**From Pre-Analytic Axiom to ‘Core State Imperative’ and Dominant ‘Commonsense’: A Genealogy of the Ideology of Economic Growth**

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**Abstract**

**This article critically examines and problematises the ‘taken for granted’ status of economic growth within modern politics and political economy. From a green political economic perspective it asks why and how given the socially regressive, ecologically destructive and human wellbeing failings of GDP economic growth as a permanent feature and objective of a ‘healthy’ economy, growth has such an assumed and authoritative position. The article proceeds to critically analysis economic growth in three parts. Part I examines the pro-growth bias and normative/ideological commitment to growth within the dominant form of political economy, namely neoclassical economics. Firstly, growth and expanding the productivity frontier as the pre-analytically intuitive answer to the ‘economic problem’ of endless wants and limited means/resources. Secondly, the centrality of the Pareto optimality criterion within microeconomics is examined to reveal it as a pro-growth axiom, a main aim or outcome of which is to undermine distributive claims. Secondly, within macroeconomics, the invention, refinement and dissemination of Gross National Product/GNP (later Gross Domestic Product/GDP) as ‘the’ measure of the state of national economies in the pre and post WWII period is presented as a key element in the promotion of ‘economic growth’. Part II outlines some of the historical and institutional origins of economic growth as a core state imperative. It focuses on the immediate post-WW2 period, the Cold War, and the role of the OECD (and its predecessor the OEEC) in systematically disseminating and promoting GDP growth in Western European countries as a key part of the US led competition of the ‘free capitalist world’ against the Communist bloc. In this way the OECD can be viewed as being the ‘economic wing of NATO’ and the imperative for capitalist states to achieved coordinated stronger growth than the USSR and its client communist states was the ‘economic race’ equivalent to the ‘arms race’. The article suggests that economic growth be understood as a powerful idea that has become a keystone** of the (initially Keynesian-based) political ideology of growth, which in turn enabled and empowered state and supra-state institutions, and also acted as a legitimating ideology throughout capitalist societies. And it arose as a powerful ideology within the context of the cold war and motivated as part of the struggle for ‘hearts and minds’ by core capitalist states (led by the US) and their historical encounter with communism and the USSR. **The article shows how the capitalist state has a structural interest in achieving high and sustained rates of economic growth, and how economic growth became the ‘economic commonsense’ for populations and citizens of western countries. Using a broadly Gramscian frame the article suggests that economic growth is an ideology, one which serves the interests of a specific class or elite rather than, beyond a threshold, the interests of a majority in society.** Thus state ands social support for ‘growth for growth’s sake’ successfully insulated capitalist states from democratic critique even as the multiple injustices, inequalities and environmental unsustainability of the growth model became ever more evident. And this model and ideology was and continues to be given pseudo-scientific and ‘objective-authoritative’ credibility by neoclassical economics.

**Introduction**

**“The ideas of the ruling class are, in every age, the ruling ideas: i.e. the class which is the dominant material force in society is at the same time the dominant intellectual force” (Karl Marx, 1845/1970: 64).**

A question that is rarely asked is ‘why do we need economic growth?’, so self-evident is it that ‘we’ (a moot issue of course is who is this ‘we’?) need ‘it’. But what answers can we find if this question were to be asked? It is economic growth we are told that ensures pensions for when we retire. It is economic growth that creates the wealth we can then use to spend on social or medical infrastructure (such as a national health care system) and welfare payments, or indeed remedial environmental policies. In this way economic growth is a means to these various ends....but what is not allowed, encouraged or listened to is whether these ends could be met without economic growth? Could we have pensions, a national health service, welfare services etc. without year on year increases in GDP? And beyond that, is the reason why is there no serious and sustained public or policy debate on alternative views of the economy (such as ones which do not have orthodox undifferentiated economic growth as a permanent feature of the economy), due to these having been presented, considered, evaluated and dismissed, or that they are simply unable or not allowed to be even considered possible as objects for debate?

And this lack of political debate is not simply that economic growth as an unquestioned ‘good thing’ or self-evident necessity, receives intellectual and authoritative support from the dominant form of economics – namely, neoclassical economics. It is also because economic growth has, since the post-war period, become a ‘core state imperative’, one backed up by cross-political party support from both left and right and indeed wide social consensus –thus become a ‘core social imperative’ and a form of ‘commonsense’.

