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We Must Always Pursue Economic Growth

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Abstract: Why pursue economic growth? For poor countries this is an easy question to answer, but it is more difficult for rich ones. Some of the world's greatest philosophers and economists—such as John Stuart Mill, John Maynard Keynes, and John Rawls—thought that, once a certain material standard of well-being has been achieved, economic growth should stop. I argue the opposite in this paper. We always have reason to pursue economic growth. My argument is indirect. I shall not argue that economic growth *itself* is always better. Rather, I shall argue that *stopping* growth requires morally objectionable actions. Economic growth tends to occur naturally if certain underlying conditions are in place. We have moral reasons to insist on these conditions independent their effect on growth, however. Halting growth requires we alter these conditions, but we ought not do this.

1. Introduction

Why pursue economic growth? There are two kinds of answers to this question. A *wealth-sensitive argument* will only advocate growth for countries below a certain threshold of wealth. If a country is sufficiently rich, then a wealth-sensitive argument will not advocate growth. By contrast, a *wealth-insensitive argument* will say that all countries should pursue growth regardless their current level of wealth. It is easy to come up with good wealth-sensitive arguments for economic growth—no one denies that Somalia and North Korea need to grow more. Far trickier is coming up with a good wealth-insensitive argument. Surely, a country can become so wealthy that pursuing growth is not worth the effort or perhaps even becomes a hindrance.

Many philosophers and economists are skeptical of endless growth. Most famous among them is John Maynard Keynes. In his paper "Economic Possibilities for our Grandchildren" Keynes predicts that, within 100 years (the paper was initially published in 1930), developed countries like Great Britain will have increased in productivity by a factor of seven and a half (Keynes 2010: 20). As a result, persons will not have to work very much—he predicts a fifteen-hour work week—to achieve an adequate standard of living (Keynes 2010: 23). With our basic needs satisfied we will forgo the constant pursuit of more. To replace our acquisitiveness, we will "honour those who can teach us how to pluck the hour and the day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin" (Keynes 2010: 25). Standing alongside the twentieth century's greatest economist is the twentieth century's greatest philosopher, John Rawls. As I shall discuss in the next section, Rawls argues that a just society need not be a rich one and that, at some point, more wealth becomes a hindrance to achieving justice.

John Stuart Mill was both a philosopher and economist deeply skeptical of limitless growth. He found the idea of a *stationary state*—in which there is no economic growth yet no decay either—a "considerable improvement on our present condition" (Mill 2008: 126). He continues:

> I know not why it should be matter of congratulation that persons who are already richer than any one needs to be, should have doubled their means of consuming things which give little or no pleasure except as representative of wealth: or that numbers of individuals should pass over, every year, from middle classes into a richer class, or from the class of the occupied rich to that of the unoccupied. It is only in the backward countries of the world that increased production is still an important object … (Mill 2008: 127).

Like Keynes and Rawls, Mill would reject wealth-insensitive arguments for growth, though he would certainly embrace wealth-sensitive ones.

In this paper I offer a wealth-insensitive argument for economic growth. Contra Mill, Keynes, and Rawls I shall argue that all countries, irrespective of their current level of wealth, have reason to pursue economic growth.[1] To begin, the next section examines three arguments

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[1] This reason to pursue economic growth irrespective of current wealth is best interpreted as *pro tanto*, meaning there may be countervailing considerations that defeat it. In my view, all or nearly all the normative reasons we have are *pro tanto*, for we can almost always imagine sufficiently weighty considerations that trump whatever reasons we think we have. I will be satisfied if I can offer a *pro tanto* argument for why we should pursue economic growth irrespective of current wealth, recognizing that weighty considerations may (in some cases) override this imperative. This is still a significant contribution to the literature, as all existing

articulating why economic growth is good (§2). While all three arguments are compelling, I show they can only act as wealth-sensitive arguments for growth, not wealth-insensitive ones. I then offer my wealth-insensitive argument for growth (§3). The argument is indirect. I shall not argue that economic growth *itself* is always better. Rather, I shall argue that *stopping* growth would require morally objectionable actions. Economic growth tends to occur naturally if certain underlying conditions are in place. We have moral reasons to insist on these conditions independent their effect on growth, though. Halting growth requires we alter these conditions, but we ought not do this. Therefore, we are committed to continued growth. To end I consider but ultimately dismiss an objection to my argument (§4).

