Where is the Green Economy?

prosperity, sustainability and work ‘after the crisis’

Tim Jackson
Berlin 3rd December
The Dilemma of Growth

- Growth is unsustainable
- De-growth is unstable
Innovation focused on labour productivity

The dilemma of growth
Chasing Green Growth

Income and carbon intensity according to historical trend

Years: 2010 to 2050

Y-axis: GT carbon dioxide

X-axis: Years from 2010 to 2050
Chasing Green Growth

Income and carbon intensity according to historical trend

Income according to trend; carbon intensity declines from 470 to 20g/$ PPP
Chasing Green Growth

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Chasing Green Growth

Incomes converge to $50k per capita; carbon intensity declines to 20g/$ PPP

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Chasing Green Growth

- Incomes converge to $50k per capita; carbon intensity declines to 20g/$ PPP
- Income according to trend; carbon intensity declines from 470 to 20g/$ PPP
- Incomes converge to $20k per capita; carbon intensity declines to 40g/$ PPP

Graph shows the trend of carbon dioxide emissions from 2010 to 2050 with three scenarios.
Chasing Green Growth

- shareholder value
- creative destruction

- status consumption
- a life without shame

Credit

Spending

Investment

Increasing productivity

Households

Firms

Novelty

Price

Income
Where is the green economy?

Enterprise as service

Sustainable investment

Ecological macro-economics
Enterprise as service

• nutrition, health, education…
• treading lightly
• supporting communities
• providing jobs
Ecological Enterprise

Low-carbon, resource efficient economic activities that provide employment, support communities and contribute to human flourishing.

Enterprise as service

Productivity growth in Europe 1985 - 2005
two routes towards full employment
- sharing the work, increasing leisure
- shifting to labour intensive sectors
Sustainable Investment

- Different investment targets
- Different investment ‘ecology’
  - Lower financial returns
  - Higher social returns
  - Ecological returns
- The money economy
Real

Ecological Economics

goods, services, labour, capital

Natural

energy, materials, life
Financial

money, credit, debt

Real

goods, services, labour, capital

Modern Monetary Theory
GEMMA model

Financial

money, credit, debt

Real

goods, services, labour, capital

Natural

energy, materials, life

Modern Monetary Theory

Ecological Economics
Accounting for Money

\[(S - I) = (G - T) + (X - M)\]

Private net savings
Government borrowing
Net trade
Key messages so far

- Green economy must accommodate tradeoffs in the money economy
- These tradeoffs are value-laden and sometimes ideologically driven
- Getting beyond the dilemma of growth requires exploration: which alternatives in the real and financial economies are compatible with ecological limits?
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YASUNI-ITT
UNA INICIATIVA PARA CAMBIAR LA HISTORIA
Beyond Consumerism
Prosperity consists in our ability to flourish as human beings...

....within the ecological limits of a finite planet
The GDP measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile.

Robert F Kennedy

GDP is not wealth
Wealth is not wellbeing
Wellbeing is not beauty
Beauty is not love
Love is not music
Music is the best.

After Frank Zappa