

# Reinventing Prosperity

## Managing Economic Growth to Reduce Unemployment, Inequality and Climate Change

by Graeme Maxton and Jørgen Randers

### Position Statement

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#### Background

Since spring 2017, *Eberswalde University for Sustainable Development* (EUSD), in a series of diverse events involving staff, students and citizens, intensively discussed the book "*Reinventing Prosperity*" by Graeme Maxton and Jørgen Randers. Goals were to critically reflect on the positions of the authors and also to explore new formats and networks for technical exchange about current sustainability literature in- and outside of the university. We organized public readings to each of the 13 book chapters – realized every time by another institution or entity of the university at different venues and in various formats.

The idea for this project was inspired by a call for proposals of the *Stifterverband* and the *Klaus Tschira Foundation* in cooperation with the *Die Zeit* magazine. EUSD applied for the funding and won as one of ten universities in Germany a grant of € 5,000 to facilitate the project activities.

The university chose the book "*Reinventing Prosperity*" as it lines up in the series of the famous Reports to the *Club of Rome* that started with the "Limits to Growth" in 1972. Back then, the "Limits to Growth" were a wake-up call and a decisive milestone for the development of the environmental movement as well as the sustainability discourse. Therefore, the key publications amongst the Reports to the Club of Rome belong to the '*Must (Should)-Reads*' at *Eberswalde University for Sustainable Development*.

After the opening event in May 2017, and since then, at least one reading or discussion event per month was hosted with altogether over 200 participating staff and students as well as Eberswalde citizens. The sessions took place at ten different locations, five of them outside the university, for example, the local organic shop, the town hall, or the town library. The results of the discussions were documented and made available in a [blog](#). Additionally, the project was integrated into some teaching modules, e.g. in the international master programme *Global Change Management*. As an outcome, the students of the mentioned master programme conducted a public workshop which was used to compile a statement on the book in the form of a position paper.

In the following, we present some main findings of the discussions summarized as a position statement.

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#### ***A. Valuable food for thoughts and discourse.***

1. We appreciate that the used language and overall format of the book is easy to read and to understand. We acknowledge the approach of the authors to address as many people as possible and even reach people, who normally would not be interested in the topics of the book.
2. The authors try to give a holistic view of the challenges that our current world is facing, including environmental, social and economic issues and to set them in relation to each other. We are aware that this is a very tough task in this highly complex and dynamic world.

3. We witnessed in our reading sessions that the book triggers fruitful discussions about economic growth and its negative consequences as well as possible measures to tackle these challenges.

### ***B. A long, but still short situation analysis.***

4. It may have become even more visible through our approach of reviewing one chapter per session that the book takes a long run-up till it finally erupts and discloses the actual ideas of the authors – the 13 proposals. But clearly, a detailed and sound situation analysis before coming up with solutions is needed.

5. Workshop participants, who were not familiar with the contents of the book, were consulted about humanity's biggest problems, and interestingly, their answers were mainly overlapping with the picture drawn by the authors.

6. Still, we missed some critical points throughout the analysis. For instance, the focus of the book lies too much on economic growth and (un-)employment. In contrast, **ecosystems as the very fundament of human wellbeing as well as the threat of tremendous biodiversity loss are not really covered**, but just mentioned incidentally. Especially, the systemic connections to the other addressed problems such as climate change are not made clear. Climate change is an overarching problem, but the **loss of functionality of the global ecosystem** alone represents a challenge of similar magnitude.

7. The previous paragraph also links to the economic **significance of the land use sector**, which, in our opinion, does not receive consequently enough attention by the authors. Since land use is the most fundamental and earliest economic activity and surely will also be the outlasting one, the need to maintain the functionality of ecosystems becomes even more obvious and urging.

8. A key question is why **education** – as part of the problems and the solutions – was left out. For instance, ineffective and overloaded educational structures and contents, especially manifest in school but also university curricula, as well as the educational focus on creating human resources for the economic system deserves more attention if the goal is to transform a society towards a more sustainable one. By now, too little attention is paid to the systemic connections of the mentioned problems and subsequently to the solutions to be implemented.

