

- Size of the global economy (& population growth)
 - How can 9bn people live a western lifestyle?
- Mode of economic production (this particular form of capitalism)
- Social expectations & consumer culture

Two very important provisos



Poor countries need
growth to lift themselves
out of absolute poverty



Under current conditions,
de-growth is not
sustainable

The Easterlin paradox

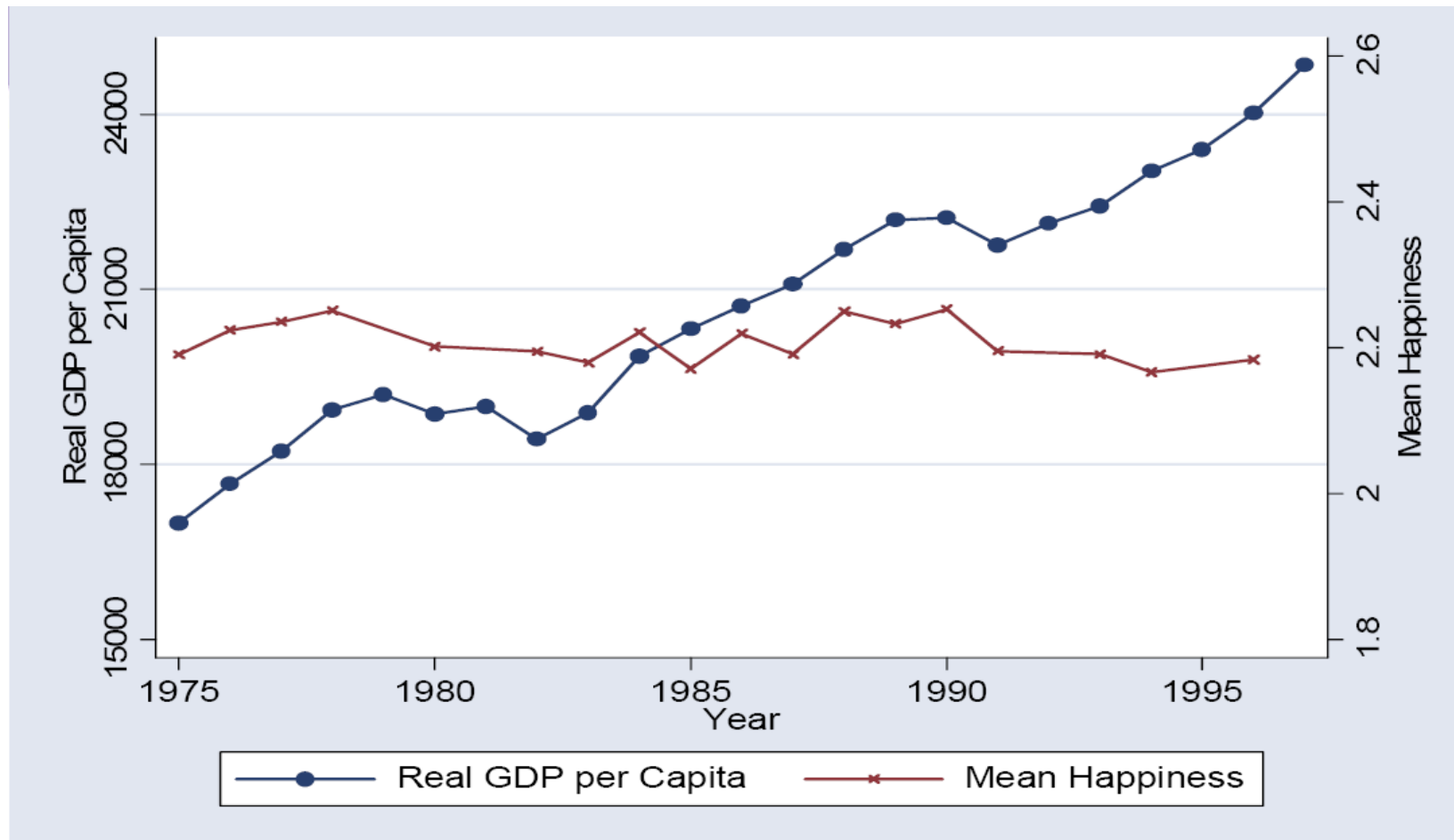