2. Existing Arguments for Growth

Let's look at existing arguments for why countries should pursue economic growth. The most obvious argument is that economic growth results in more happiness. Since more happiness is good, we should pursue growth. Call this the *happiness argument*. Here, "happiness" refers to subjective well-being, not attainment and possession of things we deem objectively good for persons. So, someone could lack the things we deem objectively good for persons and yet still be happy. Someone could have the things we deem objectively good for persons yet be unhappy. The happiness argument asserts that more happiness is good, but this need not (though it can) be construed as claiming that happiness is the *only* thing that matters from the perspective of justice. So long as happiness is at least one important component of justice we have reason to pursue

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arguments in defense of economic growth (I shall argue) can only offer *pro tanto* reasons for growth if a country resides below a certain threshold of wealth.

economic growth, because growth means more of this important component of justice. The main claim underpinning the happiness argument is that economic growth will increase persons' subjective well-being, which gives us reason to pursue it.

While *prima facie* plausible, the empirical claim this argument rests on—that economic growth results in more happiness—is contentious. This is displayed in the work of Richard Easterlin (and others), whose findings have been dubbed the *Easterlin paradox*. If you look at the relationship between wealth and happiness *within* a single country at one snapshot in time, then it is clear that rich people are happier than poor people (Easterlin 1974: 99). However, this is not the relevant data point we want to look at if the question is whether economic growth—which tends to raise *everyone's* income in a single country—increases happiness. The best way of examining this is by looking at time series studies that track happiness over time within a country as real incomes grow. In these sorts of studies, though, Easterlin (and others) find little relationship between growth and happiness. For instance, "there has been no improvement in happiness in the United States over almost a half century in which real GDP per capita more than doubled" (Easterlin 1995: 38).

It is not only in the U.S. that one finds this pattern. In European countries researchers find "little or no trend [in happiness] in a period when real GDP per capita rises in all of these countries from 25 to 50 percent" (Easterlin 1995: 38). The most damning data point for the happiness argument is the relationship between economic growth and happiness in Japan after the second world war. Between 1958 and 1987, Japan saw a staggering fivefold increase in real per capita income. It went from a developing country to a prosperous one. But "despite this unprecedented three decade advance in level of living, there was no improvement in mean subjective well-being" (Easterlin 1995: 40).

If one takes these results at face value, then not only does the happiness argument fail to offer a wealth-insensitive argument for economic growth, but it does not even successfully muster a wealth-sensitive one. Japan was a poor country in 1958. At that point in time, Japan had an “income level lower than or equal to those prevailing in a considerable number of today’s developing countries” (Easterlin 1995: 39). Any wealth-sensitive argument for economic growth should be able to say that Japan in 1958 and developing countries today ought to grow. But if Easterlin’s analysis is to be trusted, then the happiness argument cannot make such recommendations.

Some question Easterlin’s findings, advancing what is sometimes called the *modified Easterlin hypothesis*, which says that increases in wealth increase happiness up to some satiation point; after this point has been reached, however, growth does not increase happiness (e.g., Frey and Stutzer 2002; Diener and Seligman 2004; Di Tella and MacCulloch 2010). This satiation point is said to lie somewhere between an annual income of $8,000 and $25,000 (Stevenson and Wolfers 2013: 598). If the modified Easterlin hypothesis is correct, then the happiness argument successfully musters a wealth-sensitive argument for economic growth, but not a wealth-insensitive one, for once the satiation point (whatever it is) is achieved, growth will not produce more happiness.

Some deny both the Easterlin paradox and the modified Easterlin hypothesis (e.g., Sacks *et al*. 2012; Stevenson and Wolfers 2013). When these researchers examine the relevant data, they find that growth *does* yield more happiness, and there is no satiation point. The disagreement between the three camps is an empirical one, and hinges on mundane questions—like appropriate sample sizes (Sacks *et al*. 2012: 1186)—as well as more complicated ones, such as how happiness is understood in different cultural contexts (Cowen 2018: 42-43). I am not competent to adjudicate these disputes, so I will not attempt to do so. Suppose for the sake of argument that researchers who find growth yields more happiness and there is no satiation point are correct in their assessment of the relevant data. If so, have we unlocked a wealth-insensitive argument for economic growth?

For the happiness argument to be wealth insensitive, it must be true that increased wealth *always* results in greater happiness. The possibilities for further growth are near limitless. As Dan Moller articulates it in his discussion of the Easterlin paradox:

> … we are nowhere near an upper bound on economic development. Since such development is largely driven by increases in efficiency of consumption and production, there is no necessity of our reaching that upper bound any time soon. (The ultimate limits on efficiency are probably tied to the energy output and computational capacity of the universe.) (Moller 2011: 183).

