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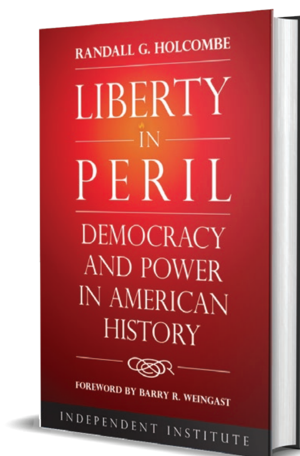

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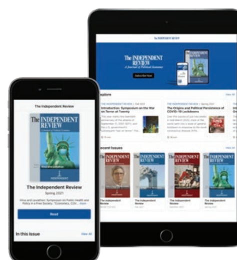

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The Abandonment of Growth and the Decline of the West

Robert D. Atkinson

From the founding of the republic to the turn of the millennium, America's core economic creed was growth. That growth religion enabled the United States to become the world's richest and most powerful nation, and dramatically improved Americans' quality of life.

Tragically, over the last two decades, many have abandoned their faith in growth. The new prevailing wisdom is that America and other nations should forswear growth for the sake of other goals: saving the planet, redistributing income, living simply, and the like.

The schism in America's faith in growth has been led by an elite clique of economists, public intellectuals, and policy advocates, primarily liberals and progressives, who have come to view a wide range of pressing societal problems—from inequality to worker dislocation to excessive carbon pollution—as evidence that the American economic system itself is fatally flawed. In their despair and dismay, they have settled on a new, countervailing creed in which growth is not the solution to society's problems, but the cause.

Given that most Americans favor economic growth and would like to see their living standards improve—45 percent worry about even maintaining the standard they enjoy—the battle to convince the masses to abandon growth policy in favor

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of other goals has had to be surreptitious (J. Jones 2020). As such, slow-growthers, no-growthers, and de-growthers (collectively: growth rejecters) relentlessly reiterate misleading claims to portray growth as irrelevant or harmful. To achieve their policy goals, growth needs to be discredited and the new doubters converted to a new faith. If growth no longer matters, the path is eased not only for antigrowth policies—such as high taxes on business, limits on trade, weak intellectual property rules, and restrictions on new technologies—but for vast redistribution policies that are now portrayed as the only way to lift up the bottom half.

There is no one single cause for the turn against growth. Some growth rejectors believe it is bad for the climate. Others believe growth no longer helps the disadvantaged. Still others oppose growth because it often temporarily leads to disruption. But perhaps underlying the turn away from growth is a rejection of the current capitalist, free-market global economy, which most growth rejecters see as inherently problematic. If growth still matters, then so too do global market integration, free markets and competition, "Schumpeterian" creative destruction and continued technological progress, corporations, and some levels of inequality to spur ambition. These are all things most growth rejecters either oppose or are, at best, skeptical of.

It is hard to overestimate the extent and importance of this shift in thinking, especially among the elite class. The animating core of Western thought since the Enlightenment, and especially since the first industrial revolution in the late 1700s, was that the potential for progress was infinite. Each generation would be more affluent than the last. It was this promise that underpinned the notion of the "American Dream," a term coined by James Truslow Adams in his 1931 best seller, *The Epic of America*. Adams described it as "that dream of a land in which life should be better and richer and fuller for every man, with opportunity for each according to ability or achievement" (415).

Abandoning this vision, which is deep in the DNA of America and most of the West, is not a trifling thing. It is an assault on the very character of the West, and its success will ensure that the West will diminish, both materially and morally, especially against the growing threat that is China. Unless we restore increasing per capita income growth to the center of economic policy, relative U.S. power will shrink, income growth and poverty reduction will slow, and public funding available to achieve important goals will remain inadequate.

In his classic book *The Economic Consequences of the Peace*, John Maynard Keynes wrote, "Perhaps it is historically true that no order of society ever perishes save by its own hand" (1920, 238). If that is true, then it risks happening today because America has rejected the doctrine of growth and progress in favor of redistribution and stasis.

The Growth Era: 1776–1968

Economic growth, in particular growth that results from increases in productivity, is the only source of sustained increases in per capita income. Economic growth

means reduced poverty and increased living standards, increased government tax revenues (or the same revenues with lower taxes), and the ability to spend more on public goods, including a cleaner and safer environment, better public health, and more and better education. And as Benjamin Friedman has stressed, in *The Moral Consequences of Economic Growth* (2005), growth is also the key lubricant of democracy and tolerance.

Economic growth as a central organizing principle for public policy predates the American Revolution. As Friedman wrote, "the idea that progress, including worldly progress, not only existed, but was inevitable, was a major step toward Enlightenment thinking" (34).

Growth and progress were a core part of America from the beginning. To be sure, although Thomas Jefferson and some other founders were largely content to maintain a rural, pastoral life (albeit across the entire continent), on the whole, the founders envisioned a new country committed to growth and progress.

On this many were influenced by Adam Smith's landmark *An Inquiry into the Nature and Causes of the Wealth of Nations*, which sought to refocus economic thinking away from land and gold reserves toward enterprise and productivity. For Smith, "The progressive state [robust economic growth] is in reality the cheerful and the hearty state to all of different orders of society. The stationary state is dull; the declining melancholy" ([1776] 1976, 99).

Alexander Hamilton, influenced by Smith, wrote in *Federalist* no. 12 (1787), "The prosperity of commerce is now perceived and acknowledged by all enlightened statesmen to be the most useful as well as the most productive source of national wealth, and has accordingly become a primary object of their political cares."

Other classical economists, including David Ricardo, Jean-Baptiste Say, and John Stuart Mill, focused on growth. As economist Daniel Harris wrote, "The interest of the classical economists in economic growth derived also from a philosophical concern with the possibilities of 'progress' an essential condition of which was seen to be the development of the material basis of society. Accordingly, it was felt that the purpose of analysis was to identify the forces in society that promoted or hindered this development, and hence progress, and consequently to provide a basis for policy and action to influence those forces" (2007, 1).

Frederick Jackson Turner's famous 1893 thesis on the end of the frontier struck a chord because he articulated what most Americans only sensed—that an era of American history was passing irrevocably, and that a fundamentally new one was upon them. But this was not seen as passing from an era of growth to one of stasis. Rather, progress was no longer based principally on opening new territories for exploitation; it was inextricably caught up with the machine itself. As Henry James noted, Americans' quest now had become divorced from nature and tied to the "great man"—the inventor, the builder, and the architect (Atkinson 2004, 51). Historian Merritt Roe Smith (1996) discussed a sample of books from the period of the 1860s to the early 1900s with titles such as *Eighty Years of Progress*, *Men of Progress*, *Triumphs and Wonders*

of the 19th Century, *The Marvels of Modern Mechanism and Their Relation to Social Betterment*, *Our Wonderful Progress*, and *The Wonder Book of Knowledge*. Progress meant economic growth, and economic growth meant progress.