**Evidence that economic growth is good and is (or was up until recently) a (unqualified) social and political economy *desideratum*, something that enjoys almost complete support from across the political spectrum. In terms of left – right support for growth – and here simplifying – the main issues often revolve around the distribution of economic growth to capital and labour. On the left we have Picketty’s analysis (Picketty, 2014) arguing for a greater share of growth (wage income) to go to labour. On the right we have numerous examples of neo/liberal defences of a ‘rising tide raises all boats’ justifying unequal shares of growth on the grounds that such income and wealth inequalities are necessary for growth (Friedman, 1962). But neither traditional socialist/social democratic or conservative /neoliberal parties, policies or political economy question growth *per se*. By ‘economic growth’ is meant the following, ‘monetary measured GDP growth as a permanent feature of the economy, which is based on biophysical energy and resources (even if these are not recognised or acknowledged)’ (Barry, 2012). For the most part, it is only green or ecological political economists who have for decades (and then mostly ignored), that have questioned economic growth, and it is within that tradition of green political economy this article is written.**

**This article is motivated by a view of the importance of uncovering the historical, ideological and class origins of growth. It does so by uncovering the pro-growth bias within neoclassical economic theory (the dominant political economy power/knowledge). Thus what is presented and understood as authoritative economic ‘fact’ around the necessity (even functional) economic growth is a normative-ideological value judgement. Or rather, economic growth as fact holds only under capitalism that has a functional imperative for accumulation via GDP growth and expansion. The article then proceeds to demonstrate the class and elite origins of growth as a ‘core state imperative’ – and locates it in the post-war and Cold War period and the role of transnational organisations such as the OCED in promoting, organising and disseminating GDP growth amongst liberal capitalist states. These conceptual and institutional analyses are motivated to demonstrate that there is nothing ‘natural’ about growth as the objective for the economy: it is a politically chosen objective, done for particular political interests, and therefore one that can be altered. Finally, the article suggest that these necessary deconstructive-critical endeavours can then clear the ground for a third more reconstructive aim of the difficult intellectual and political work of developing and getting popular support for any ‘post-growth’ political economy.**

Who, in the light of biophysical reality, can remain committed to the growth-forever vision? *Apparently our decision-making elites can*... *Their commitment is not to maximize the cumulative number of people ever to live at a sufficient standard of consumption for a good life for all. Rather, it is to maximize the standard of resource consumption for a small minority of the present generation, and let the costs fall on the poor, the future and other species*” (Daly, 2013: 4-5; emphasis added)

What if economic growth is simply an idea that serves the interests of a minority in society rather than being of benefit to everyone? What if the ‘social imaginary’ of endless growth (Castoriadis, 1991: 184), is a ruling idea of our age because it is the idea of the ruling class? And serves that classes interests by becoming a ‘core state imperative’, but is not in the long-term interests of the majority in society, future generations or the non-human world? Viewing growth as the ideology of the ruling class or elite means to understand that since the main aim of an elite ideology is to maintain the hegemony and power of this elite, issues of the ecological irrationality (or indeed social and economic irrationality) of this social objective are neither here nor there. That is, despite evidence (either expressed in scientific peer reviewed papers or expressed as popular resistance) of the ecological or socio-economic downsides of an economic growth strategy, viewed as a political strategy for control and power, economic growth can make perfect sense: be a perfectly ‘rational strategy’, despite these objections, which can be simply dismissed…by being ignored. And better still if such ecologically dangerous and socio-economically dubious policy can be endorsed and enthusiastically supported by a majority in society i.e. gain widespread support and legitimacy.