Are the possibilities for increased happiness as vast as those for increased growth? There are reasons to be skeptical. Moller argues that there is a "sharply delimited upper bound on how happy we can be" due to "ineliminable social facts like envy, failures in love, natural misfortune, and so on" (Moller 2011: 182-183). The basic idea here is that though economic growth can eliminate many of life's disappointments (such as hunger, early mortality, and boredom) it cannot eliminate all of them (such as a broken heart, lack of social acceptance, and jealousy). Once growth has eliminated the disappointments it is capable of remedying, there is little reason to think more wealth will yield more happiness. For this reason, the happiness argument is wealth sensitive.

Another argument for economic growth does not focus on happiness (i.e., subjective well-being), but on well-being understood in terms of the attainment of objectively good things

(Moller 2011: 187). For example, economic growth is positively associated with increased life expectancy and better health (Deaton 2013). Suppose that increased life expectancy and better health don't produce more happiness. Even if they don't, it is intuitive to think that someone who lives a longer life and is healthier is better off than she was before. Though her subjective well-being has not increased, her objective well-being has. Beyond increased life expectancy and better health, growth can result in other objective goods such as better education, more advancement in the arts and sciences, more realization of persons' innate talents, and so on (Moller 2011: 187). So, we should pursue economic growth not because it improves subjective well-being, but because it improves objective well-being. Call this the *objective well-being argument*.

The objective well-being argument provides a wealth-sensitive argument for growth. Poor countries have lower life expectancies and experience worse health outcomes than rich countries. Even if longer lives and better health don't make persons in these countries happier, they are still objectively better off if they attain them. Hence, poor countries should pursue growth. However, the objective well-being argument cannot provide a wealth-insensitive argument for growth. There are three reasons why.

First, the pursuit of growth might, at some point, not be the best way of pursuing those goods that compose our objective well-being list. In my view, this is why Keynes thinks we should forgo economic growth once we achieve a certain level of wealth. On my reading, Keynes offers an objective theory of well-being, referring to "the real values of life" (Keynes 2010: 22). Keynes does not give us a detailed account of what the objectively good life is; he issues vague proclamations like "we shall once more value ends above means and prefer the good to the useful" (Keynes 2010: 25). Looking to what he himself valued, Keynes would likely include the appreciation of art in his account of what it means to live a good life.[2] It is not unreasonable to think a rich country that stopped growing, a country where everyone worked less, would better appreciate art. Note, I am not saying that any country, regardless of its current level of wealth, would better appreciate art if it focused less on growth. If a country is poor and cannot sustain artists, then appreciating art will be difficult. However, if a country is rich enough to support artists, then perhaps its people could better appreciate art if they worked less and grew less and spent more time at the Met or the Louvre. Because of this, the objective well-being argument is not wealth insensitive.

Second, economic growth might not result in greater attainment of those goods on our objective well-being list. By definition, economic growth means greater productivity and innovation. But this productivity and innovation need not happen in every sector. Some sectors may see tremendous increases in productivity and innovation, but other sectors may not see any gains at all. For instance, suppose our list of objective goods includes increased health and life expectancy, but does not include entertainment. And suppose we reach a limit of increased health and life expectancy, with increased productivity and innovation lying solely in things like entertainment. In this case, growth does *not* produce greater objective well-being. Robert Skidelsky and Edward Skidelsky believe this is currently the case. They offer an objective list theory of the good life, consisting of seven basic components (Skidelsky and Skidelsky 2012: 154-167). Yet, "despite the doubling of UK per capita income, we possess no more of the basic goods [on the objective list] than we did in 1974" (Skidelsky and Skidelsky 2012: 178). On their

[2] Skidelsky (2005) is an excellent biography of Keynes.

account of what it means to live an objectively good life, growth (in rich countries) is not needed.

Third, economic growth, at some point, might result in a *reduction* of those goods on our objective well-being list. Here is one thing that can plausibly be included on an objective list of well-being: work and toil. A good life need not involve maximal toil; it need not require persons work twelve hours a day hollowing out a mountainside to build a railroad. But surely, part of the good life requires *some* difficulty and exertion. Someone born into nobility, who never has to work or cook a meal or exercise any kind of effort, has surely missed an important component of living well. But if some toil is on the list of objective goods, then growth can *inhibit* the good life. If we are so productive that we can attain life's necessities while working very little (perhaps not at all), then our lives might be objectively worse compared to a world in which we have to do some work. This seems to be why Rawls thinks there should be limits to economic growth. He writes:

> It is a mistake to believe that a just and good society must wait upon a high material standard of life. What men want is meaningful work in free association with others, these associations regulating their relations to one another within a framework of just basic institutions. To achieve this state of things great wealth is not necessary. In fact, beyond some point it is more likely to be a positive hindrance, a meaningless distraction at best if not a temptation to indulgence and emptiness (Rawls 1971: 290).

