

Infographic: Why do we need economic growth

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Why do we need economic growth?

1. The assumption

- Politicians tell us that economic growth is essential.
- They say growth will make us better off.
- They say it will pay for better public services.
- But they rarely ask why we need growth at all.



2. What growth means

- Economic growth usually means an increase in GDP, or gross domestic product.
- GDP measures the total value of everything a country produces and sells.
- But more GDP does not necessarily mean people are better off.
- If a factory pollutes a river, cleaning it up adds to GDP, but we'd have been better off without the pollution.
- So, GDP is not, by itself, a measure of success.



3. When growth can matter

- Growth does matter when people don't have enough.
- More homes, food, energy and essential services can improve lives.
- Poorer countries may still need substantial growth in these things.
- But richer countries face a different question.



4. There are limits

- We live on a planet with limited resources, like oil, minerals and some forms of life itself.
- We cannot keep exploiting them forever.
- Climate change and the disappearance of animals and plants impose real limits.
- We must live within those limits.



5. Growth does not guarantee wellbeing

- Growth can increase profits for businesses and wealth for investors without raising most people's incomes.
- The gains often go to those who are already wealthy.
- Inequality can increase while GDP rises.
- Growth does not guarantee that most people thrive.



6. Public services do not depend on growth

- Governments don't have to wait for the economy to grow before improving public services.
- They can always create the money required to do that.
- The real question is whether there are enough workers, skills and physical resources to deliver them.
- Growth cannot conjure resources that don't exist.



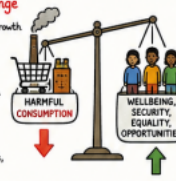
7. Some growth is essential

- That said, we need more healthcare, education, care and secure housing.
- We need more renewable energy and greater energy efficiency.
- We need better jobs, incomes and opportunities.
- This is growth that genuinely improves people's lives.
- But it has to happen within the limits of available resources.



8. The question must change

- The choice is not simply between growth and no growth in that case.
- We need to ask: what should grow, and what should shrink?
- Buying and using things that harm the planet must decrease.
- Wellbeing, security, equality, and opportunities should increase.
- The question is, do we meet needs, or fuel some people's greed?



Conclusion

The economy doesn't need growth for growth's sake. What we need is enough economic activity to meet everyone's needs, increase wellbeing and let people thrive, while respecting the limits of our planet. It is up to us to prioritise that.



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