

Comment



Protesters in New York City in September joined thousands of others around the world in urging governments to act on climate change.

To build a better world, stop chasing economic growth

Robert Costanza

The year 2024 must be a turning point for shifting policies away from gross domestic product and towards sustainable well-being. Here's why and how.

The past year has given many of us reason to pause. We are losing in a race to prevent planetary tipping points – the climate is changing faster than expected, and humanity has already breached six of the nine sustainable planetary boundaries (for biodiversity loss; climate, freshwater and land-system change; biogeochemical flows; and novel entities)¹. Summer Antarctic sea ice shrank to its lowest recorded

extent in 2023 (see go.nature.com/4f86req), a year that is on track to be the warmest on record (see go.nature.com/4f9ykdj).

People around the world recognize that life is not getting any better. As wars rage, runaway inequality and political polarization are eroding societies' sense of cohesion. Eight individuals owned more than the poorest 50% of the world's population, according to an Oxfam report in 2017 (ref. 2). Levels of



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The Beyond Growth conference in Brussels in May 2023 concluded with a call to create a sustainable and just economy.

anxiety, depression and burnout are rocketing. Full-time employees are unable to pay rent and must turn to extra part-time work to make ends meet, while employers cut staff and increase workloads.

Crises are now normal in this global economic system that depletes natural and social capital, energy and time in the name of economic growth at all costs.

But, looking to 2024, I'm hopeful that the world can turn in a better direction. For example, a meeting I attended in May on sustainable prosperity particularly buoyed my spirits – and, in my view, signalled a tipping point in thinking and governance. The Beyond Growth conference at the European Parliament attracted more than 2,500 participants in person, as well as 2,000 online. It was sponsored by the European Commission and the Club of Rome (a non-profit organization fostering research and action around pressing global issues).

In a stirring opening address, Ursula von der Leyen, president of the European Commission, said that governments must stop misusing growth of gross domestic product (GDP) as their goal and instead move swiftly and urgently to sustainable well-being within planetary boundaries. She got a standing ovation. Agata Meysner, the young leader

of Generation Climate Europe, a coalition of climate and environmental networks across the bloc, concluded the event with a call to join the “movement of movements” to create a new economy based on sustainable prosperity, justice and sufficiency. Everyone rose to their feet.

And an increasing number of organizations and movements dedicated to overcoming our addiction to GDP growth are working together to do just that, including through networks such as the Wellbeing Economy Alliance (which also supported the conference). The pursuit of GDP growth at all costs is an outdated paradigm that claims that all people want is more income and consumption with no limits. It assumes that the market economy can grow forever, that massive inequality is justified to provide incentives to promote growth, and that efforts to address climate and other environmental and social problems must not interfere with growth. It supposes that growth is the solution to all ills. It isn't.

As the European conference emphasized, GDP was never designed to measure societal well-being – only market production and consumption. GDP says nothing about the distribution of income, unpaid work or damages to natural or social capital. The misuse of GDP as a policy goal is driving societies

towards an unsustainable future that benefits an increasingly small proportion of the population while impoverishing the vast majority².

Researchers must help to provide alternatives. Here's how.

Design better measures of societal well-being

Hundreds of indicators of societal well-being are already in use, including by the United Nations, the World Bank, the Organisation for Economic Co-operation and Development (OECD), non-governmental organizations, countries and academics. Examples include the Genuine Progress Indicator; the OECD Better Life Index; and annual surveys of life satisfaction³. To become a societal goal used by all, and to displace GDP, the world must settle on a new indicator. Broad consensus is needed on what should be included.

For example, it is not just income that matters, but also the ways in which it is distributed. The costs of environmental and social degradation must be included, as should contributors to well-being that are unconnected to income – such as our relationships and communities, good governance, the ability to participate in decision-making and ecosystem services provided by the natural environment. Several research initiatives are

beginning to address these issues (including one I am involved with, called MERGE, which is funded by the European Union).

Model the complex dynamics of the economic system

Interactions between social, economic and natural elements of societal well-being must be better modelled and future projections developed to assess their sustainability. National examples include the EUROGREEN model, which has been applied to France, and the LowGrow model of the Canadian ecological economy.