To sum up, though the objective well-being argument can provide a wealth-sensitive argument for economic growth, it cannot provide a wealth-insensitive one.

Let’s turn to one final argument in defense of economic growth. Some insist on economic growth by appealing to growth’s influence on politics (Friedman 2005). I shall assume that democracy is a good thing and that any legitimate political system will be democratic. There is a strong connection between democracy and wealth. Barrington Moore (1993) famously argued that democratization occurs when a strong middle class, who have attained a sufficient level of material wealth, demand it. In his words: “no bourgeois, no democracy” (Moore 1993: 418). Moreover, one of the best predictors of the persistence of democracy is wealth. As Adam Przeworski and Fernando Limongi state it: “The simple fact is that during the period under our scrutiny or ever before, no democracy ever fell, regardless of everything else, in a country with a per capita income higher than that of Argentina in 1975: $6,055” (Przeworski and Limongi 1997: 165). Przeworski (2019: 33) updates this, noting that in 2006 democracy collapsed in Thailand, where income per capita was slightly (but not much) higher than the Argentina baseline in 1975. The general pattern still holds, though, which is that democracies persist in rich countries. So, to achieve and sustain democracy we ought to pursue growth. Call this the *democracy argument*.

Like our other arguments, the democracy argument can only establish a wealth-sensitive argument for growth, not a wealth-insensitive one. Attaining a stable democracy will be a good reason for poor, undemocratic countries to grow. But once a democracy has achieved sufficient wealth, the empirical record suggests it will persist. If Przeworski’s and Limongi’s empirical results are to be trusted, then income per capita above $6,055 (in 1975 dollars) is likely sufficient for a country to maintain its democracy.

This section examined three arguments for economic growth. At best, these three arguments can only offer wealth-sensitive arguments for growth, not wealth-insensitive ones. My goal in this paper, however, is to offer a wealth-insensitive argument for growth. This is what I turn to in the next section.

3. What Does No Growth Look Like?

Suppose a rich country decides that it does not need or want economic growth. Achieving this will be more difficult than one might initially assume. If conditions are right, growth tends to occur naturally. No one commands it. This does not mean growth is inevitable. For most of human history, growth was rare. *If conditions are right* growth tends to occur naturally, but conditions often weren't right. But if a country is rich, we can assume that conditions are right, which means growth will likely continue absent anyone's explicit command. Given this, how does a rich country stop growing? It can alter the underlying conditions that tend to foster economic growth. If the soil is right the economy will likely grow like a weed. If you want to stop the weed from growing without completely uprooting it, you alter the soil to slow or halt its progress.

What are the conditions that tend to foster economic growth? Economists disagree about this. In what follows, I examine several popular accounts articulating the conditions that tend to lead to growth. I argue that we have moral reasons to embrace these conditions independent of their effect on growth. Because we have independent moral reasons to embrace these conditions, we ought not alter them. But if we don't alter them, growth will likely continue unabated. Hence, we are committed to continued economic growth—not because there is a *direct* argument in defense of growth, but because *stopping* growth would require actions that are morally objectionable.

Perhaps the most popular account of economic growth is the institutional account advanced by Daron Acemoglu and James Robinson, but they are not alone in emphasizing institutions (e.g., North and Weingast 1989; North 1990; North, Wallis, and Weingast 2013). Institutions are the rules of the game in society. They incentivize us to engage in or avoid certain kinds of behavior. According to institutional accounts of economic growth, a society that has the right kinds of institutions will tend to grow, because the right kinds of institutions incentivize productive behavior. A society that has the wrong kinds of institutions is unlikely to grow, because they incentivize unproductive behavior.

Economic institutions that encourage growth are *inclusive*. Economic institutions that discourage growth are *extractive*. Inclusive economic institutions include "secure private property, an unbiased system of law, and a provision of public services that provides a level playing field in which people can exchange and contract; it also must permit the entry of new businesses and allow people to choose their careers" (Acemoglu and Robinson 2012: 74-75). When an economic system is characterized by these kinds of institutions, there will be a tendency toward growth. By contrast, extractive economic institutions are "designed to extract incomes and wealth from one subset of society to benefit a different subset" (Acemoglu and Robinson 2012: 76). When an economic system is characterized by these kinds of institutions, we will most likely find stagnation or even decay.