**Part I**

**The ‘Axiomatic Imperative’ for Growth: Neoclassical Economics, Scarcity and Pareto Optimality**

The most basic definition of economics or ‘the economic problem’ is some version of the following: how do we meet infinite human needs/ends faced with limited means? In this way, scarcity is thus a fundamental principle of economic thinking and the orthodox economic imaginary. Indeed, one could state that scarcity is a ‘master concept’ in modern neoclassical economics and the solution to the wants/scarcity dilemma in the direction of overcoming scarcity via increasing output, growth etc. a form of axiomatic thinking. But note how this intuitive axiom ‘organises out’ any attention to the assumption of ‘unlimited wants’ as a given, something beyond consideration or change. In the neoclassical model these are exogenous (which is at odds with the argument that wants are created within the economic system itself i.e. endogenous, via advertising and marketing for example). In the model, attention is focused on how we can use limited resources or factors of production (typically land, labour, capital and enterprise) to produce as many goods and services to satisfy some (though of course not all) of these unlimited wants. That is, satisfying one particular want means not satisfying others (hence the idea of opportunity cost). Such axiomatic thinking is ‘pre-analytical’ and assumed as ‘reasonable’ assumptions prior to the operationalisation or testing of the theory/model in question as Hausman notes (1992: 212). Other elements of the pre-analytical vision of neoclassical economics include, *inter alia*, utility maximisation, rational decision-making, preference transitivity, substitution between natural and human capital, temporal discounting of the future, and the assumption of an ‘empty’ as opposed to ‘full world’ (Martin, 2007). These preanalytic axioms or self-evident and reasonable ‘truths’ combine to result in key elements of the pro-growth bias of neoclassical economics such as the axiom of efficiency expressed by Pareto Optimality, discussed in more detail below.

There are two issues in relation to scarcity as it operates within the dominant neoclassical model I wish to highlight. The first is that while the starting point of economics is infinite wants in the context of scarce or limited means to meet those ends, one could propose that the solution to this dilemma is to focus on the demand-side as it were and seek to limit human wants. *Ceteris paribus*, this is as rational and ‘reasonable’ a way to solve this dilemma as suggesting the solution lies in maximising means. It is important to remember that scarcity is relational – the mismatch between limited resources and unlimited wants is what results in scarcity. Thus we could eliminate/reduce scarcity by simply reducing wants. But economics approaches the issue from the supply-side in seeking to increase the means to meet more and more human wants, which of course means we have an in-built growth dynamic right from the get go as it were within neoclassical economics. Related to this, and discussed in more detail below, is that approaching this dilemma from the demand-side as opposed to supply side, opens up a different form of addressing it and thus different political economic solutions (and imaginaries) become possible. As Pezzey notes, the axioms chosen by economic modellers, such as maximisation or optimisation of present value and growth, are ethical, arbitrary, refutable, revisable and contestable (1997: 463), even as these value assumptions are presented and widely understood as neutral ‘facts’. As pointed out by Schumpeter, ideology and values are ineliminable elements of the preanalytic vision of economics (Schumpeter, 1994/1954; Spash, 2012; 42) that informs and shapes these ‘reasonable assumptions’ or axioms. As Schumpeter succinctly put it ​

“The first task is to verbalise the vision to conceptualise it... in a more or less orderly schema picture ...it should be perfectly clear that there is a white gate for ideology to enter into this process. In fact, it enters on the very ground floor, into the pre-analytic cognitive act of which we have been speaking. Analytic work begins with material provided by our vision of things, and this vision is ideological almost by definition.” Schumpeter, 1954; .41

Yet this is conveniently forgotten in most ‘positive’ economic analyses, and especially in the translation of the findings from such ‘objective’ modelling assumptions into policy.

So to return to one of the key axioms of neoclassical economics: why is the ‘economic problem’ not seen as one about *reducing or refining wants*, given that ‘scarcity’ is a relative not absolute concept i.e. is relative to human demands? And therefore why is the solution to the economic problem, and scarcity, not to aim for ‘sufficiency’ or ‘enough’ goods and services (Barry, 2012), rather than more and more? It is as ‘rational’ and ‘reasonable’ to see the goal of economics as devising policy to realise the objective of seeing human flourishing and freedom as lying in how *few* not how *many* desires/demands a person has. Bertrand Russell’s statement that “It is preoccupation with possession, more than anything else that prevents men from living freely and nobly” (Russell, 1916: 153), could have been the aim of modern economics as much as meeting and multiplying needs and wants.