This was not a partisan undertaking: faith in the religion of growth was a requirement for membership in both major political parties. What varied was not the goal, but the means, with Federalists, and later Republicans, more willing to side with the task of industrialization, and anti-Federalists, and later Democrats, siding with strong agrarian and natural resource growth.

Conservatives and emerging progressives of the early 1900s were both part of the faithful. Herbert Croly, the founder of *The New Republic* and author of *The Promise of American Life,* wrote, "Our country, and its prosperous future, are above suspicion" (1909, 1). Herbert Hoover, reflecting America's thriving prosperity, made clear that this only just upped the ante, stating that the slogan of progress had simply changed from the full dinner pail to the full garage.

This was a period of no limits. Intellectuals, politicians, and the average person seldom wondered when growth would end, and certainly never entertained the idea that it should. Rather, growth (and innovation) was seen as continuing as far as the eye could see.

To be sure, the Great Depression led some to lose their faith or at least question the god of progress. In 1930, twelve prominent Southern intellectuals, including Robert Penn Warren, contributed to a symposium, "I'll Take My Stand: The South and the Agrarian Tradition." This supported "a Southern way of life against what may be called the American or prevailing way; and all as much as agree that the best terms in which to represent the distinction are contained in the phrase, Agrarian *versus* Industrial" (Davidson et al. 2006).

But virtually everyone else, even populists, stood for growth. Huey Long, "The Kingfish"—governor of Louisiana and then U.S. senator—was a full-throated advocate for redistribution. His famous nationally broadcast speech "Every Man a King" promised to provide plenty to working men by taxing the wealthy, and he launched a national network of Share our Wealth societies. But even Long still firmly believed in the religion of growth, stating that "as much would be produced as possible so as to satisfy the demands of all people." So did the other major populist of the day, Father Coughlin, who said, "It is only an untrained and cowardly mind which will disparage our high-powered tools, our better arrangement of materials, our more efficient management" (qtd. in Collins 2000, 4).

For some, faith faltered, at least temporarily, but the consensus never failed. Leading New Deal economist Alvin Hansen feared America was in a period of what he coined "secular stagnation" (Backhouse and Boianovsky 2016). He feared that all the growth ingredients had played out, including land, labor, and technological improvement. But with the end of the Depression, Hansen came back into the fold, believing that with the right Keynesian government policies growth could continue. In fact, virtually all economists in the Great Depression, whether budding Keynesians

or more traditional neoclassical economists, remained committed to growth. For example, in 1938, a group of seven Harvard and Tufts economic graduate students published a book titled *An Economic Program for American Democracy*. The group included a number of liberal economists, such as Paul M. Sweezy, who became a leading Marxist. They wrote: "The essence of prosperity, whether it be privately or publicly induced, is an increasing volume of expenditure followed by an enlarged output of real goods and services" (Gilbert et al. 1938). FDR called the book "a bible of the New Dealers" (Smith 2020). Even with record high unemployment, economist Benjamin Anderson could write in the 1930s that "on no account, must we retard or interfere with the most rapid utilization of new inventions" (qtd. in Bix 2000, 166). And in 1938, Wisconsin governor Phil LaFollette founded a new political party, the National Progressives of America, with a platform of "the multiplication of wealth, instead of less" (qtd. in Collins 2000, 9).

After the New Deal, Keynesian economics became dominant. Some growth rejecters today argue that they are simply continuing the Keynesian tradition and that Keynes did not see growth as the key economic task, especially during full employment. To make that claim, some point to Keynes's famous article "Economic Possibilities for Our Grandchildren," in which he speculated on a time one hundred years in the future when growth would be so plentiful that people would be able to focus on other things than production. But as Stefan Eich wrote: "Keynes left no doubt that precisely because a future state of plenty was so attractive, growth was all the more urgently required in the short run" (2021, 138). The reality is that before the 1980s most Keynesians focused on both business cycle fluctuations and long-term growth. As John Kenneth Galbraith wrote, "Production did more than impress the liberal. It became his program, and it established something of a monopoly over his mind" ([1958] 1998, 138).

The emergence of America as the world's leading economy facing the Soviet challenge after World War II only served to reinforce the drive for growth. In 1947, the White House Council of Economic Advisors stressed the need for "maximum production." CEA head William Keyserling wrote in 1949 that "our whole economy can and should continue to grow" (qtd. in Collins 2000, 20). Even Jay Lovestone, an AFL-CIO official who was once head of the Communist Party USA before he was expelled for Trotskyite tendencies, stated that America required more rapid growth (Collins 2000, 47). The 1960 Democratic Party platform committed the party to a continual 5 percent annual rate of growth in real GDP.

The religion of growth reached its apex in the administration of John F. Kennedy, who firmly embraced the pro-growth views of his Council of Economic Advisers. One adviser, James Tobin, stated, "Growth was a good word, indeed *the* good word" (qtd. in Collins 2000, 52). For Kennedy, growth was central to achieving his "New Frontier" and to countering the Soviets. Commentators at the time spoke of "growthmanship" to describe the seemingly single-minded pursuit of exuberant economic growth (Collins 2000, x). After all, Soviet premier Nikita Khrushchev

warned America that the Soviet economy would soon overtake the American one, saying, "We will bury you." But for Kennedy that was unacceptable, in part because "a rising tide lifts all boats."

Walt Rostow, an adviser to Kennedy, exemplified this orientation in his 1960 book *The Stages of Growth*, with the thesis that all societies would go through stages of growth. Rostow wrote, "The idea spreads not merely that economic progress is possible, but that economic progress is a necessary condition for some other purpose, judged to be good: be it national dignity, private profit, general welfare, or a better life for the children" (qtd. in Raworth 2017, 212).

Rostow's insight was significant. To move to an economy of growth, a society must first believe that growth is possible and needed. That is a primary symptom of our ailment today: a growing number of economists, pundits, activists, and politicians in the West now say that growth is neither possible nor needed. If they were editing a new edition of *The Stages of Growth,* they would likely add a sixth stage (Rostow's fifth and final stage was the age of mass consumption): the stage of global degrowth.

But still, as late as 1971, GDP was still the sacred indicator. The enormous U.S. Department of Commerce building on 14th Street NW in Washington, D.C., prominently displayed a giant GNP clock (Gross National Product was the term before GDP). But many elites, activists, and pundits had already been harboring doubts, causing a schism in the religion's upper ranks.