Political institutions can also be inclusive or extractive. Inclusive political institutions "distribute power broadly in society and subject it to constraints … Instead of being vested in a single individual or a narrow group political power rests with a broad coalition or a plurality of groups" (Acemoglu and Robinson 2012: 80). A constitutional democracy with universal (or very near universal) suffrage is the archetype example of an inclusive political institution. By contrast, with extractive political institutions the “distribution of political power is narrow and unconstrained … as exemplified by the absolutist monarchies reigning throughout the world during much of history” (Acemoglu and Robinson 2012: 80).

A country’s political and economic institutions are linked. Inclusive political institutions tend to foster inclusive economic institutions, while extractive political institutions tend to foster extractive economic institutions. Because inclusive political institutions allocate power broadly, they tend to “uproot economic institutions that expropriate the resources of the many, erect entry barriers, and suppress the functioning of markets so that only a few benefit” (Acemoglu and Robinson 2012: 81). When political institutions are extractive, “economic institutions are then often structured by [the] elite to extract resources from the rest of society” (Acemoglu and Robinson 2012: 81).

We can now state the institutional theory of economic growth. Inclusive economic institutions tend to encourage growth, extractive economic institutions tend to encourage stagnation. If political institutions are inclusive, then economic institutions will likely also be inclusive. If political institutions are extractive, then economic institutions will likely also be extractive.[3]

[3] One might object here that Acemoglu’s and Robinson’s focus on inclusive economic and political institutions is misleading, because they ignore the fact that rich, growing countries often engaged in various forms of exploitation such as colonialism and slavery. In fact, Acemoglu and Robinson do not ignore this. They note that institutions like slavery and colonialism can generate growth in the short run, but not the long run (Acemoglu and Robinson 2012: 91-95). This is because there will be a lack of creative destruction and technological change. In general, there is

Suppose a country is rich. If Acemoglu and Robinson are right, then the best explanation for why the country is rich is that it has inclusive economic and political institutions. If the rich country wants to stop growing, its best bet is to change its institutions. In particular, the rich country should alter its economic institutions so that they are extractive rather than inclusive. To achieve this, it should alter its political institutions, so they are extractive rather than inclusive. This is because extractive economic institutions "must inherently depend on extractive political institutions for their survival" (Acemoglu and Robinson 2012: 81).

The problem here is that extractive political institutions are morally objectionable, and inclusive political institutions morally required. Extractive political institutions allocate political power narrowly, in the hands of the few; inclusive political institutions allocate power broadly, in the hands of the many. To insist on extractive political institutions is to insist on a non-democratic form of government. But it is relatively uncontroversial that any normatively defensible society will be democratic. Various arguments are offered for why democracy is morally required. For instance, the democratic way of life is a valuable one (Anderson 2009), democracy realizes the ideal of political equality (Christiano 1996; 2008), democracy is a way of respecting our disagreements (Waldron 1999), democracy develops our intellectual and moral capacities (Mill 2015), democracy secures egalitarian social relations (Kolodny 2014; Viehoff 2014), democracy makes good decisions (Landemore 2013), democracy makes good decisions in

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broad agreement on this point by economists. For work by contemporary scholars demonstrating that exploitation was not a major factor in the wealth of nations, see Davis and Huttenback (1988); Nunn (2008); Koyama and Rubin (2022: chap. 6); Wright (2022) among others. Brennan (2021: 99-113) offers a more thorough review of the literature.

a manner acceptable to all (Estlund 2008), and so on. If Acemoglu and Robinson are correct about the causes of economic growth (inclusive political institutions that support and sustain inclusive economic institutions), then by merely doing what is right (i.e., implementing inclusive political institutions) we will likely foster economic growth.

Joel Mokyr develops a different theory explaining the wealth of nations. According to Mokyr, what matters for growth is an increasing stock of knowledge that will then be used to develop new technology: “the true key to the timing of the Industrial Revolution has to be sought in the scientific revolution of the seventeenth century and the Enlightenment movement of the eighteenth century. The key to the Industrial Revolution was technology, and technology is knowledge” (Mokyr 2002: 29). Of course, explaining economic growth by pointing to an increasing stock of knowledge raises another question: why did an explosion in the growth of knowledge occur when and where it did?

This is an important question, because there will likely always be conservative forces who seek to thwart the discovery of new ideas. Those “who have a strong stake in the status quo” will try to “suppress innovation and persecute heterodox cultural entrepreneurs who deviate from the received wisdom” (Mokyr 2017: 165). How was the impulse to censor overcome? According to Mokyr, the answer lies in the political fragmentation that characterized Europe during the Enlightenment. This political fragmentation created competition among states, which softened suppressive impulses. Mokyr writes:

> Competition among states, then, implied two things for cultural change. One is that rulers competed with one another for the best citizens, be they astrologers, painters, artisans, sea captains, musicians, or armorers. But more important, they provided a major reason for

> coordination failure among the powerful forces of conservatism trying to suppress intellectual innovators (Mokyr 2017: 169).