Figure 5 **Factors influencing subjective wellbeing (happiness)**⁷

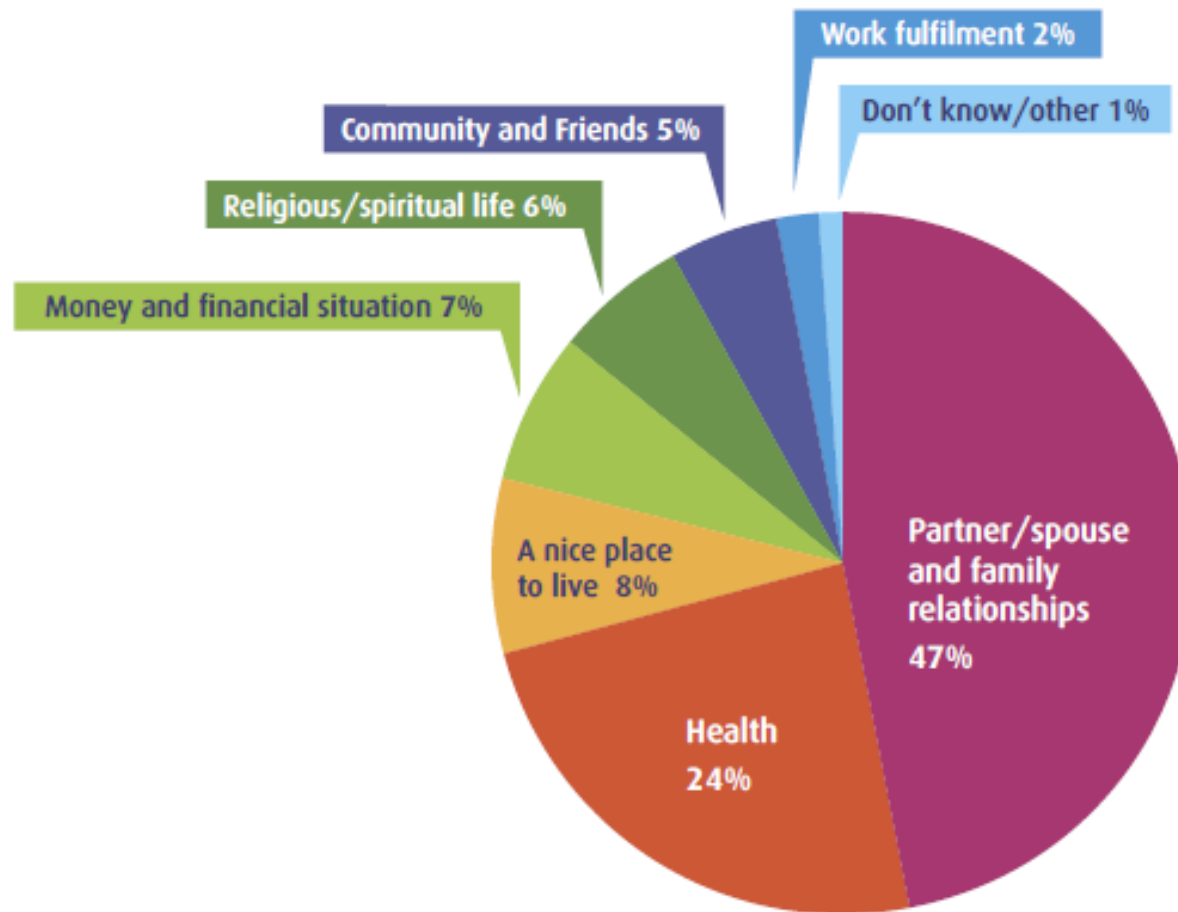


Figure 6 **Happiness and average annual income**¹⁵

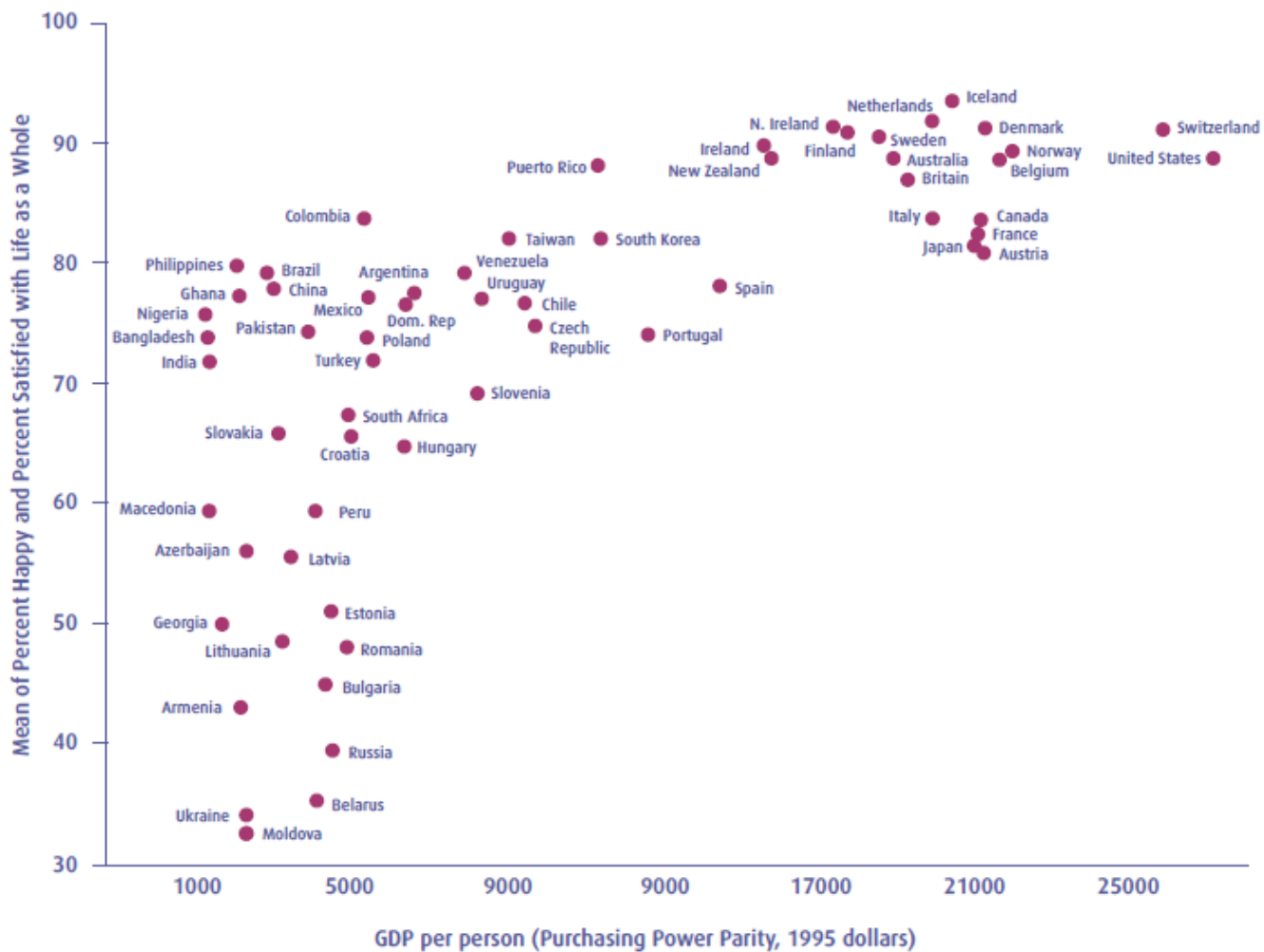
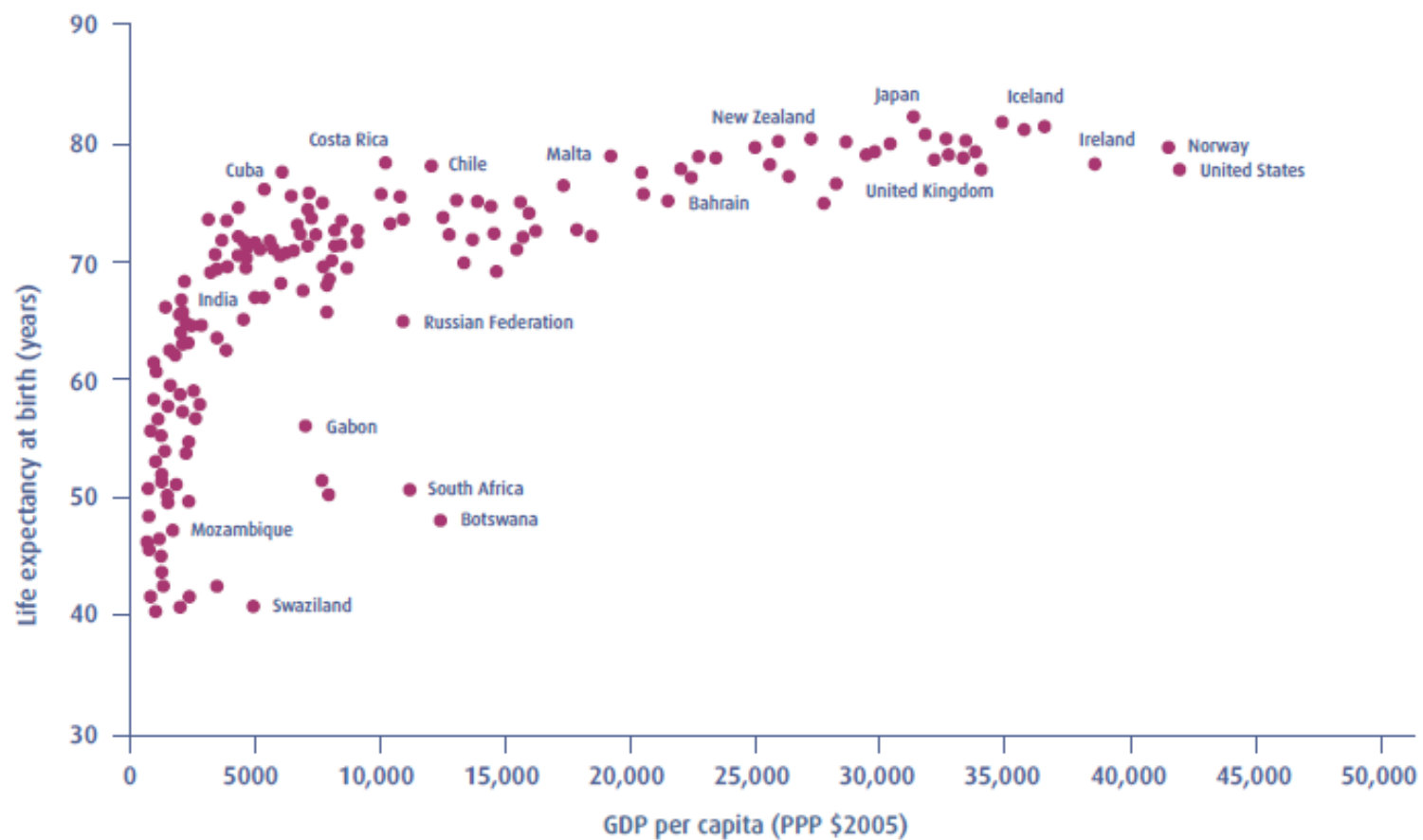