The Unraveling of the Growth Consensus: 1968–2000

If growth was America's religion through the 1990s, then John Kenneth Galbraith was perhaps one of the first influential heretics. In his 1958 bestseller *The Affluent Society*, he argued that America had solved its production problem and now needed to shift to its distribution problem. His principal goal was to overthrow "our 'thralldom' to the myth that the production of goods, by its overpowering importance and its ineluctable difficulty, is the central problem of our times" (209). Galbraith argued: "Instead [of growth] let us put the elimination of poverty in the affluent society strongly, even centrally, on the social and political agenda" (262). He rightly went on to recognize that "in doubting the supreme power of production, we are still challenging a myth of historic power" (142). At least he recognized that "one has a sense of disloyalty, almost treachery, in destroying it" (216). To the extent Galbraith's initial attacks enabled growth to be dethroned, it was indeed disloyal.

Within a few years Galbraith was joined by swelling ranks of growth rejecters. As Robert Friedel wrote in *A Culture of Improvement: Technology and the Western Millennium*, "The beginning of the 1970s saw a remarkable confluence of forces that collectively cast into doubt the ascendent culture of improvement" (2007, 537).

The rise of the civil rights movement, coupled with the increased attention on poverty, as exemplified by Michael Harrington's 1962 book, *The Other America*,

led many to focus not on growth but on its purported failure to lift all boats adequately. At first, this was a call for taking distribution issues more seriously—as they should be—but over time it evolved into a sole focus on redistribution with a dismissal of growth.

The rise of the environmental movement was another broadside attack on growth. The belief that there was a long-standing failure to adequately address environmental issues led many to associate growth and industrialization with environmental degradation. Paul Ehrlich's 1968 bestseller, *The Population Bomb*, advocated that "Americans must also change their ways of living as to minimize their impacts on the world's resources" (1968, xii). "Changing their ways of living" was a euphemism for consuming less.

Whereas JFK was a growth advocate, his brother Robert Kennedy was not so sure. In a famous speech on the 1968 campaign trail, Kennedy stated:

> Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product, now, is over $800 billion dollars a year, but that Gross National Product—if we judge the United States of America by that—that Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities.

Leaving aside the fact that these "negatives" accounted for a very small share of GDP and that some aren't actually part of GDP, RFK was articulating a new sensibility. Growth was no longer something the Democratic Party could own; now it became a party that questioned growth in favor of other goals. The fact that Jimmy Carter invited to the White House E. F. Schumacher, author of the antigrowth screed *Small is Beautiful*, exemplified the sagging faith.

John Rawls: The Martin Luther of the Growth Creed

Changing religion requires a new bible. Harvard philosopher John Rawls, who President Clinton awarded the Presidential Medal of Freedom, provided it. Rawls did more than anyone to give this emerging antigrowth movement intellectual legitimacy. Prior to the 1971 publication of his "magisterial" *A Theory of Justice*, the overarching philosophy about the economy was grounded in Pareto-optimality: the notion that it is an improvement whenever some persons become better off as long as no one is worse off. But Rawls led many to question whether that principle should guide policy.

Writing before the first oil embargo and the deep recession of 1974, Rawls was living in a supposed age of growing abundance, and he assumed that age would continue. His *A Theory of Justice* argued that justice "does not require continual

economic growth over generations to maximize upward indefinitely the expectations of the least advantaged" (qtd.in Eich 2021, 138). Rather, he argued that a good society can be identified only if individuals are operating behind a "veil of ignorance" in which they do not know where in society their position will be, and he advocated the "difference principle," which, unlike the Pareto principle, permits diverging from strict equality only so long as the inequalities in question would make the least advantaged in society materially better off than they would be under strict equality. The problem with this as a governing principle for economic policy (the maximin criteria) is that it rejects an outcome in which overall incomes go up but incomes for the bottom do not. For Rawls this was not just, and hence not a valid outcome, even though under this scenario society would be wealthier and even those earning the least would be better off due to higher taxes paid by those earning more.

In his classic book *The Cultural Contradictions of Capitalism*, Daniel Bell criticized Rawls' philosophy: "Rawls's maximin criteria is a principle for equity in the 'stationary state.' Yet it is not clear that the society—American, Russian, or any contemporary society—would vote for the stationary state" (1976, 272). Rather, Bell wrote, "The crux of the problem is not the degree of redistribution . . . but the balance between redistribution and growth" (273).

Rawls's work was just the opening salvo among philosophers. A few years later, influenced by Rawls, law and philosophy professor Ronald Dworkin, author of the book whose title describes the emerging new social philosophy, *Taking Rights Seriously*, wrote that "if it now appears that economic growth injures more than it aids the liberal conception of equality, then the liberal is free to reject or curtail growth as a strategy" (1977, 118).

But the commitment to growth, although under attack, was still hanging on. Five years after *A Theory of Justice*, Daniel Bell could write "economic growth has become the secular religion of advancing industrial societies" (1976, 238–39). And as late as the 1990s, Bill Clinton could warn: "We simply cannot go gently into the good night of limited economic expectations, slow growth, no growth in living standards and a lesser future for our children" (qtd. in Collins 2000, 238).

The Abandonment of Growth: 2000–Present

The long and steady array of treatises and indictments of growth finally began to undermine the temple walls by the 2000s. In the last twenty years, the doctrine of economic growth has lost many of its adherents to a new religion led by ministers preaching hellfire and brimstone and rejecting the mammon of growth.

The narrative is no longer about the endless frontier and continued prosperity; it's about limits. As U.K. economist Tim Jackson has written, "Any credible vision of prosperity must hold a defensible position on the question of limits" (2017, 7). Now instead of a full dinner pail and a full garage, we need to set our sights on an expensive vegan diet and taking the bus.

Before overturning the doctrine of growth, the antigrowthers had to overturn utilitarianism with its belief in the greatest good for the greatest number. For it was utilitarianism that enabled legitimacy of the state's efforts to promote the collective good by growth. As Australian political scientist Peter Ferguson has written:

> Following Rawls, in the late twentieth century there was a concerted shift within liberal theory away from utilitarianism towards a new conviction that the truth must lie not with a doctrine that takes the maximisation of aggregate or average general welfare for its goal, but with a doctrine of basic human rights, protecting specific basic liberties and interests of individuals . . . From this perspective, "individual rights cannot be sacrificed for the sake of the general good; and the principles of justice that specify these rights cannot be premised on any particular vision of the good life." (2016, 613)

In other words, the individual is now sacrosanct, not the citizen, and anything that might harm the individual (including inducing envy and jealousy from others having more), even if it benefits the overall society, can and should be opposed by the state. Nor can the state advance economic growth if some individuals may be harmed, even if temporarily.

This fundamental shift in the faith about how a good society should be governed did not occur overnight. But we can observe the evolution by tracing the thought of some prominent progressive thinkers.

In the 1980s and mid-1990s, progressive economist and labor secretary Robert Reich argued that "the only becoming-richer strategy is to invest in our future productivity" (qtd. in Collins 2000, 216). But by 2020 he was counseling policymakers to "forget the standard economic goals of higher growth and greater efficiency. The issue is who benefits from more growth and efficiency" (Reich 2020, 7).