We can now summarize Mokyr's account of economic growth. The key factor is an increasing stock of knowledge. The stock of knowledge will tend to increase so long as persons are free to inquire absent censorship. In Europe specifically, suppression efforts failed because of Europe's political fragmentation.

Suppose a country is rich. If Mokyr is correct, the best explanation for this is that the country has a large and growing stock of knowledge that is used to innovate. The country likely has a large and growing stock of knowledge because intellectuals are free to inquire absent suppressive efforts. If the country decides that it does not want to grow anymore, its best bet is to slow or stop the growth of its stock of knowledge. The best way of achieving this would be through suppressive efforts that block free inquiry. Such a regime of censorship, however, is deeply objectionable. According to some, free inquiry is fundamentally intertwined with freedom of thought (Irwin 2005). According to others, free inquiry is fundamentally intertwined with freedom of speech (Ferguson 1978). Another argument grounds free inquiry in autonomy, for autonomous individuals are "sovereign in deciding what to believe" (Scanlon 1972: 215). The American Association of University Professors (AAUP) argues in its 1915 Declaration of Principles that free inquiry is necessary to sustain democracy. There are many compelling reasons to insist on free inquiry. If Mokyr is correct about what tends to foster economic growth, then stopping growth likely requires obstructing free inquiry. This, however, is morally objectionable.

A final account of the wealth of nations is developed by Deirdre McCloskey and looks to a change in ethics: "The double ideas of liberty and dignity … mattered as causes of the Great

Enrichment more than any fresh material incentives, real or fancied” (McCloskey 2016: XXXIII). According to McCloskey, those who engaged in commerce for a living—the bourgeoisie—were once viewed with contempt. This normative assessment of commerce changed during the Enlightenment. As old ethical frameworks fell by the wayside and new ones developed, “much of the elite, and then also much of the non-elite of northwestern Europe and its offshoots, came to accept or even admire the values of exchange and betterment … They undertook to respect—or at least not to utterly despise and overtax and regulate—the bourgeoisie” (McCloskey 2016: 641). The bourgeoisie were now afforded dignity. After this shift in ethical outlook, talented persons were no longer discouraged from choosing commerce as a profession. If “dignity was not accorded to transactions in trade and to the betterments that the bourgeoisie brings forward … then the modern world would have languished at 1621” (McCloskey 2016: 301).

Summing up McCloskey’s account of the wealth of nations, a new ethical framework changed how people viewed commerce. The bourgeoisie, once reviled, were now treated with dignity. This shift in how persons thought about commerce encouraged talented persons to enter the marketplace rather than pursue other professions (such as the clergy and aristocracy) that did not contribute to growth.

Suppose a country is rich. If McCloskey is right, then this is likely because those who engage in commerce are treated with dignity. If the country wants to stop growing, its best bet is to stop treating the bourgeoisie with dignity and start treating them with contempt. Quite clearly, though, such a change would be reprehensible. According to Jeremy Waldron, the idea of dignity is inexorably tied to the idea of rank. In times long past, monarchs and nobles were afforded a dignity withheld from commoners (Waldron 2012: 30). In the modern world, though, the idea of “*human* dignity involves an upwards equalization of rank, so that we now try to accord to every human being something of the dignity, rank, and expectation of respect that was formerly accorded to nobility” (Waldron 2012: 33). So, we now afford dignity to everyone because we believe everyone is of the same rank. To *revoke* dignity from the bourgeoisie would be to treat them as members of an inferior rank. This is obviously unacceptable. If McCloskey is right about what causes economic growth, then for a rich country to stop growing it should essentially become a caste society, where those who engage in commerce are regarded as inferior. A social order of this kind is indefensible.

Let me sum up this section’s argument. If the right conditions are in place, economic growth tends to occur naturally. A rich country already has the right conditions in place. If a rich country wants to stop growing, then its best bet is to alter the underlying growth-fostering conditions. However, we have independent moral reasons to insist on these conditions irrespective their impact on economic growth. To alter these conditions would be morally objectionable. Therefore, we are committed to continued economic growth.

4. Growth-Fostering Conditions without Growth?

In the last section I argued we have independent moral reasons to embrace the conditions that tend to naturally lead to economic growth. It would be wrong to remove these conditions, so we are committed to continued growth. An objection to my argument points out that, though the conditions outlined in the section above *tend* to lead to economic growth, this tendency does not equate to *necessity*. We can imagine a world in which the conditions outlined above are present, yet growth does not occur.