Figure 8 Life expectancy at birth vs average annual income¹⁶



Common conclusions

- Rising income does drive wellbeing/happiness ... but it tails off (& there are equity reasons why developed world does not need more growth)
- Different levels of wellbeing arise for the same income level (especially at the lower levels)
- AND these can change over time (due to a variety of factors)

Figure 11 Changes in average life-expectancy and income over time²¹

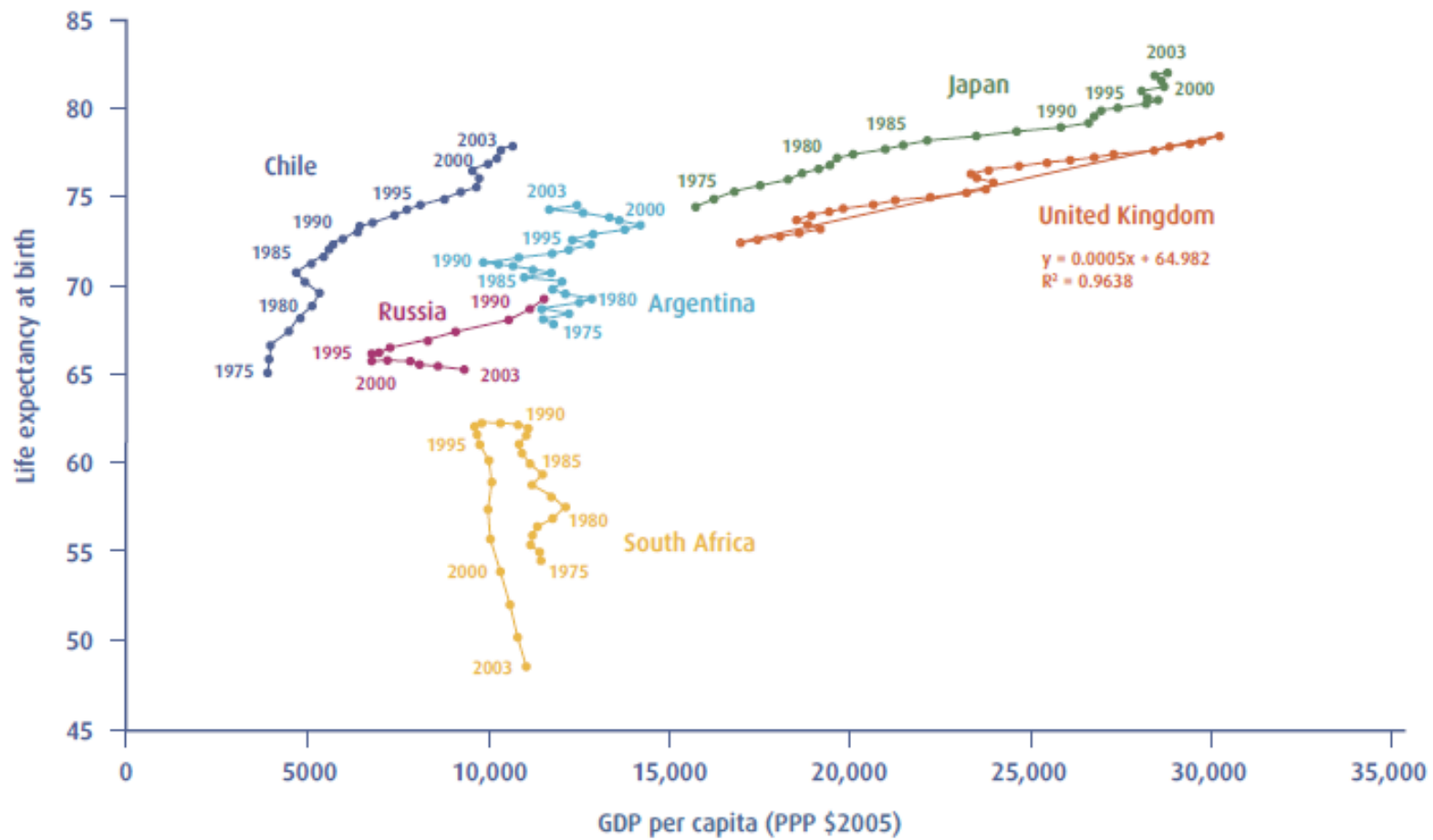


Figure 12 **Relative Decoupling in OECD countries 1975–2000**⁷