Gene Sperling, economic adviser to presidents Clinton and Obama, underwent a similar conversion. When Sperling was director of economic policy for the Clinton campaign in 1992, he advocated a bold investment agenda to increase the economic growth rate (Greenhouse 1992). By 2005, he wrote that "economic dignity should be seen as one of three defining progressive values underlying our policy agenda" (Sperling 2005). But the main goal was still growth. By 2020, there was now only one goal worth pursuing—economic dignity "should be the central organizing goal of economic policy" (Sperling 2020, xv). In fact, according to Sperling, GDP should not be the "main end goal of economic policy" (3).

This religious conversion was not limited to two former Clinton administration officials. It describes the path of most liberals. In the post-war period the Democratic left was all about growth. In fact, that was a core advantage over Republicans, who, though liking growth, were skeptical if not hostile to many government attempts to promote it and worried about inflation from full employment. Now much of the Democratic party focuses on limiting growth, or at minimum, redistributing wealth. The Center for American Progress, the largest and most influential liberal think tank,

released its "Report of the Commission on Inclusive Prosperity" in 2015 (Summers and Balls). It laid out a narrative that has become the received economic wisdom for many on the left: that the central challenges of our time are inequality and dwindling opportunity, and that economic policy must focus on more equitable distribution of output rather than on growing output per se.

A few decades ago, those arguing against growth would have been largely consigned to the intellectual sidelines. Now they win awards, serve on government commissions, and are feted in places like Davos. Dr. Robert Goodland, former adviser to the World Bank Group, has written that "humanity can prosper without growth. In fact, there is no other way left to us" (qtd. in Jackson, 2017). The World Bank, an institution set up to increase the economic development of less developed nations, defines its mission now as "equitable" and "sustained growth." It "moved into the new century emphasizing community-driven development and aid coordination, working to safeguard vulnerable groups, and addressing climate change" (World Bank Group, n.d.). The Bank now even appears to reject GDP growth as the key goal, as evidenced by its key role in funding "The Wealth Project," an effort to redirect policy away from growth (Wealth Project, n.d.).

Many academics have joined the antigrowth crusade. Oliver James, author of *Affluenza* (a book that treats growth as communicable disease), writes that "Zero growth is not only necessary, it is inevitable" (Jackson 2017, v). In his book *Slowdown*, Oxford professor Danny Dorling writes, "Slowing down is a very good thing—and the alternative is unimaginably bad" (2020, 2). Kate Raworth's book *Doughnut Economics* at least says too little growth is bad, but she argues too much growth is bad too. Indeed, she wants us to get over our "addiction to growth" (2017, 26).

Economists' Role

Before discussing other growth rejecters' theses against growth, it is worth briefly examining economists' role in the decline in the doctrine of growth. For virtually all of the twentieth century, economists embraced growth as the principal goal. Alfred Marshall, credited with leading the progression from classical economics to neoclassical, was deeply committed to "the high theme of economic progress" (Caldari 2004). Noted Austrian economist Joseph Schumpeter understood innovation was the driver of economic growth, which he saw as the key goal of economic policy, and he embraced "creative destruction" to achieve that growth. MIT economist Robert Solow introduced the first neoclassical growth model in the 1950s. And Arthur Okun, head of the Council of Economic Advisers under President Johnson, argued that a key task of economists was "promoting prosperity" (1970).

But now many leading economists favor redistribution over growth. It is telling that the first sentence in Thomas Piketty's *Capital in the Twenty-First Century*—listed as the best book of 2014 by more than forty publications and organizations—is: "The distribution of wealth is one of today's most widely discussed and controversial

issues" (2014, 1). Abhijit Banergee and Esther Duflo, winners of the 2019 Nobel Prize in economics, wrote in *Good Economics for Hard Times* that to boost the quality of life of individuals in underdeveloped economies, "A higher GDP may be one way in which this can be given to the poor, but it is only one of the ways, and there is no presumption that it is always the best way" (2019, 205). Nobel Prize–winning economist Joseph Stiglitz argues that "GDP is not a good metric for assessing well-being" (Stiglitz, 2018). In *Unbound: How Inequality Constricts Our Economy and What We Can Do about It,* Heather Boushey, who serves on the Biden administration's Council of Economic Advisers, wrote that "a shift is underway in economics that shifts light on" equity to address "the critical economic question of our time: How can we grow our economy more equitably and sustainably" (2019, xi and xiv).

There are a number of reasons so many economists, particularly left-of-center economists, have turned away from growth. One fact that has made it easier is because the field has evolved into one that has little to offer in the way of advice on growth. As Alan Blinder, chair of President Clinton's Council of Economic Advisers wrote: "Nothing—repeat, nothing—that economists know about growth gives us a recipe for adding a percentage point or more to the nation's growth rate on a sustained basis" (1987, 58). Paul Krugman has stated his agreement: "Productivity growth is the single most important factor affecting our economic well-being. But it is not a policy issue, because we are not going to do anything about it" (1990, 20). Earlier economists, particularly Keynesians, had faith that policy levers could be pulled to maximize growth. Now, they throw up their hands in despair and turn to what they think they can influence: distribution.

Even with the despair of many economists regarding growth, there was one group of economists who took growth seriously. These "growth economists" argued that innovation drives growth and that growth is vital to economic and social well-being. But at least some of these economists have lost the faith, too, joining the growth rejecters.

For example, for many years Stanford economist Charles Jones was a leading economist of growth theory, writing in 2005, "Perhaps the central question of the literature on economic growth is 'Why is there growth at all?'" By 2020 he had lost faith, writing, "There are plenty of other problems to tackle, from unequal opportunities to excessive market power . . . The growth rate is the wrong way to assess how well the economy is doing" (Vollrath 2020, back cover).

This abandonment is not confined to pundits, policymakers, and economists; many in the business community have converted. The World Economic Forum (WEF), the high temple of global business, now questions the primacy of growth. WEF head Klaus Schwab writes, "We never should have made GDP growth the singular focus on policy-making. Alas, that is where we are. GDP growth is our key measurement and has permanently slowed" (2021, 25). For him, the focus on growth was a "systematic design error in the Western economic development model," and "we will have to deal with a whole basket of other problems we created while pursuing the higher growth" (34).

As a result, we live in a world where growth must be qualified if it is to be supported at all. German chancellor Angela Merkel supported "sustained growth." British prime minister David Cameron favored "balanced growth." U.S. president Barack Obama wanted "long-term lasting growth." The World Bank wants "inclusive growth." Former E.U. president José Manuel Barroso wins the award for the most qualifiers with his call for "smart, sustainable, inclusive, lasting growth." But even these qualifiers are not enough to satisfy the growing contingent of growth rejecters who believe we should be done with it and denounce growth itself.

