




REPLIES

Must We Always Pursue Economic Growth?

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Abstract

Must we always pursue economic growth? Kogelmann answers yes. Not only should poor countries pursue growth, but rich countries should as well. Kogelmann aims to provide a *wealth-insensitive argument* – one demonstrating all countries should pursue growth regardless of their wealth. His central argument – the no halting growth (NHG) argument – says no country experiencing growth should stop it, because doing so requires undermining the conditions causing it and those conditions are independently morally desirable, so they should not be undermined. For countries not growing, he may argue that they have an obligation to implement the conditions that cause growth because they are independently morally desirable. Call this the implementation argument. I contend that neither argument is wealth-insensitive as each fails to establish an obligation to pursue growth. I attempt to diagnose how this could be and propose that it is a product of attempting to answer three questions about growth simultaneously.

Keywords: economic growth; wealth; stationary state; institutions

1. Introduction

Whether or not Gordon Gekko was right that greed is good, growth is good (Wall Street 1987). This is obviously true for poor countries. But Brian Kogelmann (2022) has recently argued in an important essay that economic growth is good for rich countries as well.¹ *Pace* the likes of John Stuart Mill (2008), John Maynard Keynes (2010), and John Rawls (1999) who give *wealth-sensitive* arguments for growth – arguments that advocate growth only for countries that fall below a certain threshold of wealth – Kogelmann (2022: 478) makes a *wealth-insensitive* argument – an argument that establishes “that all countries should pursue growth regardless [of] their current level of wealth.”² Rich or poor, we must always pursue economic growth.

This essay argues that Kogelmann’s considered view is not wealth-insensitive, by his own lights. His central argument – the *no halting growth* (NHG) argument – is not wealth-insensitive as it cannot be soundly made by *all countries*. The countries unable to soundly make the NHG argument are those experiencing growth. For stagnating or shrinking countries, Kogelmann may offer what I call the *implementation* argument. We may understand Kogelmann’s considered view to be the disjunction of these two

¹On the difference between economic growth and economic progress, see Holcombe (2006).

²Kogelmann’s argument is at the country level (see also Moller 2019). For a wealth-insensitive argument at the individual level, see Flanigan and Freiman (2022).

arguments. Unfortunately, neither establishes an obligation to *pursue* growth. Hence, Kogelmann's considered view fails to be wealth-insensitive.

The paper proceeds as follows. In Section 2, I introduce Kogelmann's conception of wealth-insensitivity, understood as an argument having the properties of being *universal* and *prescriptive*. In Section 3, I state the NHG argument. In Section 4, I note that the NHG argument is not universal. However, when paired with the implementation argument, the resulting view would be. So, let us understand Kogelmann's considered view to be the disjunction of the two. In Section 5, I argue that neither argument is Prescriptive, so his considered view is not wealth-insensitive. In Section 6, Tyler Cowen's argument for growth is used as an illustration of a genuinely wealth-insensitive argument. In Section 7, I identify where Kogelmann's argument goes wrong and suggest to what question he is giving the right answer. Finally, in Section 8, I conclude by contrasting Cowen and Kogelmann's positions in terms of a common analogy.

2. Wealth-insensitivity

An argument is wealth-insensitive on Kogelmann's account when it is both *universal* and *prescriptive*.

Universal: For every country, C, an argument, A, can be soundly made by C.

All 197 countries in the world must be able to soundly make A for it to be universal. It does not matter whether C refers to a rich country like the United States or a poor country like Somalia.

Prescriptive: The conclusion of an argument, A, obligates the pursuit of growth by the country, C, making it.

If A is sound, C is obligated to pursue growth.

What would motivate one to want to provide an argument that is both universal and prescriptive? One answer is to show that growth is good for all. Existing explanations for why growth is good include (i) because it leads to an increase in *happiness* understood as subjective well-being, (ii) because it leads to an increase in *objective well-being*, or (iii) because it allows for the persistence of *democracy* which is itself a good thing. While each of these answers can say why growth is good for *some* (i.e., poor) countries, none, according to Kogelmann (2022: 479–83), are able to say why growth is good for all (in particular, rich) countries as economic growth does not (i) correlate to increased happiness after a satiation point of wealth has been reached, (ii) guarantee that citizens in countries that become rich will, as a result, attain a greater share of the goods on the objective well-being list; indeed, they may end up with a lesser share of them, or (iii) contribute to the achievement or maintenance of democracy after a country reaches a certain level of wealth.³

In short, the happiness, objective well-being, and democracy arguments all fail to be universal. If the goal is to show that economic growth is good for *all* countries, a different argument is needed.