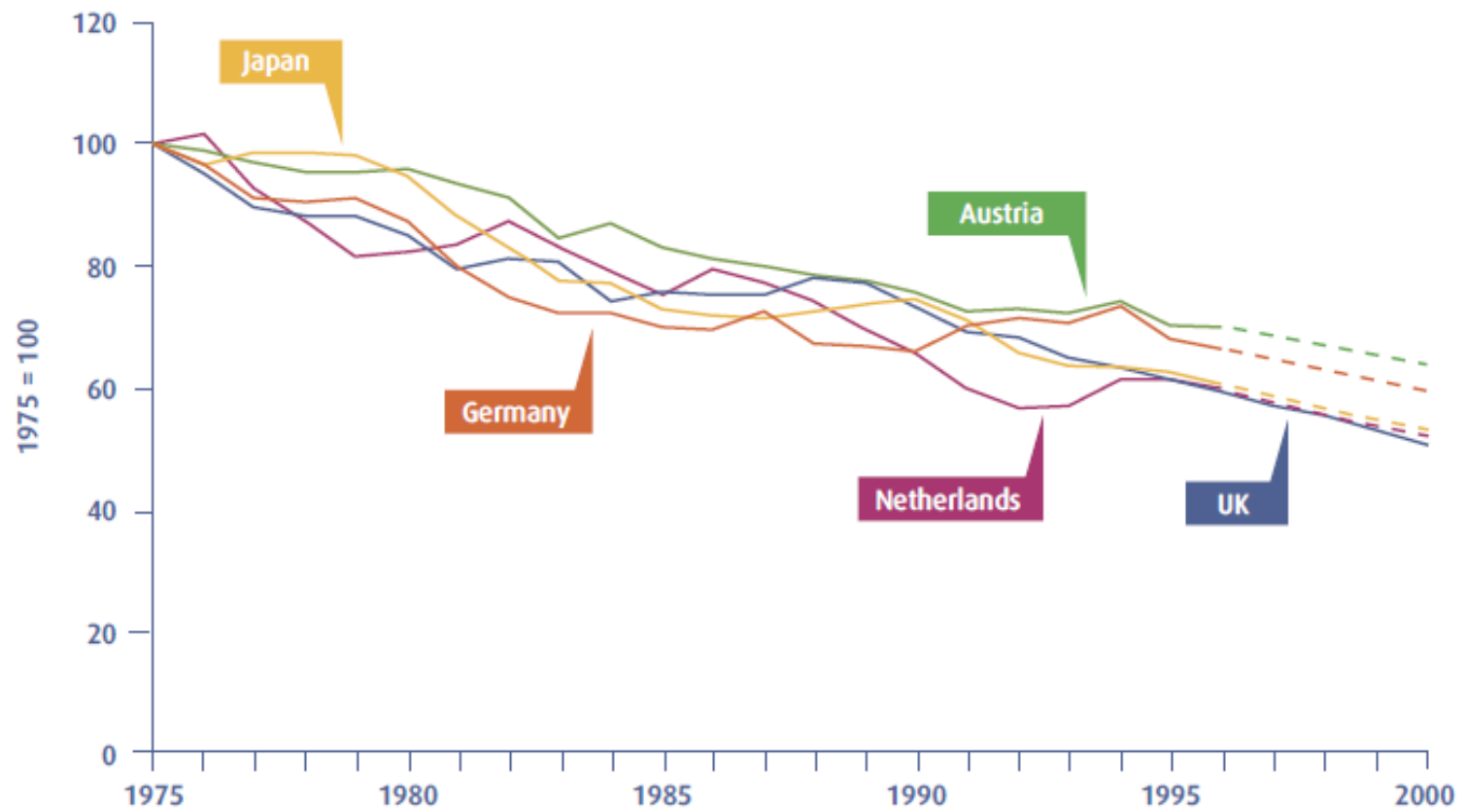


Figure 14 Trends in Fossil Fuel Consumption and Related CO₂: 1980–2007⁹

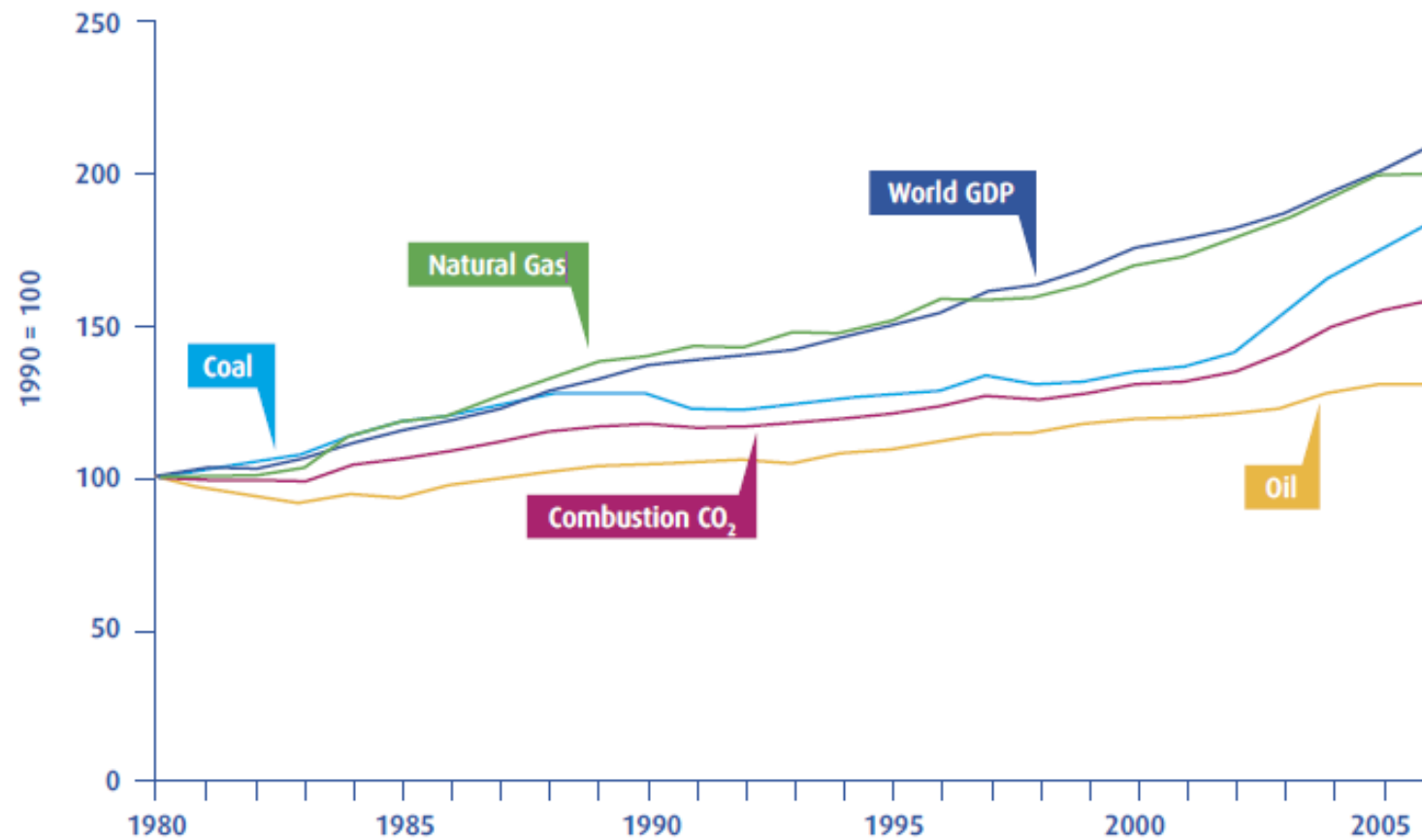
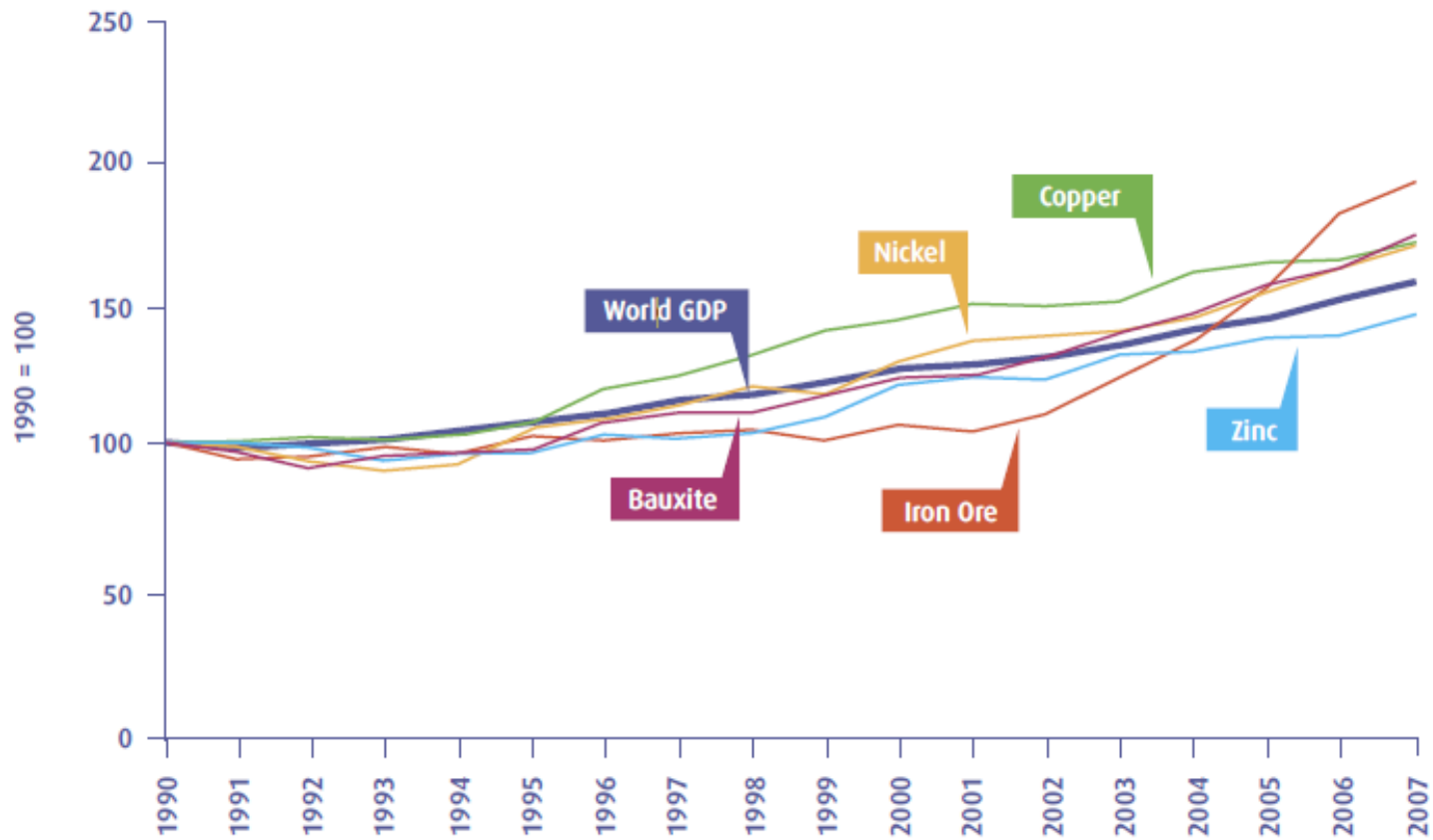


