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SLOWING THE ROLL: WHY SLOWING ECONOMIC GROWTH IS A GOOD THING FOR THE PEOPLE AND THE ENVIRONMENT

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Joe Whelan

For a virus which was only being whispered about a few short months ago, COV, SARS 2, COVID 19, Corona Virus is now firmly enmeshed in the collective imagination. As a result, changes have happened, and are continuing to happen rapidly, changes to business as usual, changes to the distribution of resources and changes to the social contract which is being rewritten daily. The social safety net is also being expanded as emergency welfare payments are being rolled out across jurisdictions.

To give just one example, Ireland, where the author is based, has seen the introduction of a '**COVID-19 Pandemic Unemployment Payment**' for those whose employment is disrupted by the crisis. Other measures introduced under **emergency legislation** include, amendments to the Residential Tenancies Act to prevent evictions and rent increases for private renters during the period of the crisis. On the owner-occupier side of things, The **Banking and Payments Federation of Ireland** is offering a payment 'break' to affected customers for up to three months and has adjourned all court proceedings for the same period. Many more measures, from both government and civil society, will undoubtedly be needed as unemployment is expected to rise to levels exceeding **10%** in the coming weeks and months.

The upshot of all of this is that domestic economies, and therefore the global economy under its standard mode of operation, are now substantially threatened; particularly in respect to previously projected levels of economic growth, which, like many other short to medium term plans and forecasts, are now consigned to the bin of history.

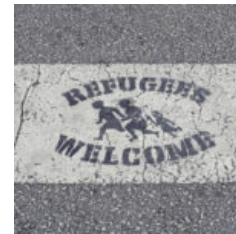
Of course, in popular and political discourse, there is an acceptance that this is a universally bad thing. If economic growth, that most revered and simultaneously feared of economic concepts, is slowing, soon it may stop, then it may shrink. Undoubtedly this will have the priests and priestesses of orthodox economics in a state of high panic. This is not surprising as, for orthodox economists, sustaining and maintaining economic growth is the only show in town. In fact, the valuing of economic growth, far from the being the monopoly of economists only, is almost unanimously seen as positive. Politicians promise it to get and stay elected and people in general appear to desire it on the understanding that continued growth in economic activity will be good for everyone.

In practice however, the redistribution that comes from economic growth seldom reaches those who hope for and need it most. Shit rolls downhill, money and prosperity, not so much. This does not need to be proved, just ask yourself, is the current model of economy seen in the global north and predicated on constant growth, really working for the vast majority of the people? If your answer is honest, it has to be no. If you need convincing then just look at a recent **Oxfam report** which states that:

Economic inequality is out of control. In 2019, the world's billionaires, only 2,153 people, had more wealth than 4.6 billion people.

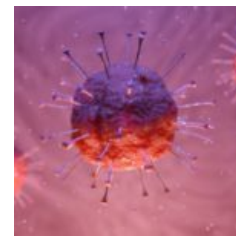
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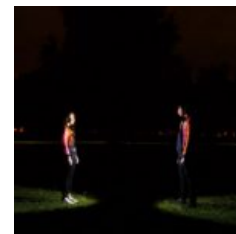
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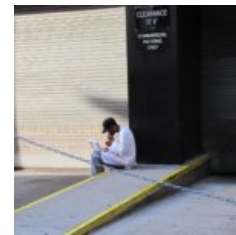


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time it is also devastating for the environment and moving away from it is ultimately a matter of human survival as constant growth ultimately means the continued metabolization of the environment and natural resources.

In this respect, any person claiming that capitalism left unchecked is good for the environment due to a tendency towards cost effectiveness and efficiencies is either, blinkered, delusional or a poor student of history. To return to the question of growth, consider for a moment that a rate of growth of about 3-5% per year seems to be the target for most developed economies in the global north. Anything above this indicates signs of an economy overheating, necessitating a monetary or even fiscal response. Anything below appears as low growth or sluggishness necessitating stimulus. If you get down near 1%, then you are in a crisis, a justification for increasing austerity meaning the poorest suffer while the rich are generally protected through the medium of the state.

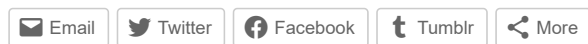
Of course, this is one of the central contradictions of neoliberal capitalism, Capital denounces a strong state when it comes to regulation yet comes a begging, cap in hand, when in need of a bailout. But what if this model of growth economy were to function crisis free? Were this model to work continually at an optimum of 3-5% growth, the global economy would need to roughly double every 25 years or so. This is an outrageous proposition designed to benefit an elite few. Furthermore, creating a continuity of endless capital accumulation is the opposite of what is needed to preserve human life, or, indeed, to preserve the planet we inhabit. This is not new information. As far back as 1772, **Richard Price**, whose words were later taken up by Marx in his own contribution to political economy, spoke of the power of exponential growth when he noted that:

Money bearing compound interest increases at first slowly, but the rate of increase being continuously accelerated, it becomes in some time so rapid, as to mock all the powers of the imagination.

What then if we moved away from the doctrine of economic growth as sacrosanct? What if we stop trying to imagine it and begin to imagine something else? A couple of months ago, this would have seemed impossible as then, the end of the world seemed easier to imagine than the end of capitalism. Yet, here we are, and, because of a deadly virus, growth is slowing down. In this sense, could it be suggested that as well as a crisis, we face an opportunity? Can we use this horrible moment, where we appear to be down, to arise, a better, more equal, more inclusive and more environmentally conscious humanity? A humanity that has learned to live in the world again, with a social contract that, to use Marx's words, has banished the realm of necessity and ushered in the realm of freedom? Or will we simply fall victim to the worse tendencies of disaster capitalism?

We have a choice and, as the Oxfam figures quoted earlier show, there are far more of us non-billionaires than there are billionaires. So, let this moment be a call to revisit the idea of a social and environmental contract then in explicit terms. If the people are sovereign and the state is an expression of the will and interests of the people than we need to actualize this by enforcing the social contract and making it work *for* us and for the global environment. It's already shown to be possible. Across the world, we see government's repurposing buildings for the homeless, releasing certain categories of prisoners, suspending utility bills/rent on property/evictions, reducing air pollution & nationalising healthcare. These things were always possible.

Joe Whelan is a lecturer in the School of Applied Social Studies at University College Cork, Ireland. His research interests include the political economy of welfare and the lived experiences of welfare recipients.



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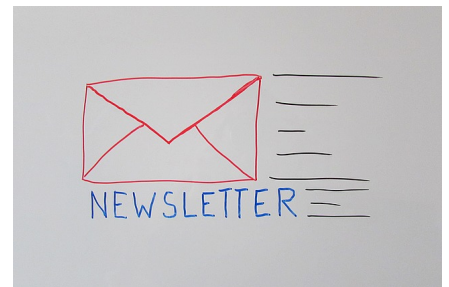
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