³One could respond by trying to show that one of these arguments actually is wealth-insensitive. To focus on Kogelmann's positive argument, let us grant his critical project.

3. Kogelmann's NHG argument

To this end, Kogelmann provides an “indirect” argument that does not argue *for* economic growth itself, but rather *against* halting growth when it is occurring. His argument can be summarized as follows:

Growth premise: Economic growth is occurring.

Intervention premise: Halting growth would require altering the conditions that cause growth.

Causal premise: The conditions that cause growth are inclusive institutions (Acemoglu and Robinson 2013; see also North 1990 and North et al. 2013), open inquiry (Mokyr 2018), and bourgeois dignity (McCloskey 2016; McCloskey and Carden 2022).⁴

Moral premise: Inclusive institutions, open inquiry, and bourgeois dignity are morally desirable independent of their effect on growth.⁵

Prohibition premise: Independently morally desirable conditions should not be altered unless there is all-things-considered reason to do so.

Empirical premise: There is not all-things-considered reason to do so.⁶

Conclusion: Economic growth should not be halted.

Call this the NHG argument. If it is sound, the economy should be allowed to continue to “grow like a weed” (Kogelmann 2022: 483).

The NHG argument is different from the happiness, objective well-being, and democracy arguments in that the soundness of the argument does not turn on whether it is made by a rich or poor country. No matter how wealthy a country becomes, the argument is not falsified because countries should not alter independently morally desirable conditions like inclusive institutions, open inquiry, and bourgeois dignity unless there is all-things-considered reason to do so, which is not the case.

4. What about countries not economically growing?

For the NHG argument to be wealth-insensitive, it must be universal. But there are a non-trivial number of countries for which the growth premise will be false as a result of economic growth not occurring. The NHG argument is *growth-sensitive*: only countries experiencing growth can soundly make it. Countries not growing cannot soundly make it. Hence, the NHG argument is not universal and, thereby, not wealth-insensitive.

How might Kogelmann respond to the charge that his argument does not show that stagnating or shrinking countries should pursue growth? A potential response would be to say that such countries have an obligation to implement inclusive institutions, open

⁴Kogelmann is claiming neither that these three conditions are individually necessary, nor that they are jointly sufficient for causing economic growth. Rather, the claim is that when inclusive institutions, open inquiry, and bourgeois dignity are present, there is a very strong likelihood that growth will occur. For an excellent overview of the causes of growth throughout history, see Koyama and Rubin (2022).

⁵I follow Kogelmann in being ecumenical in understanding moral desirability.

⁶This premise is unstated, but crucial to the validity of the argument. Despite being unstated and undefended, let us accept its truth to focus on whether the NHG argument is wealth-insensitive at all.

inquiry, and bourgeois dignity which will almost certainly lead to growth.⁷ While this is not a direct argument to pursue growth, it is an argument to perform some action φ where the consequence of φ -ing will almost surely be growth.

What this amounts to, argumentatively, is eliminating the growth and intervention premises, swapping out the prohibition premise for the implementation premise and modifying the empirical premise.

Causal premise: The conditions that cause growth are inclusive institutions (Acemoglu and Robinson 2013; see also North 1990 and North et al. 2013), open inquiry (Mokyr 2018), and bourgeois dignity (McCloskey 2016; McCloskey and Carden 2022).

Moral premise: Inclusive institutions, open inquiry, and bourgeois dignity are morally desirable independent of their effect on growth.

Implementation premise: Independently morally desirable conditions should be implemented unless there is all-things-considered reason not to do so.

Empirical premise*: There is not all-things-considered reason not to do so.

Conclusion: Inclusive institutions, open inquiry, and bourgeois dignity should be implemented.

Call this the *implementation argument*.

