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How to do prosperity without growth

Economist Tim Jackson on a financial system makeover

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They may not be waving placards, but that doesn't mean the Canadian Society for Ecological Economists isn't pondering a thoroughgoing transformation of the way we do things. The org hosted Sustaining The Commons: Ideas And Actions For A Green Economy at York University from October 31 to November 2. Ecoholic chats with conference presenter Tim Jackson of the University of Surrey, author of *Prosperity Without Growth: Economics For A Finite Planet*, who teamed up with York's Peter Victor, author of *Managing Without Growth: Slower By Design, Not Disaster*.

How does the discipline of economics have to change?

"Economics does a bad job of making sure people have equal access to jobs, income, goods and services, and of ensuring that our economic activity doesn't destroy the environment or that supply chains are free of slave labour. It's also built on continually expanding indebtedness, creating fragility in the system that leads to collapse. Economics didn't see the [2008] collapse coming and doesn't know how to get things back to normal except through growth, withdrawing social investment and public funding and wanting everybody to buy as much as possible."

Why do we have to shake up the meaning of prosperity?

"Prosperity is about good material conditions of living, but it's also about psychological things: a strong sense of identity, being affiliated with a social group, participating in the life of society. When you look at what gives people a good quality of life, its surprising how poorly it corresponds with only having more money."

How do we shift away from a growth-based economy?

"Enterprises can't just be a profit-maximizing activity for shareholders, drawing resources out of the ground, pumping them into a consumer society and throwing them away. Enterprise, as we reconceive it, is people in the service of other people. Investment has been perverted; it's seen as a speculative, gambling activity. We think investment should be a relationship between the present and the future, one that protects the assets on which our future prosperity depends."

Do we have to do away with stock markets dependent on growth?

"Investment managers have short time horizons for their investment bonuses. Speculating reaps the rewards but never pays the costs associated with them – the damage to the environment, to people's lives, the debts incurred when the system crashes. There are lovely examples of [enterprises based on service]: community bonds, credit unions, small-scale initiatives, cooperative investment initiatives. People [in these projects] were prepared to say that if the system doesn't work for us, they would build something better."

Are you calling for a revolution?

"There has to be a transformation. Peter and I believe this needs to be democratic, supported by government and nurtured in communities. Without it, there's no way to protect ecological assets, ensure financial stability and improve social well-being. When a finance system is running amok in the wrong direction, capital just flows to places where it can reap the rewards of degrading activities."

How can individuals help spark the new economy?

“We point to food co-ops, taking advantage of feed-in tariffs to build local renewable energy, the renovation and refurbishment of neighbourhoods, housing, parks, gardens, asking fundamental questions about how you invest your money. There is also protesting, lobbying and engaging in the political process. [Giving people] back their sense of agency is what ultimately creates the ability to change.”