The second is that while neoclassical economics professes to recognise scarcity as a foundational starting point, both in developing and building its conceptual architecture and in making interventions in practical economic policy, it then conveniently disregards its own starting point. Neoclassical economics largely ignores the idea of physical (resource or sink) limits to growth by assuming that the price mechanism and an efficient market will call forth technological advances making it possible to tap new resources and substitution between production factors. An example to illustrate this is the reaction from many leading economists to the 1972 *Limits to Growth* report. Neoclassical economists fiercely refuted that there were any limits to economic growth due to biophysical resource constraints. As Robert Solow put it, “The world can, in effect, get along without natural resources, so exhaustion is just an event, not a catastrophe” (1974: 11). Hence, for proponents of endless economic growth, the limiting factor to growth is not resources, entropy or the capacity of the finite planet to absorb wastes; it is human intelligence and creativity (here a proxy for market-facilitated technological innovation). This belief in endless economic growth boils down to the conviction that “human ingenuity is capable of solving *any and all aspects of scarcity*” (Punabantu, 2010: 3; emphasis added).

Thus we have the remarkable turnaround of economics as a ‘science’ that starts from a recognition of the ‘reality’ of scarcity, indeed makes it foundational, but then seems to simply ignore it. And at the same time as rejecting material scarcity it recognises and makes central the exogenously given ‘fact’ of the non-satiability of human wants. As leading ecological economist Herman Daly put it, “The implication of the dogmas of the relativity of all scarcity and the absoluteness of all want is growthmania” (Daly, 2013a: 13; emphasis added). In this way ‘scarcity’ becomes a ‘pseudo concept’ in economics, acknowledged but not accepted as a limiting factor, but extremely powerful as axiom to justify productivity growth as the solution to the ‘economic problem’.

**Pareto Optimality, Inequality, Redistribution and Growth**

One of the main, indeed central normative justifications for economic growth is often poverty alleviation usually expressed in terms of increasingly productivity, enhancing economic efficiency (alongside globalisation and international competiveness) which leads wealth creation, (and perhaps) followed by some ‘trickle down’ redistribution. Put simply, the main concern is to increase the ‘economic pie’, and with it absolute shares of it, rather than change the shares to be less unequal. A major intellectual prop to this anti-redistributive position is the ‘Pareto Optimality’ criterion that is a foundational principle in neoclassical welfare economics. I will not here discuss the detailed technicalities of this criterion, but am more interested in its normative assumptions and ideological implications in relation to economic growth, inequality and redistribution.

Pareto Optimality is a distribution of welfare/utility/income is such that we cannot move from that distribution without making at least one person worse off. The main issue I wish to stress is that this criterion means there is a ‘built-in’ pro-growth bias or dynamic within neoclassical economics since it sanctions as ‘optimal’ only those changes in resources/welfare that are the outcome of growth rather than redistribution. In this way, Pareto optimality translates as ‘economic efficiency’ aimed at increasing output per unit of resource input. The other growth dimension to the principle is the additional claim that if those made worse off from a move from a Pareto optimal position can be *hypothetically* compensated from the extra income generated from this move - which translates in reality into some version of ‘trickle down economics’ or the ‘rising tide raises all boats’ argument.[[1]](#footnote-1) *Again, to repeat, the main focus of the analysis here is to point out that under the neoclassical Pareto optimality principle, the only way to improve the lot of the worse off is through overall growth in income/wealth or resources which makes everyone better off*. Redistribution that may make some people worse off (even a wealthy minority and by a small amount), but improve the position of others (a majority of poor people and improve their welfare by a lot) is ruled out.