Arguments against Growth

Slow growthers, no-growthers, and de-growthers all share the view that faster economic growth is neither desirable nor possible. Although they make a number of arguments against growth, their most powerful argument is that growth no longer helps workers.

Growth Doesn't Help Workers

Since the founding of the republic, the view was that growth helped the average worker. Adam Smith wrote in *The Wealth of Nations*, "It is not the actual greatness of national wealth, but its continued increase, which occasions a rise in the wages of labor" ([1776] 1976, 87). Indeed, the case for growth was always grounded in the belief that it improved the material lot of the average worker. As such, to convince people to give up on growth, rejecters must first persuade them that this relationship no longer holds—that growth benefits only the rich.

It is a common argument. Robert Reich argues, "Most people's incomes haven't risen for four decades," and "corporate profits reached record levels" (2020, 9 and 107). Stiglitz has argued "the bottom 90 percent has basically seen their incomes stagnate" (2019, 38). Heather Boushey says, "A rising tide no longer lifts all—or even most—boats" (2019, 16). These assertions are treated as fact.

If it is true that economic growth no longer benefits most workers, then it would indeed be a serious charge against the growth doctrine. But these claims are dead wrong. They rely on studies purporting to show a significant divergence between productivity growth and labor income growth.

But these studies are flawed in several important ways. First, given the increased share of labor income in nonwage compensation, including health care benefits, bonuses, and other benefits, the more accurate measure would be total compensation, not just wages. The Federal Reserve Bank of St. Louis has found that, when using this more accurate measure of compensation along with the more accurate core personal consumption expenditure (PCE) price deflator, real compensation growth from 1995 to 2006 almost identically tracked productivity growth (Anderson 2007).

Other studies have claimed that virtually all growth income has gone to society's top earners. Thomas Piketty and Emmanuel Saez's landmark 2003 study validated this notion for growth rejecters and provided valuable ammunition in the battle against growth. They claimed that between 1979 and 2002 the top 10 percent of the income distribution curve took 91 percent of income growth and that median income growth had actually declined by 8 percent. But it turned out that their methodology was seriously flawed, such that even they came up with a very different and more positive finding fifteen years later (Rose 2018). But by then truth didn't matter. As Mark Twain once noted, "a lie can travel halfway around the world while the truth is lacing up its boots."

As labor economist Stephen Rose has shown, Piketty and Saez's study relied on methodological assumptions that inflated the growth of inequality, including using the consumer price index deflator rather than the PCE, not controlling for change in household size, and limiting what counts as income. When the Congressional Budget Office (CBO) used the proper methodology, it found that median income growth, rather than declining 8 percent, increased 51 percent (Rose 2018). Indeed, the CBO found that from 1979 to 2018, growth and federal transfers meant that the lowest income quintile saw real income gains of over 75 percent (CBO 2021).

After receiving significant criticism for their methodology, Piketty and Saez issued a new study with an improved methodology in 2018, in which they found median income had increased 33 percent, rather than declining 8 percent (Rose 2018).

To the extent wage and income growth has lagged, the real story is less about the growth of inequality and more about the dramatic slowdown in productivity growth. Liberal economist Dean Baker wrote a 2007 article titled "The Productivity–Paycheck Gap: Weak Productivity Growth Is the Real Story." U.S. labor productivity growth averaged close to 3 percent a year from the late 1940s to the early 1970s, but less than half that rate from 2006 to the present.

If we want to restore opportunity and income growth for most American workers, the most important step will be to raise the rate of labor productivity growth. If the labor productivity growth rate were to increase from 1 percent to 2 percent per year, and, for the sake of argument, workers other than the top 10 percent of earners received only half of the benefits, after a decade their incomes would have grown 17 percent rather than 11 percent, meaning a median personal income of $42,100 instead of $39,700. These benefits would only grow larger with continued productivity growth.

Growth Hurts the Developing South

According to growth rejecters, not only does growth not benefit most Americans but it also comes at the expense of the economic well-being of developing nations (i.e., "the South"), either by increasing inequality or by reducing their growth. The United

Nations Conference on Trade and Development (UNCTAD) has asserted: “Every spurt of progress has been associated with sharper inequality between countries” (2021). This is why so many of UNCTAD’s policy proposals, like requiring developed nations to share intellectual property and technology for free, are redistributionist in nature. Stephan Lessenich, author of *Living Well at Others’ Expense*, goes even farther and claims that developed nations’ (i.e., “the North’s”) “wealth and affluence are built overwhelmingly at the expense of those in less-developed countries and regions of the world” (Sofat 2019). This is why many growth rejecters point to Gandhi’s famous aphorism: “live simply, so others may simply live.” In other words, people in developed nations need to consume less so people in poor nations can survive.

But growth in developed nations does not come at the expense of less developed nations; in fact it makes it easier for the latter to grow. Virtually all the tools and technologies used in developing nations—from antimalaria drugs to cellular communications to more productive seeds for farming—come from rich countries getting richer and having the resources to invest in research and development.

The main reason many less developed nations have failed to become developed is not because rich nations have grown. In fact, overall global incomes have been converging, with low-income nations growing faster on average than higher-income ones (Paprotny 2021). Nations that have grown more slowly suffer from corruption, poor management, and even a rejection of productivity growth by key interest groups. Most nations that have developed the political will to overcome these challenges have grown significantly.

Yet Banerjee and Duflo argue that “a clear focus on the well-being of the poorest offers the possibility of transforming millions of lives much more profoundly than we could by finding the recipe to increase growth from 2 to 2.3 percent in the rich countries” (2019, 220). One thousand dollars a year more is much more valuable to a person earning $3,000 a year than it is to someone earning $30,000. But they imply that there is a trade-off between the two, which there is not. Tim Jackson went even further when he asked, “Would it not be better to halt the relentless pursuit of growth in advanced economies and concentrate instead on sharing out the available resources more equitably” (2017, 4).

Finally, some growth rejecters even reject growth as a goal for less developed economies. Nobel Prize–winning development economist Amartya Sen believes that the focus should be on “advancing the richness of human life, rather than the richness of the economy in which human beings live” (Raworth 2017, 37). It is hard to imagine that the parents of children begging for spare change on the streets of Kolkata are all that interested in “the richness of human life.” They just want a higher income.

But the only way to improve the quality of life in low-income, less-developed nations is to raise incomes. And that only comes through growth. The scourge of poverty and all the problems stemming from it in underdeveloped nations—ill health, low education, a polluted environment, inadequate public services—all are vastly reduced with stronger growth.