Kogelmann's position, so understood, would be disjunctive: either a country is growing in which case it is obligated to not stop growth on the basis of the NHG argument, or a country is not growing in which case it is obligated to implement inclusive institutions, open inquiry, and bourgeois dignity on the basis of the implementation argument.⁸ Let this be understood as Kogelmann's considered view.

5. Is Kogelmann's considered view prescriptive?

If both arguments are sound, then Kogelmann's considered view is universal. To be wealth-insensitive, it must also be prescriptive – the conclusion of the argument must obligate the pursuit of growth by the country making it. However, as I will argue, the conclusion of neither the NHG nor implementation argument obligates a country to pursue growth.

To begin, compare two ways Kogelmann formulates the thesis of his essay. The first formulation is what we can call the *argumentative thesis*.

The argumentative thesis: We must not halt economic growth.

Or, as Kogelmann (2022: 479) puts it, “Halting growth requires that we alter [the conditions that cause growth], but we ought not do this.”

The second formulation is what we can call the *titular thesis*.

The titular thesis: We must always pursue economic growth.

⁷Thanks to an anonymous reviewer for comments that ultimately led to this reframing.

⁸Kogelmann does not state his argument disjunctively, but I believe it is the best and most charitable interpretation. Importantly, it makes his position no longer growth-sensitive.

Calling it the titular thesis does not mean that it does not appear in the text. For instance, Kogelmann (2022: 479) writes, “I shall argue that all countries, irrespective of their current level of wealth, have reason to pursue economic growth.”

For an argument to be prescriptive, it is the titular thesis that must be vindicated. However, the NHG argument only establishes the argumentative thesis. One strategy for vindicating the titular thesis would be to show that the two theses are logically equivalent. If it is the case that the NHG argument can establish the argumentative thesis and the argumentative thesis is logically equivalent to the titular thesis, then the NHG argument can be rightfully described as prescriptive. However, if the two are not equivalent, then the NHG argument would not be prescriptive.

What we need to determine is whether NHG is synonymous with pursuing growth. To do this, we need to know what it is to *pursue* growth. Depending on whether growth is already occurring, pursuing growth can mean one of the two things. If it is not, pursuing growth involves seeking ways of bringing it about. Call this *creating growth*. If it is occurring, pursuing growth involves amplifying the rate at which it is occurring. Call this *increasing growth*.

Since the NHG argument is premised on growth occurring, increasing growth is germane. But the NHG argument does not advocate amplifying growth. It merely requires not interrupting it. The growth rate could remain constant (or even decrease). On the basis of the NHG argument alone, one has no reason to prefer an increasing growth rate to a constant growth rate. Hence, NHG is not synonymous with increasing growth. The implication is that the NHG argument is not prescriptive.

The route the implementation argument takes to the titular thesis is more direct. At issue is just whether it can show that we must always pursue growth. Since the implementation argument drops the growth premise, creating growth is germane. What needs to be shown is that there is always an obligation to bring about growth when it is not already occurring. Unlike the NHG argument, the implementation argument does advocate bringing about *something*; namely, inclusive institutions, open inquiry, and bourgeois dignity. And these conditions happen to be ones that tend to lead to economic growth. While it is conceptually possible that growth-fostering conditions do not lead to growth, Kogelmann’s argument is one of nonideal theory and the facts in the actual world are such that there is a strong presumption in favor of growth-fostering conditions creating growth.

I do not disagree that growth-fostering conditions tend to lead to growth. But there are two reasons – one *structural*, the other *substantive* – for thinking that the implementation argument does not vindicate the titular thesis. Structurally, the implementation argument does not advocate bringing about growth; it advocates bringing about particular moral conditions. The *reason* the conditions are advocated for is not because they tend to lead to growth, but because they are independently morally desirable. The implementation argument is *growth-indifferent* – the argument can be sound without obligating that growth be pursued.

To illustrate this, consider the following argument that mirrors the structure of the implementation argument.

The ingredients needed to make a peanut butter and banana sandwich are peanut butter, banana, and bread. These three ingredients are each delicious independent of being combined to make a peanut butter and banana sandwich. Independently delicious ingredients should be bought, unless there is all-things-considered reason not to. There is not all-things-considered reason not to buy them. Therefore, peanut butter, banana, and bread should be bought.