There are a number of issues to be unpacked here. The *first* has to do with the indifference of the principle to the initial starting point. The *second* has to with its resistance to redistribution. The *third* is its in-build preference for growth. And the *fourth* is how the Pareto criterion sanctions changes which make some people worse off with the further development of the criterion as based on ‘potential’ redistribution and compensation for those made worse off from the greater benefits/wealth/income generated. In terms of the first issue, one can present the conservative normative starting point and consequences of Pareto optimality from its refusal (on positivist/objective methodological-epistemological grounds) to question the initial distribution of income or resources. It simply takes this as ‘given’ and judges any changes from that point. Thus a grossly unjust initial distribution of resources is simply not an issue from the Pareto optimality criterion, ostensibly on the ‘positivist’ ‘objective’ grounds of neoclassical economics’ exclusion of considerations of ‘interpersonal comparisons’ from its formal analysis. In terms of the evolution of neoclassical economics, the insights of Pareto and the shift from economics being based on utilitarianism (‘the greatest good for the greatest number’), which, as seen in the work of classical utilitarian political economists such as J.S. Mill, were deeply concerned with issues of distribution, in terms of maximising the total utility of society as the goal. This was based on using cardinal measures of utility to compare between individuals. However, after Pareto cardinal measurements of utility was abandoned in favour of ordinal measures of welfare, meaning interpersonal comparisons of utility are considered to be outside the bounds of neo-classical economics. As Quiggin puts it,

“Pareto’s big achievement, further developed by a large number 20th century economists, was to show that much of economic analysis could be undertaken without invoking the concept of utility. Hence, *interpersonal comparisons of utility, which invariably lead to the conclusion that redistributing wealth more equally is beneficial, could be dismissed as ‘unscientific’*” (Quiggin, 2015; emphasis added).

One of the upshots of this is that ‘utility is utility is utility’. That is, regardless if it someone’s 20th Cadillac or bread for the starving, the utility to each is the same. And more than that. There are strict and narrow grounds upon which one can object to a Pareto optimal move, namely the only permissible grounds are demonstrations that there is another or other Pareto optimal moves that increase overall welfare more and still no one is worse off. It is this rejection of interpersonal comparison which leads Cudd to suggest that, “The main objection to Pareto optimality is the objection from envy” (Cudd, 1996: 18). One can see how this formalistic presentation can support populist (right-wing) arguments which cast calls for a less unequal distribution of income and wealth as little more than ‘class envy’ or the ‘politics of envy’. Arguments for redistribution are presented as ‘economically irrational’ and ‘ideologically motivated’ desires to take from others and thereby lead to a ‘levelling down’, and result in less economic wealth. This is an illustrative way in which the ‘high theory’ of neoclassical economics connects and supports conservative populist and ideological political positions. As Boldeman has put it:

[Pareto optimality] is nothing but a pseudo-scientific defence of the economic and social *status quo*.... It is possible, therefore, in practice, to improve welfare by taking from the rich and giving to the poor—regardless of what Pareto’s disciples might claim.... *A cynic might conclude that the whole idea of Pareto-optimality was invented to deflect a strong conclusion from marginalist theory in favour of redistribution to the poor*. (Boldeman, 2007: 224-225 emphasis added)[[2]](#footnote-2)

We can begin our discussion of the *second* concern with the Pareto principle (its anti-redistribution bias) from following statement: “A Pareto-optimum is said to obtain when nothing more can be given to the hungry, the cold, the ragged and the homeless without incommoding the glutton, the miser, the usurer and the play-boy” (Routh, 1984: 313). Or, consider the following definition from David Gauthier, who offers a characteristically brutal and uncompromising (but at least refreshingly honest) defence. For him, Pareto optimality means “the rich man may feast on caviar and champagne, while the poor woman starves at his gate. *And she may not even take the crumbs from his table, if that would deprive him of his pleasure in feeding them to his birds*” (Gauthier, 1986: 218; emphasis added). So, in short we cannot deprive some of luxuries to meet the pressing needs of others. And we wonder why economics is called the ‘dismal science’?

The *third*, the pro-growth bias, is part and parcel of the Pareto principle as a maximisation principle. As Jennings and McLean put it, “The normative basis conventionally used in Economics is Pareto efficiency which is, in turn, embedded within the maximisation of a social welfare function” (Jennings and McLean, 2008: 62). If redistribution of the ‘economic pie’ is presumptively ruled ‘unscientific’ or outside the parameters of neoclassical economics, then the only option left is to bake a bigger pie.