Growth Hurts Workers

As part and parcel of their lack of faith in growth, rejecters also voice deep suspicion of technological innovation, which is the primary motor for growth. In *Fully Grown: Why a Stagnant Economy Is a Sign of Success*, University of Houston economist Dietrich Vollrath writes: "There may be larger questions about whether we want to adopt or pursue these innovations at all. . . . The risks inherent in any technology—to the environment, society, or our own health—may not be worth pursuing just to add a fraction of a percentage point to the growth rate" (2020, 215).

Stiglitz has warned there is "a darker side to all these advances" and a looming "dystopia" from technological advances (2019, 247). Innovation is no longer a driver of progress; it is a "challenge" that has to be "confronted" (121).

Since the first industrial revolution there have always been technology critics, but the breadth and depth of the criticism today, in service of the antigrowth agenda, is unprecedented. For rejecters, growth and technology are two sides of the same coin: they view technology as fundamentally problematic, knowing that slowing the rate of technological innovation and adoption would slow the rate of growth.

The argument made most frequently against technology is that it will lead to not just some workers losing their jobs (something that is now largely seen as unacceptable) but to unemployment levels so massive that the proletariat will require welfare to survive (e.g., universal basic income).

The Center for American Progress's "Report of the Commission on Inclusive Prosperity" claims that a "fundamental challenge" for advanced economies is "the profound technological changes that . . . are also replacing traditional middle-income jobs" (Summers and Balls 2015, 11). The report goes on to claim, "The rapid pace of innovation in computer automation of routine tasks has rightfully worried policymakers, as this scale of automation has little precedent in industrialized economies" (29). The fact that the last fifteen years have seen the slowest productivity growth in American history does not seem to make a dent in this narrative of runaway automation.

Gene Sperling notes, "As Frey writes, 'most economists will acknowledge that technological progress will cause some adjustment problems in the short run. What is rarely noted is that they can last a lifetime.' Or three" (2020, 128). In other words, Sperling argues that technological progress is leading to job loss so harmful that the laid-off worker's grandkids are hurt, despite the fact that the rate of job loss from closures or downsizing is the lowest it has been since recordkeeping began in the early 1990s (Radu 2016). Indeed, Sperling and others view growth-enhancing technologies like artificial intelligence as "threats" (2020, 139).

The threat, they tell us, is not only that workers will lose jobs but also that wages will shrink. Stiglitz has written that "labor-replacing machines will drive down wages, especially of low-wage workers and increase unemployment" (2019, 118). If this is true, then why does Bureau of Labor Statistics data show that industries that have raised their productivity the most have also seen the fastest wage growth (Brill et al. 2017)?

Given their opposition to growth, and the centrality of automation to growth, growth rejecters reject automation. Banerjee and Duflo have written that "automation is excessive" and even that "excessive automation reduces GDP" (2019). But the only way that could occur would be if automation laid off workers and these workers were never rehired, which has never been the case.

In fact, economic theory, historical data, and economic studies show clearly that productivity growth does not lead to fewer jobs (Miller and Atkinson 2013). The reason is that labor-replacing productivity lowers prices and therefore spurs compensating demand, which leads to hiring. Yet, Banerjee and Duflo have written that "there may well be no rebound from the fall in the demand for labor resulting from this wave of automation" (2019, 231). Likewise, Stiglitz has warned that "the lack of jobs will give rise to a lack of demand and the economy could . . . settle into a state of what has been called secular (long-run) stagnation" (2019, 120). Economists call such thinking "the lump of labor fallacy," which holds that once a job is gone the economy permanently has one less job. We now live in a world in which Nobel Prize–winning economists succumb to this fallacy.

We will not run out of work for the foreseeable future—for the next century, at least—because human needs are far from being satisfied. If the U.S. median family income increased by a factor of 10 to $785,000 a year, people would have no problem finding things to spend on: personal coaches and trainers, more and nicer vacations, larger houses, boats, hot tubs, healthier food, more restaurant meals, more expensive cleaner energy, retirement security, a host of other things higher-income people now spend their money on, and many things we haven't dreamed of yet.

The narrative now is that we must not blithely accept technological innovation, much less promote it, but rather "shape it." Andrew McAfee and Erik Brynjolfsson claim that "technology is not destiny. We shape our destiny" (qtd. in Sperling 2020, 146). Sperling agrees: "We cannot be passive observers of artificial intelligence and job displacement" (147).

In practice, "shaping innovation" means rejecting automation. Sperling proposes that the government not fund any research, including in artificial intelligence, that might lead workers to be laid off. Others propose banning, taxing, or heavily regulating automation. As a Democratic candidate for president, New York mayor Bill DeBlasio wrote that "American workers need to be protected from automation," and to do that he proposed an automation tax (2019). Bill Gates wants to tax robots (Atkinson 2019). MIT economist Daron Acemoglu wants Congress to impose a tax on automation equipment that cuts work hours. At least growth rejecters are consistent: throwing sand in the gears of automation will slow growth.

But in fact, it is growth that is good for workers, not its absence. As the McKinsey Global Institute found, from 1929 to 2009 increases in productivity were correlated with increases in subsequent employment growth, and that the majority of years since 1929 feature concurrent employment and productivity gains (Manyika 2011). Likewise, an OECD study found that "historically, the income-generating effects

of new technologies have proved more powerful than the labor-displacing effects: technological progress has been accompanied not only by higher output and productivity, but also by higher overall employment" (OECD 1998, 9). In other words, it is productivity growth that leads to faster job creation, not the lack thereof.

Growth Hurts the Planet

Perhaps the most powerful argument growth rejecters make is that if we want to save the planet from global warming, we can no longer afford growth.

Four natural scientists warned in an article in *Nature* that we need "an equitable downscaling of throughput with a concomitant securing of wellbeing, aimed at a subsequent downscaled steady-state economic system that is socially just and in balance with ecological limits" (Wiedmann et al. 2020). In case you didn't get that: We need to be poorer to save the planet.

The idea of impoverishment to save the planet suffers from three main problems. First, few people are willing to consume less to save the planet, certainly not the three billion who live on less than $2.50 per day (The World Counts 2022). Second, even if global GDP were cut in half—consigning billions of people to a much worse life—carbon emissions would be cut by only half at best, which is not enough to stop climate change. The only way to solve climate change is through cheap zero-carbon technologies, such as nuclear power, better batteries, cheaper renewables, carbon capture, and more—all of which depend on technological progress (ITIF n.d.). Third, when de-growthers claim that there are resource constraints to growth, they ignore innovation. There are no water shortages; we have the oceans. Higher rates of growth, coupled with technological innovation would enable widespread desalinization if it is needed. We are not running out of energy, and dirty energy can be produced if it is coupled with carbon capture and sequestration. Materials innovation can address materials shortages.