I do not dispute the validity of this argument. Depending on the context and the balance of reasons (on which a great deal hangs), it may even be sound. But it is not an argument showing that you have an obligation to *make* a peanut butter and banana sandwich.

Likewise, the implementation argument is not an argument to create growth. It is an argument to attain the conditions as they are independently valuable. Just like we should have peanut butter, banana, and bread in our pantry even if we are not making a sandwich, we should want inclusive institutions, open inquiry, and bourgeois dignity even if they did not cause growth. The fact that they tend to is no more relevant than any other causal implication of bringing about those conditions.

The second reason to doubt the ability of the implementation argument to establish the titular thesis is substantive. The argument, even if it had the appropriate structure, may just not be sound. Of relevance are the implementation premise and empirical premise*. These premises contend, respectively, that independently morally desirable conditions should be implemented unless there is reason not to and that there is no reason not to.

But there very well may be all-things-considered reason not to implement independently morally desirable conditions because doing so may involve significant moral costs and potentially yield a morally worse state of affairs. Take, for instance, an independently morally desirable condition like inclusive institutions. If there is an obligation to implement inclusive institutions for non-growing countries, what this practically amounts to is something like the economic version of the Bush Doctrine. This is a *highly* demanding result and history has shown us how this type of interventionist approach can go awry. Kogelmann could defend such a radical approach, but doing so would be a significant departure from the non-interventionist motivations underlying the NHG argument. For this reason, I am hesitant to attribute an argument with such implications to Kogelmann. However, if we do not, his view is straightforwardly not universal.

This leaves Kogelmann with a dilemma. Either he can only embrace the NHG argument (which is quite plausible) but acknowledge that it is not wealth-insensitive as it is neither universal nor prescriptive, or he can remain committed to giving a wealth-insensitive argument and try to show that his considered view actually is both universal and prescriptive, despite the preceding objections. I believe the first horn is the best route forward as neither the NHG argument nor the implementation argument can establish the titular thesis. For an argument to be able to vindicate the titular thesis requires an unequivocal commitment to growth. We turn to what such an argument would look like in the next section.

6. A genuinely wealth-insensitive argument

Tyler Cowen's (2018: 28) argument in *Stubborn Attachments* is a promising candidate for a wealth-insensitive argument. Cowen makes an analogical argument for pursuing growth that commences by introducing Frank Knight's (1944) *Crusonia plant* – "a mythical, automatically growing crop which generates more output each period." Were we to compare a *Crusonia* plant with a non-*Crusonia* plant that dies after a normal amount of time, we may find the non-*Crusonia* plant preferable to the *Crusonia* along various dimensions like, say, beauty and smell. But, if we were to make an all-things-considered evaluation, we should prefer the *Crusonia* plant because at "some point the sheer accretion of value from the ongoing growth ... dominates the comparison" (Cowen 2018: 28). No matter how beautiful and fragrant the non-*Crusonia* plant is for its life, the perpetual growth of the *Crusonia* will yield so much value that it will ultimately be the better choice.

Cowen (2018: 28) thinks policy decisions are no different: we should “choose the Crusonia plant.” To choose the Crusonia plant is to choose policies that “give rise to the equivalent of the Crusonia plant’s unceasing yield, namely ongoing and self-sustaining surges in value” (Cowen 2018: 29). In practice, this means choosing policies that lead to economic growth while giving appropriate due to sustainability and leisure.⁹ Cowen labels the value that such policies select for Wealth Plus and advocates *maximizing* it conditional upon the pursuit to do so not destabilizing the broader society.¹⁰ If Cowen’s argument is sound, then policy decisions should be made in accordance with the following principle.

The principle of growth: We should maximize the rate of sustainable economic growth, defined in terms of a concept such as Wealth Plus.¹¹

Cowen’s argument for the principle of growth is the type that can vindicate the titular thesis. If growth is not occurring, then Cowen would be in favor of creating growth. If growth is already occurring, then he would advocate increasing growth. In either case, the right course of action is to maximize the rate of growth.

