



# 12 economic growth myths



**Myth 1:** As a country's economy grows, its environment becomes cleaner.

**Response:** the environment doesn't have national boundaries, and the global environment is degrading at an alarming rate (see extinctions factsheet). The UK economy is much, much bigger than 100 years ago, and yet locally, the air and water quality is better in many places. However, that's because we hardly manufacture anything any more – dirty factories have been exported to the far east, India and Latin America. And then everything has to be transported from the other side of the world, creating much more ecological damage than if our goods were produced at home.

**Myth 2:** growth offers us more choice.

**Response:** yes, you'll have choice of hundreds of varieties of unhealthy breakfast cereals or fizzy drinks, but what if you want to walk to local shops (all gone – you have to drive to a supermarket); public transport (too expensive, and not going where you want to go when you want to go); clothes you like (not fashionable this year); non-GM food (soon that may not be possible); to build your own home and live in a low-impact, natural way in the countryside (planning system won't allow it)? The choices we are offered are superficial.

**Myth 3:** energy efficiency, renewables and new energy sources will allow growth forever.

**Response:** energy efficiency and renewables are not environmentally-friendly in a growing economy, because any money saved will be used to buy something else – a fridge from China, apples from New Zealand, a holiday in Florida – so the benefit is wiped out. Similarly, on a larger scale, if nuclear fusion becomes available and economically viable, it won't stop environmental destruction as long as there is a growing economy – can you imagine how many new roads, factories, docks, airports, golf courses etc will be built if we harness fusion? Many more habitats and species will be destroyed.

**Myth 4:** human ingenuity is the ultimate resource, and can grow forever.

**Response:** actually, this is true, but that's not growth, it's development – qualitative rather than quantitative. We can continue to evolve, to develop intellectually, emotionally, artistically and spiritually – but we can't keep growing materially, which is what inevitably happens if the economy grows. We can't break the laws of nature. Human ingenuity can't develop a perpetual motion machine, or an economy that can grow forever.

**Myth 5:** new technology, and especially miniaturisation, will allow us to grow forever.

**Response:** of course we don't know what inventions are on the way, and the pro-growth lobby are fond of the story of the fictional chap in New York in the 19<sup>th</sup> century who said that if traffic continued to grow, the whole city would soon be covered in 6 feet of horse manure. He didn't know that the car was coming, and we don't know what new inventions are coming either. But the car brought much worse problems than horse manure. Every year brings more ecological damage, and the rate of destruction is increasing – often because of new inventions. Plus you can't miniaturise things that need to be human-scale, like fridges, cars, aeroplanes, food, clothes, houses - and as economies grow, people want more of them.

**Myth 6:** we need economic growth for better weaponry and security.

**Response:** whilst it's probably true that the only way that a country like Iran can be sure to avoid invasion is to develop nuclear weapons, the manufacture and use of weaponry involves so much waste and environmental damage, that this is probably more of a threat to humankind than all-out nuclear war. The only way to ensure our long-term security is for international agreements on the curtailment of both nuclear weapons and economic growth.



**Myth 7:** economic growth can continue forever because of recycling.

**Response:** some say that manufacturing can become a merry-go-round of production, wearing out and recycling - after all, the first law of thermodynamics says that matter and energy are never destroyed, just changed. But they forget the second law – entropy: matter and energy are ultimately dissipated - changed from a useful state to a useless state. This applies to energy more than matter. When you've had the energy from a piece of wood, you have a pile of ash. Matter can be recycled (energy can't - once it's used it's used), but not forever – you lose some, some becomes degraded, until it's unusable; plus you still need energy to recycle it.

**Myth 8:** we need growth to eradicate poverty.

**Response:** one of the first things the growth lobby will say if you criticise economic growth is that you are condemning the poor to eternal poverty. Not true – anyone interested in poverty eradication would advocate a re-distribution of wealth. There is enough wealth in the world for everyone to live comfortably – it's just that most of it is in the hands of a tiny minority. Sharing, and a fair distribution of resources will alleviate poverty, not growth. We've had 200 years of growth and although some people have been lifted out of poverty, concentration of wealth and power means that there are now more poor people in the world than ever before. There is a case for growth in poor countries (although there is probably more of a case for them to build their own steady-state economies and drop out of the global growth system, that will bleed them dry).

**Myth 9:** we need growth to generate the money to solve environmental problems.

**Response:** this argument is a bit like trying to keep warm by burning your house down. Economic growth has brought the world to the brink of ecological catastrophe. Doing the same thing, only harder, isn't going to make the situation any better – it's going to make it much worse.

**Myth 10:** a service economy can grow forever.

**Response:** no – service industries all use resources and create waste (can you think of one that doesn't?), and the money generated in the service sector doesn't stay in the service sector – salaries are spent on material things.

**Myth 11:** We can keep growing because we can colonise space.

**Response:** That's a big assumption, and an even bigger risk. The enormous amount of resources that would be required and waste that would be generated would add to our environmental problems right here and now, and contribute to ecological collapse on earth before we can colonise other planets. We're not against space travel - but we haven't worked out how to live on this planet without damaging its ecosystem yet. Let's work that out first - we need a secure base.

Plus one more that we hear surprisingly often, even though it's silly.

**Myth 12:** economic growth is just about increasing the amount of money sloshing around in the economy, and can be achieved by adding zeroes on a computer screen, without any material growth in human activity.

**Response:** that's devaluation of the currency, not economic growth.

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