Finally, growth rejecters' concern for the environment helps explain the new idolatry of small business. The chief prophet of this view, E. F. Schumacher, author of the 1970s bestseller *Small Is Beautiful*, praised small business in part because he wanted a simpler and less prosperous economy, something a small business economy would provide, given that small firms' average productivity is significantly below that of large firms (Atkinson and Lind 2018). This is why Tim Jackson proposes higher taxes (to limit "pathological" consumption by the masses), with the money to be spent on "less productive" social services (2017, 208). In an economy with a much larger share of spending devoted to social services, the arts, care, and recreation, we can limit growth, "precisely because the nature of these economic activities resists labour productivity growth" (224). Likewise, Banerjee and Duflo want the government to tax workers and spend the money "to increase the demand of labor-intensive public services" (2019, 306). Baumol's disease—low-productivity industries hurting growth—now becomes Baumol's cure: low-productivity industries stopping growth.

In fact, faster growth is what is needed to address climate change and other environmental challenges. Indeed, the widely accepted environmental Kuznets curve shows that it is at low and high levels of economic output that environmental pollution is reduced. Faster economic growth not only makes it more likely voters will accept costly environmental policies like a carbon tax, but it means greater societal resources that can go to needed clean energy research and development.

Growth Doesn't Make People Happy

Growth rejecters have long had elitist views about consumption by the masses. Social critic Lewis Mumford believed that the "normal standard of consumption" should be defined by "men of cultured taste," not by the striving masses (Bell 1976, 275). Galbraith wrote that rather than meeting basic human needs such as shelter and food, now "increased output satisfies the craving for more elegant automobiles, more exotic food, more erotic clothing, more elaborate entertainment—indeed, for the entire modern range of sensuous, edifying and lethal desires" (1958, 115). Today, Tim Jackson writes, "Our technologies, our economy, and our social aspirations are all badly aligned with any meaningful expression of prosperity" (2017, 2). One journalist, writing for *The Guardian*, even called materialism "a general social affliction." Even worse, it is a neurosis; as one growth rejecter argued: "Our allegiance to endless growth may be nothing more than a response to our own mortality" (Jackson 2017, 214).

These antigrowthers don't just want to shame the masses into renouncing their material aspirations; they want the state to step in. As one political philosophy professor argued: "In the presence of mounting costs and impending limits to growth, the preference for growth should be considered illegitimate" (Ferguson 2016).

As Benjamin Friedman noted, "What marks all these forms of resistance to the undesirable side effects of economic expansion or of the globalization of economic growth is that, just like earlier strands of religious thinking, in each case they are accompanied by a distinct moral overtone" (2005, 13).

This stems from the fact that too many intellectuals look down with disdain at the working and middle classes. As Arno Mayer wrote, "Instead of ignoring, disparaging, or dismissing the world of the petite bourgeoisie as transient, insipid, and counterfeit, intellectuals should examine and understand that enigmatic universe for what it has been, for what it is, and for what it is constantly becoming" (1975, 410). But if they did that, they would find that the masses might want a new boat and an addition on their house.

Many growth rejecters point to a 2010 study conducted by Princeton University researchers who found that people's day-to-day happiness increases with income up to about $75,000, but then tops out (Luscombe, 2010). So, no need for developed economies to continue to embrace growth. It doesn't bring happiness. This is perhaps why a survey of American Economic Association members found that just 48 percent believed that greater economic growth in a country like the United States

leads to increased happiness. Many were neutral on the issue and almost one-fifth rejected the idea (Whaples 2009, 341)

In fact, newer research using the Track Your Happiness app finds that more money improves happiness no matter how much someone already has. Matthew Killingsworth conducted experiments which revealed that there is no dollar value at which money stopped mattering to an individual's well-being (Gaetano 2021). In other words, more money, more happiness.

Growth Is Over

A twist on all the reasons rejecters lack faith in growth is the belief that growth is no longer possible anyway—and if you believe that, then redistribution becomes not a choice, but a necessity.

In *The Rise and Fall of American Growth*, Robert Gordon argued that the century-long period of growth from 1870 to 1970 was unique. We are doomed to stagnation. University of Houston economist Dietrich Vollrath agrees, writing in *Fully Grown: Why a Stagnant Economy Is a Sign of Success*, that slowing growth is not only inevitable, but "a good sign" (2020, viii). Banerjee and Duflo offer the same counsel: "No one knows if growth will pick up again in rich countries, or what to do to make it more likely. The good news is that we have things to do in the meantime," such as improve health care and education (2019, 207). Vollrath agrees: "The successes behind the growth slowdown mean we have even more reason to debate and address the failures we see in the economy" (2020, x). In other words, strike while the iron is hot: When growth prospects appear dim, redistribution policies can come to the fore.

Such technology and growth pessimists were always wrong in the past, and they are wrong now. As Joseph Schumpeter stated, "There is no reason to expect slackening of the rate of output through exhaustion of technological possibilities" (1950, 118).

Policy Implications of Abandoning Growth

It is hard to overstate the implications for policy of abandoning the growth creed. Replacing that with a goal of redistributionist-focused stasis would mean not only fundamentally weakening the American economy, but weakening the American spirit.

But that is of no concern for growth rejecters because they understand that calling into question the religion of growth is the single most important step for those who want government to enact a fundamentally different set of policies.

Abandoning growth makes it easier to oppose or ignore growth policies in favor of redistribution policies. As Banerjee and Duflo have stated, "We should be wary of any policy sold in the name of growth because it is likely to be bogus" (2019, 262). If we take off the table any and all discussion of growth, we can instead focus on

"designing, and adequately funding, an effective social policy" (262). If growth is off the table, then policies to spur innovation and productivity can be rejected and new technologies limited (Atkinson 2016).

Dethroning growth paves the way for antigrowth policies. If rejecters can make growth an illegitimate goal, then arguments against certain policies based on their negative effect on growth are neutered. These negative policies include taxing capital equipment, shrinking large businesses in favor of small, and imposing growth-limiting regulations (including more aggressive antitrust rules, onerous privacy regulations, and limits on organizations' use of technologies). With growth off the table, the negative impacts of these policies diminish to nothing.

Dethroning growth also paves the way for policymakers to focus on redistribution policies as the Center for American Progress Commission on Inclusive Prosperity did. The lion's share of its proposals support inclusion, not prosperity: more taxpayer spending on housing, protecting underemployed workers, universal day care, taxing the rich more, addressing climate change, and boosting low-skill immigration. Some of this may be needed, but it cannot be confused for a growth agenda.

Finally, because growth is no longer needed, rejecters have an easier time advancing international redistributionist policies that would result in slower global growth but increase incomes in developing nations. Stiglitz is a leading advocate for such policies, such as eliminating intellectual property rights in trade agreements so developing nations can get U.S. intellectual property without paying, hurting U.S. growth and innovation (2019, 89).