I cannot deny that the conditions outlined above are logically compatible with a stationary state. The two can coexist without contradiction. Merely pointing this fact out, though, is unconvincing. For it to be a compelling objection to my argument, the critic must highlight how, under reasonably realistic assumptions, the conditions that tend to foster growth can coexist with a stationary state. Absent such an explanation, the objection lacks teeth. To put it another way: the presumption should be that growth-fostering conditions will indeed lead to economic growth. To overcome this presumption, the critic must give a plausible explanation that illustrates *how* the presence of growth-fostering conditions in our actual world will *not* result in economic growth. For the objection to successfully land, the critic needs plausibility, not mere possibility.[4]

[4] Thus, I view this paper and my argument as an exercise in *non-ideal*, rather than *ideal*, political philosophy. While these terms have come to take on many different meanings (Valentini 2012), I take them to mean something like this: ideal political theory is unconstrained by facts about our actual world (i.e., it is fact-insensitive) while non-ideal political theory takes facts about our actual world as constraints (i.e., it is fact-sensitive). To put my point another way: I grant that, if we are doing ideal theory, then my overall argument fails, for we can imagine a world (however implausible) where growth-fostering conditions don't result in economic growth. If we are doing non-ideal theory, though, then more work needs to be done for the objection to land. In particular, the critic needs a plausible explanation relying on realistic assumptions that illustrates how growth-fostering conditions will not lead to economic growth.

Keynes and Mill have an answer to this challenge. Keynes believes that once a sufficient level of wealth is attained “there will be great changes in the code of morals” (Keynes 2010: 23). He continues:

> We shall be able to afford to dare to assess the money-motive at its true value. The love of money as a possession—as distinguished from the love of money as a means to the enjoyments and realities of life—will be recognised for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease (Keynes 2010: 24).

Mill agrees with this assessment. He laments the “struggling to get on” and the “trampling, crushing, elbowing, and treading on each other’s heels” which characterizes rich, growing countries (Mill 2008: 126). Once we arrive at a stationary state, however, “no one desires to be richer” (Mill 2008: 127). Instead, “there would be as much scope as ever for all kinds of mental culture, and moral and social progress: as much room for improving the Art of Living and much more likelihood of its being improved, when minds ceased to be engrossed by the art of getting on” (Mill 2008: 129).

The basic idea here is that human nature will in some sense change once a certain threshold of wealth has been achieved. Once this happens, people will no longer wish to keep working to acquire more. They will instead desire to spend more time on leisure. When this strong penchant for leisure and strong distaste for work is paired with the conditions outlined in the section above, growth will not occur. If what we care most about is appreciating art and literature or taking an afternoon stroll, then inclusive institutions, an increasing stock of knowledge, and bourgeois dignity will not result in economic growth. The conditions for growth will be there, but persons will not use them for that end. Hence, growth-fostering conditions and a stationary state can coexist once human nature changes.

Is it plausible to think human nature will change once a certain level of wealth is achieved? Keynes and Mill do not say why they think this will happen. A plausible answer runs as follows. The reason people work is purely instrumental. Persons work so they can achieve a certain material standard of well-being. Once this material standard of well-being is achieved, the instrumental reason to work vanishes. The instrumental reason having vanished, persons will no longer work so much. They will focus their attention on leisure. When this happens, growth will slow down or stop.

The problem with this argument is that it assumes the *only* reason people work is to achieve a certain material standard of well-being. This likely describes some people, but certainly not all. Some people enjoy working independent of its pecuniary benefits. In his assessment of where Keynes went wrong, Richard B. Freeman writes:

> Many people go to work for reasons beyond money, and might prefer to work longer than Keynes's fifteen hours a week under almost any situation. Workplaces are social settings, where people meet and interact. On the order of 40 to 60 percent of American workers have dated someone from their office. In the United Kingdom many persons look forward to the staff heading to the nearby pub at the end of the day (Freeman 2010: 140-141).

Freeman focuses on the communal and social aspects of work, but these are not the only reasons people value it. Anca Gheaus and Lisa Herzog (2016) highlight four goods of work (other than its pecuniary benefits). According to Gheaus and Herzog, work allows people to attain excellence in a particular skill or set of skills, work allows people to feel useful to society, work creates opportunities for community (this is similar to Freeman), and work bestows social recognition. If these are the reasons why people work, then there is no reason to think they will stop doing so once they reach a certain material standard of well-being.