9. As much as education *sensu latu*, **required conditions and approaches to successful transformation** within societies represent a gap in the authors' analysis and strategy (see also below, under D.).

### ***C. Critical gaps in the analysis and the proposals might hinder a successful implementation.***

10. **Feasibility and risk assessments** are not included in the book. The question is if this leads to a simplification of the analysis and **undercomplex solutions to hypercomplex problems**. How realistic is it to have movements or political parties supporting the strategic portfolio suggested by the authors? We

are afraid that this reduction of complexity does not help the case of a sustainable transformation under democratic conditions.

11. Instead, we would argue that **education and awareness raising for a systemic understanding** would be highly needed to promote a more sophisticated, critical majority and the opportunity for new approaches and initiatives arising. This also would relate to a **strengthening democracy and a prevailing majority view**, which Maxton and Randers demand in chapter 10. But this claim is not accompanied by proposals for enhancing democratization, combating intransparent lobbyism and the active role of citizens and civil society in transformation processes. It would also be important to address the challenges related to (the currently observed spread of) **populism and "post-factual" argumentation**.

12. Moreover, it would be crucial for the implementation of proposals to show reasonable starting points. It could have been helpful to **reflect practitioners' insights about possible entry points of change management** and also include **insights from transformation research** (dynamics of social movements, innovations and their diffusion). Therefore, we miss conceptual support for designing sustainable development that links to practical implementations.

13. As the authors stress the negative impacts of the current economic and financial system throughout the book greatly, we were wondering, why no **vision for a functioning, resilient and controlled financial system** was offered. Of course, the authors are fully aware of the dominance and the vicious feedback loops bound to the financial systems, but obviously decided to not tackle them more precisely, even if there might be potential for leverage points within the system with instruments such as the transaction tax.

#### ***D. There are possible negative effects through the implementation of the proposals.***

14. As a consequence of the above-mentioned missing risk assessment and the lack of systemic linkages between the rather monolithic proposals it appears that possible **rebound effects** are neglected by the authors, which might have the potential to weaken the implementation or even worsen the situation.

15. An **isolated implementation of each of the proposals** would not be sufficient. Rather, these measures would reveal their true potential if they were implemented together. How can this be guaranteed?

16. The **exclusion of the Global South** from the proposals could lead to ineffectiveness, e.g., due to remaining tax avoidance opportunities (example: proposal 5 "increase of taxes for corporations and the rich").

### ***E. Transformational change management cannot be achieved without a paradigm (and regime?) shift.***

17. The analysis of the systemic mapping of the proposals entry points, which was conducted by the *Global Change Management* students, revealed that Maxton and Randers chose a very **indirect approach to tackle merely symptoms instead of root causes, and it is assumed that the effects would trickle down to the environment**. Still, the theory of change and strategic mechanisms are not explained. It is likely that the suggested steps can ease some social problems, but will not cure the big issues of biodiversity loss, pollution, degradation nor climate change.

18. It appears that the chosen indirect approach of the authors is based on a rather **pessimistic conception of the human being** that comes to light occasionally throughout the book. It may be linked to the lack of concrete proposals for strengthening democracy and a better education.

19. Even if the authors promise radical ideas at the beginning of the book, they do not dare to claim for a **paradigm shift** concerning values, norms and consumption patterns. And some of us strongly doubt that sustainable development can be possible within the scope of the current prevailing capitalistic market logic. Anyway, a **multi-level approach that encourages bottom-up at least as much as top-down processes** seems to be crucial for a real transformational change. Therefore, small regional and grassroots initiatives as well as participatory processes need intensified support. This also relates to the demand for an enhanced education that promotes systemic thinking. What ultimately is needed is a general mindset change within society towards more cooperation and less competition. At the moment collaboration and participation are still too often regarded as "not profitable" and economical logics (which is predominant on all other societal system logics) rewards egoistic, short-term thinking and behaviour. A holistic mindset and an experiential understanding of our interconnectedness and interdependence should be aimed for by any institution.

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(based on the findings of the reading & discussion events as well as the position paper, prepared by *Global Change Management* students, in the course of the *Eine Uni – ein Buch* project)