The Case for Growth

We should be under no illusion: this is a battle about core values. Do we want to maintain an America where growth and the belief of material improvement are deep in our DNA, or do we want a fundamentally different America, where stasis is not only accepted, but desired and expected?

As journalist Tanner Greer has written, "Instilling new ideas and overthrowing existing orthodoxies takes time—usually two to three generations of time. It is a 35–50 year process" (2021). And that is exactly what we have seen. It has been about fifty years since the initial assault on the religion of growth was launched, and the conversion appears close to complete on the left. Greer goes on to note: "Values must be forged. Utopias must be imagined. Ideas must be tailored for mass intellectual appeal. Paths to communicate these ideals must be cleared. The inevitable shall happen: old orthodoxies shall go stale and brittle. New crises shall discredit them in their brittleness."

But even though it is late in the game and growth advocates are down, defenders of growth cannot give up. For too long they ignored the antigrowthers, disparaging them as "tree-huggers," socialists, or elitists. With Nobel Prize–winning economists and national leaders now rejecting growth, it is clear that this is not a fringe movement. Growth is now becoming the fringe movement.

The first step to restoring our faith in growth is to more clearly and unapologetically evangelize for it. No more hyphenated growth (balanced growth, sustainable growth, equitable growth, etc.). We should take our growth straight. End of story.

As such, growth defenders need to abide by and promote five key principles:

1. **Growth is good, and more is always better.** With aging populations and increasing needs for government revenue (including a stronger military and reducing the national debt), growth makes meeting big challenges easier. And with the U.S. median household income just $79,900 (U.S. Department of Housing and Urban Development 2021, 1) growth will mean higher incomes that will let more Americans afford high-quality health care, better education, more material goods and services, and other things that higher-income people now enjoy.
2. **A rising tide lifts virtually all boats.** This does not mean that growth lifts them all enough, but the evidence shows it does lift them. And with U.S. median weekly earnings being just $1,037 in 2022 (U.S. Bureau of Labor Statistics 2022, 1), growth is desperately needed to enable tens of millions of more Americans to achieve the American dream.
3. **Only growth can save the planet.** The idea that we can save the planet from climate change by limiting growth is wrong. The only solution is clean energy innovation that enables economies to operate on zero-carbon energy, and that innovation is easier to support in a dynamic, growing economy.
4. **We owe it to our children to maximize growth.** No parent wants to leave debt to their children. The same is true with society. As Daniel Bell stated, "What we owe to the future is the capacity to produce" (1976, 273). Growth makes it easier for future generations to pay off prior generations' debt.
5. **Government policy *can* spur faster growth.** There are many steps government can take to spur growth, including avoiding growth-limiting regulations, ensuring that the tax code spurs business investment, funding research in growth-enabling technologies, and supporting education and skill development (Andrews and Criscuolo 2013; Atkinson 2016; Tassey 2021). To be clear, this is not an endorsement of either Keynesian fiscal policy or loose monetary policy. Neither massive spending nor low interest rates have anything to do with long-term growth, and both could very well reduce long-term growth.

At one level, it is surprising that the case for growth even has to be made. Ask the typical non–Ivy Leaguer if they could double earnings tomorrow with no more work, and 99.9 percent would jump up and down yelling "hell yeah!"

But a half century of questioning growth has weakened support for it. So those who still believe need to be full-throated defenders of growth. This means rejecting the narratives that growth doesn't benefit workers, kills jobs, hurts underdeveloped

nations, harms the environment, and destroys the soul. But it does not mean rejecting concerns about all of these issues. Income inequality has gone up, and there are steps that can be taken to rein it in without hurting growth. Climate change is a real challenge, and governments should invest much more in clean energy research, development, and demonstration and institute a revenue-neutral carbon price.

Growth advocates need to stress the vast benefits of growth in making a better world and better society. No one has put this better than Harvard economist Benjamin Friedman in his book *The Moral Consequences of Economic Growth*:

> The value of a rising standard of living lies not just in the concrete improvements it brings to how individuals live, but in how it shapes the social, political and ultimately moral character of a people. Economic growth—meaning a rising standard of living for the clear majority of citizens—[something we have enjoyed over the last fifty years, as discussed below] more often than not fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness, and dedication to democracy. Ever since the Enlightenment, Western thinking has regarded each of these tendencies positively, and explicitly in moral terms. (2005, 4)

Perhaps the most important reason Americans in general and progressives in particular should not abandon their faith in growth is that growth is required to accomplish progressive goals (just as it helps accomplish conservative goals). As Daniel Bell stated: "As we know empirically, that if we add up the costs of all the social goals decided on by a society . . . we find that we do not have sufficient resources to achieve them simultaneously" (1976, 23). That was true in 1976, and it is even more true now.

Consider all the demands on the public purse from proposals to boost equity. If we calculate the price tag of the Democratic spending proposals of 2021 and 2022, including paid family leave, canceling student debt, Medicare for all, a government jobs program, and an expanded earned income tax credit, then the annual cost to the federal government is $4.9 trillion. And this does not include the costs to pay off the national and state government debts over twenty years or the future costs in terms of lower after-tax living standards from paying off the accumulated national debt. Adding in these items raises the cost to more than $28 trillion per year, larger than the annual GDP. Progressives will say these costs can be paid for by raising taxes on the wealthy. But even assuming Congress could do this and institutes a wealth tax, the Biden tax proposals on those earning more than $400,000 per year, and corporate tax increases that raise $650 billion, we would still be $4.2 trillion short of the direct spending goals. This is 123 percent of current federal tax revenues. The reality is that without robust growth (which would lead to reduced economic needs and greater tax revenues), there is no way for progressives to pay for their expansive proposals. Some progressives will tout the dubious theory of modern monetary theory, which holds that the ability of governments to borrow is unlimited. But borrowing an additional $4.2 trillion a year is not possible without inflation (which has recently returned with a vengeance after decades of relative price stability) or default.

Finally, abandoning growth opens the door for China to dominate this century. The Chinese Communist Party will never give up on growth. Chinese president Xi reminded the party leaders that promoting economic growth "must be our core task, if we succeed in that, then the rest of our tasks become easy" (Wang 2020). Given that China is not a democracy nor is it run by a government that respects the rule of law or human rights, China overtaking the United States economically should be a cause for concern.

We can't and shouldn't go back to the pre-1960s vision of growth that did not take seriously other challenges such as economic opportunity and environmental degradation. But abandoning growth will make solving these and other challenges harder, not easier. America needs a new, widely accepted vision that says that our primary economic goal is faster economic growth. Joseph Schumpeter should be our guide. He argued that vision is "a preanalytical cognitive act, and is ideological almost by definition" (qtd. in Collins 2000, 237). So be it; let us bring back the ideology of growth.

An easy yet first important step would be to reinstall the GDP clock outside the Department of Commerce to let the world know that America takes growth seriously.

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