Note, I am not claiming these goods of work are available to *all* in a growing market economy. Rather, my claim is that, so long as *enough* people receive these goods from work, we should be skeptical of the claim (advanced by Keynes and Mill) that persons will cease working so much once they achieve a certain material standard of well-being. If enough people attain these nonpecuniary benefits from work, then they will continue working despite their satisfactory material state, *contra* Keynes and Mill.

A more cynical account says we forgo leisure and continue working because that's what those around us do. This view is advanced by Joseph E. Stiglitz in his criticism of Keynes's fifteen-hour work week hypothesis. Stiglitz argues that "individuals' sense of well-being depends not so much on their actual level of consumption, but on their consumption relative to others" (Stiglitz 2010: 52). He continues:

> In this Veblenesque world it is predictable that increases in wages do not lead to increased leisure. A focus on *relative* consumption gives rise to a rat race, and changing wages changes the terms of the rat race: everybody simply works the same, enjoying neither more nor less leisure. They get more goods, but the increased consumption of goods brings no greater sense of happiness or well-being for as their consumption increases, so does everybody's consumption around them (Stiglitz 2010: 52).

Gary S. Becker and Luis Rayo agree with Stiglitz. According to them, what people care about is not the "absolute level of their consumption but rather on how large their consumption is relative to their past consumption, and relative also to the consumption of peers and other reference groups" (Becker and Rayo 2010: 181). On this view, we work to keep up with the Joneses. If this is correct, then we should be skeptical that people will ever decide to work less. No matter what we have, there will always be someone with a bigger house and nicer car. We will work to catch up with them. Note, I am not claiming that these kinds of motivations for work are in any sense admirable or praiseworthy. They are not.

To sum up, we should be skeptical of the claim that persons will, at some level of wealth, decide to work less and leisure more. This claim is plausible if the only reason people work is to attain a certain material standard of well-being. But the considerations that motivate work are numerous. On more cheery accounts, we work to achieve excellence, to feel useful, to enjoy community, and to obtain social recognition. On more cynical accounts, we work to compete with others. Regardless of which account is true (likely some combination of the two is correct), there is little reason to hope that we will decide to work less and leisure more. This response thus fails to explain how the conditions that tend to foster growth can coexist with a stationary state under reasonably realistic assumptions.

Another way growth-fostering conditions can coexist with a stationary state is through targeted public policy measures. For example, the state can place strict limits on how many hours persons can work. Some countries already have such laws, though hours are capped far higher than Keynes would like and are higher than most voluntarily choose to work (many European countries permit a maximum of 48 hours of work per week, for instance). There are currently no such laws in the United States, but there were in the past, though they mostly applied only to women (Ratner 1980). Suppose a law was passed that said persons can only work fifteen hours a week, as Keynes envisioned. Growth would slow down as a result. Not only this, but growth would slow down without extractive economic and political institutions, limits on free inquiry, or the retraction of bourgeois dignity. Through public policy, then, growth-fostering conditions can be reconciled with a stationary state.

Like before, there is no contradiction in this proposal, but the question is whether it is plausible under reasonably realistic assumptions. I do not think it is. As a first point of departure, I assume that any justified political order is democratic. In a well-functioning democracy, the majority gets what they want. So, if a democracy is to pass a law that drastically restricts persons' capacity to work, then a majority of persons must desire this.

There are reasons to be skeptical this will ever happen, however. For reasons articulated above, we should doubt that a majority of persons will ever demand severe restrictions on their capacity to work, such as a fifteen-hour maximum. People desire to work for many reasons—some good, some bad—and these reasons are not transient. Many will reject a severe restriction on working hours because work bestows nonpecuniary benefits; others will reject it because of a sense that such restrictions prevent them from competing with others. Regardless the underlying motivation, there is little reason to think that a majority will ever demand substantial restrictions on their capacity to work. Indeed, there is empirical evidence suggesting that democracies tend to *increase* persons' economic freedom, because that is what a majority of people want (e.g., Haan and Sturm 2003; Lundström 2005). Once again, this response fails to explain how the conditions that tend to foster growth can coexist with a stationary state under reasonably realistic assumptions.

In sum, while it is logically possible for the conditions that tend to foster economic growth to coexist with a stationary state, we should be skeptical that this will ever happen in a world like ours. Under reasonably realistic assumptions, when you establish inclusive economic and political institutions, create conditions of free inquiry, and bestow dignity on the bourgeoisie, growth will almost certainly occur. Since we have independent moral reasons to insist on inclusive institutions, open inquiry, and bourgeois dignity, we are committed to continued economic growth.

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