The Earth4All model of the Club of Rome takes a global perspective. It explores two scenarios towards 2050. The first – known as business as usual, or too little too late – looks at what will happen if the world continues current trends of increasing inequality, climate disruption and decreasing well-being, even as GDP continues to rise. By contrast, the second scenario, called giant leap, shows how investing in five areas – renewable energy, regenerative food, reducing inequality, eliminating poverty and enabling empowerment – could ensure sustainable, prosperous and equitable well-being for humans and the rest of nature.

For example, rather than rewarding the fossil-fuel sector with enormous subsidies to maintain economic growth at the expense of climate and social disruption, new policies would focus on moving away from fossil fuels.

At the same time, policies to achieve the other four turnaround areas would be implemented to enable sustainable well-being, regardless of the effects on GDP.

Develop policies to support sustainable well-being

The EU and the Wellbeing Economy Governments (WEGo) group that includes Scotland, New Zealand, Wales, Finland, Canada and Iceland have begun to implement measures of sustainable well-being and policies to achieve them. Researchers need to analyse these plans and offer lessons to help other nations adopt them. What are these policies?

“Constructing a sustainable world where well-being is prioritized must be a key goal for 2024 and beyond.”

There are many versions, but an open letter I signed in May – together with more than 400 leading economists, scientists, policymakers and activists – provides starting points in four areas. These are biocapacity (protecting the planet), fairness (a more equal society), well-being for all (basic services and rights) and active democracy (see ‘Beyond growth policies’ and go.nature.com/47z3v6s).

Specific policies will have to be tailored for a broad range of contexts. They will need to overturn and overcome opposition from vested interests that are maintaining the current system, including billionaires, the fossil-fuel sector, big pharma, the defence industry and industrial agriculture. For example, perverse subsidies for damaging practices across these sectors must be removed. Collective actions through ‘movements of movements’ will be essential for bypassing lobbying and misinformation.

Build a shared vision

Constructing a sustainable world where well-being is prioritized must be a key goal for 2024 and beyond. At the societal scale, people need a positive shared vision of goals that can achieve sustainable well-being⁴. To motivate change, techniques might be borrowed from therapies for addictive behaviours, such as ‘motivational interviewing’⁵, which engages people who have addictions in a positive discussion of their life goals.

The UN Sustainable Development Goals (SDGs), which were agreed by all countries in 2015, are one step in the process. But they have not been fully embraced by governments and are largely unknown to the public. To change that, researchers, activists and policymakers need to develop creative ways to engage people. For example, those in the arts and humanities could create positive visions of what life would look like in a world where the SDGs have been achieved. This could help to motivate the movement of movements and other changes needed to overcome the addiction to GDP growth.

People often fear that such transformations will require sacrifices. In the short term, change is difficult, and addictions are powerful. But in the long run, it is a huge sacrifice of our personal and societal well-being to continue down the business-as-usual path. Sustainable well-being can improve the lives of everyone, and protect the biodiversity and ecosystem services on which we all depend. In the coming year, let’s continue to build the shared vision of the world we all want, and accelerate progress towards it.

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Beyond growth policies

An open letter signed by more than 400 experts in May suggested legislation based on four principles that would overcome the world’s addiction to growth in gross domestic product (see also go.nature.com/47z3v6s; suggestions have been edited for clarity).

Biocapacity. Policies could include phasing out fossil fuels, limits to extraction of raw materials and measures for nature protection and restoration to ensure healthy and resilient soils, forests and marine and other ecosystems. Examples are a fossil-fuel non-proliferation treaty and a resource justice and resilience act, which would involve a binding target to reduce material footprints and real, area-based nature restoration.

Fairness. Fiscal instruments could be used to foster a more equal society by eradicating income and wealth extremes, as well as

super-profits. These might include a carbon-wealth tax and setting of minimum and maximum incomes.

Well-being for all. An improved, ecologically sensitive welfare state would secure people’s access to essential infrastructures. This might be achieved through the provision of universal basic services (including the human rights to health, transport, care, housing, education and social protection), job guarantees and price controls for essential goods and services.

Active democracy. Citizen assemblies could be set up with mandates to formulate socially acceptable sufficiency strategies and strengthen policies. These would be based on ecological limits, fairness and well-being for all, and include a stronger role for trade unions. Examples include local-needs forums, climate conventions and participatory budgeting.