Figure 16 **Global Trends in Primary Metal Extraction: 1990–2007**¹²



Decoupling conclusions

- Relative – yes, but ...
- Absolute – no, not presently

– Because of

$$I = P \times A \times T$$

- What level of efficiency would be required?
 - Population is growing to 9bn
 - If we believe in equality they should have same level of income
 - Technology helps/hinders

So what next?

- Challenge current consumption patterns
- Green new deal
- Live within environmental limits
- Better measurement
- Fiscal reform (move taxes from labour to resources)
- Macro economics & SD

Priority areas

- Upgrading existing housing stock
- Scaling up renewable energy supply
- Redesigning the national grid
- Promoting sustainable mobility
- Low carbon investments in the public sector
- Skills for a low carbon, sustainable economy

Summary I

- Respecting ecological limits
 - Imposing clearly defined resource/emissions caps
 - Implementing fiscal reform for sustainability
 - Promoting technology transfer and international environmental protection

Summary II

- Creating a more just economy
 - Sharing available work and improving work-life balance
 - Tackling systemic inequality
 - Measuring what we need to know
 - Strengthening human and social capital
 - Reversing the culture of consumerism

Summary III

- Building a sustainable economy
 - Investing in public assets and infrastructures
 - Increasing financial and fiscal prudence
 - Reforming how we measure good and bad outcomes



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