7. What question about growth does Kogelmann’s argument answer?

How could Cowen’s argument be wealth-insensitive, while Kogelmann’s own argument not be? The answer, I believe, is a product of Kogelmann addressing three important questions about economic growth simultaneously that is better addressed discretely. Call these, respectively, the prescriptive question, the axiological question, and the institutional question.

The prescriptive question: Should a country (always) pursue economic growth?

The axiological question: Is economic growth (always) good for a country?

The institutional question: Can achieving a stationary (or steady) state (ever) justify a country stopping economic growth?

The prescriptive question asks about what a country should *do* for growth, the axiological question asks about the *value* of growth, and the institutional question asks about a *macro-economic end-state* justifying stopping growth.

⁹This does not mean that rules and rights are absent from the story. In a world with a largely unknowable future, they provide the parameters that allow for the principle of growth to be acted upon. See also Cowen (2006).

¹⁰Cowen’s justification for maximizing Wealth Plus is that it makes us objectively better off and subjectively happier. On the former, Friedman (2006) shows how many modern virtues depend on ongoing economic growth and Moller (2011) argues that there is reason to pursue growth even when it does n’t lead to happiness. On the latter, Deaton (2008) and Stevenson and Wolfers (2008, 2013) find that increases in income boosts happiness.

Recall that Kogelmann provides reason to be skeptical of grounding a wealth-insensitive argument in such considerations. My aim is not to say that Cowen’s argument is sound. It is to say that *if* it is sound, then he provides an example of a wealth-insensitive argument. Thanks to an anonymous reviewer for helpful comments on this point.

¹¹Cowen’s final statement says inviolable rights should constrain the quest for growth. He admits, though, that even “inviolable” rights can be violable in sufficiently radical scenarios.

The question that motivates Kogelmann's essay and the one his argument can provide a clear and compelling answer to is the institutional question. The paper commences by citing the trio of famous Johns who, in varying ways and to varying degrees, view a stationary state as an aspirational macro-economic goal. *Pace* Keynes, Mill and Rawls, the NHG argument seeks to establish that the answer to the institutional question is no.¹²

By contrast, Cowen can answer both the prescriptive question and the axiological question. His view is that the answer to the axiological question is yes. Growth is unequivocally good for a country in all but the most farfetched counterfactual circumstances. This renders the answer to the prescriptive question also yes. If growth is unequivocally good, then there is decisive reason to create it if it is not occurring or amplify it if it is.

Of course, this does not mean that Cowen gives the right answer to either question. An absolute commitment to maximizing growth presents problems. For instance, if rich countries are obligated to maximize growth, then this may require committing morally objectionable acts in pursuit of it, such as buying morally tarnished products (like oil) from oppressive regimes to spur growth, and, in doing so, support and legitimize oppressive, totalitarian regimes (Wenar 2015).

What is relevant for present purposes is not the evaluation of Cowen's argument, but that his argument can be seen as answering yes to the prescriptive question. The NHG argument is best understood as answering a different question. Not answering every question is not a problem. But it is important to be clear about what question an argument does answer.

8. On horticulture

Both Kogelmann and Cowen analogize economic growth to plant growth. But they disagree about our horticultural obligations. For Kogelmann, if we have a plant that is growing, we have an obligation to not start meddling with the soil. Just keep letting it grow. We do not have an obligation to add fertilizer and nutrients to improve the soil so that the plant can grow even better. If our plant is not growing, only then do we have an obligation to add fertilizer and nutrients. But that obligation exists because fertilizer and nutrients are independently good, not because they spur growth. Our horticultural obligations are *sensitive* to the state of the plant.

For Cowen, our obligations are *insensitive* to the state of the plant. If the soil does not presently permit of growth, then we have an obligation to improve it to the point that it does. If the soil already allows for growth, then we have an obligation to add fertilizer to amplify the growth. In either case, we are obligated to *pursue* growth.

The point of this essay is not that Cowen is right and Kogelmann wrong. It is that to make a wealth-insensitive argument, on Kogelmann's definition, requires an argument for growth that is as unequivocal as Cowen's. Kogelmann's considered view is not such an argument. But, to just the institutional question, the NHG argument provides a compelling answer and perhaps even is sound.

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¹²Recent work has been done on how Mill (McCabe 2021; see also Turner 2023) and Rawls (Edmundson 2017) answer the institutional question.

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