The *fourth* issue relates to the innovation of Kaldor and Hicks to the Pareto criterion in stipulating *potential* not *actual* compensation that is consistent with realising the criterion. Economists thus could propose policies that *would be* Pareto improvements, if they were bundled with some redistribution, but....regardless of whether or not the redistribution would, in the event, actually happen. In this way whether or not compensation takes place is *not an economic concern but rather a political one*, another issue, like the distributive justice of the initial endowments, is outside the realm of economics, and something for the political realm to deal with. Kaldor and Hicks’ contribution to defending the rejection of any distributive implications of Pareto optimality thus allows economics to wash its hands of the messy realities of inequality, dispossession, loss, injustice and anger as a result of any proposed Pareto improvement. As Samuels rightly puts it:

What the Pareto criterion does is to build in, cast lustre upon, and support the status quo power structure, rights structure, opportunity set structure and so on....*Its ultimate normative function is to limit change*. It serves as an ideological limit to change. (Samuels, 1980: 47-48; emphasis added)

**What Gets Measured Gets Done: The Birth of GDP**

Complementing pro-growth bias within neoclassical microeconomics above, a macro-economic equivalent can be found in the invention Gross National (later Domestic) Product in the pre-war period, and its universal acceptance as the standard measurement of changes in the economy in the post-war period. Initially invented to help the US government under Roosevelt address mass unemployment and the economic depression of the 1930s, the system of national accounts in the form of GDP was thoroughly political and politicised. The demand or need for the data was politically motivated to address a crisis; the way certain forms of economic activities were included and excluded (non-market/informal economic activities or women’s housework, for example) were informed by political preferences and ideologies; and finally the availability of this economic information “gave politicians the power of choice: to act or not to act. And here it becomes clear why measuring economic activity was never an objective pursuit, but always a deeply political choice... inaction did not require data…Action certainly did” (Phillipsen, 2015: 71). And this action extended to non-economic political ends in the sense that the system of national accounts created by Simon Kuznets and others in the 1930s within the US Bureau of Foreign and Domestic Commerce’s Division of Economic Research proved indispensible in enabling the US and the UK in allocating resources during the war.[[3]](#footnote-3)

The revolution in statistical measures of national economic activity brought by GNP ensured the US state had much better knowledge of its own economy than Germany and Japan, and was therefore better able to organise production, allocate resources such as capital and labour more effectively (Patterson, 2014; Coyle, 2014; Lacey, 2011). While government and military leaders in the US and UK planned the war effort in terms of their needs arms, munitions, food, clothing etc., these demands on national production often did not correlate with actual productive resources (in terms of labour, capital, finance etc.). That was because up until the 1930s and early 1940s the statistical information was either not there for certain sectors, or patchy at best. As Keynes ruefully noted in his influential work, *How to Pay for the War Effort*, “Every government since the last war (WWI) has been unscientific and obscurantist, and has regarded the collection of essential facts as a waste of money” (Keynes, 1940: 13), but he strongly pointed out that reliable and robust statistical measures of the productive state and potentials of the national economy were vital. But the increases demanded, along with the need for diverting factors of production to the overall aim of fighting a war changed all that. Robert J. Shapiro, Under Secretary of Commerce for Economic Affairs who at a press conference announcing the creation of GNP/GDP accounts as the US Commerce Department’s ‘Achievement of the Century’, noted that, “When America went to war to be sure that democracy would survive, the Division extended the early accounts to also track production and to produce the first quarterly and annual estimates of GNP, *so the government could mobilize the economy for the war effort*” (Shapiro, 1999; emphasis added).  While in the UK, Ramsden points out that “The start of World War II was also the start of the Civil Service’s systematic employment of economists and statisticians. *Planning for war needs good data*” (Ramsden, 2015: 3; emphasis added). So in this way, GNP became both a measure of the war-fighting capacity of the US and UK, and a vital tool in mobilising resources, labour, capital towards production to that end (Edelstein, 2001).

In the post-war period a condition of receiving Marshall Aid from the US was acceptance not just of trade liberalisation and economic growth (outlined in the next section) but also the GDP. As Masood notes,

​“Europe’s countries had no real choice in the matter [of submitting their economies to be measured by GDP]. If they wanted America’s aid, they needed to submit to its system of measurement. Little did they know that the act of measuring their economies would ultimately determine how their economies would be managed. In order to keep receiving American aid, a country’s GDP had to go up each year” (Masood, 2016: 35).

And the way of measuring whether economic growth was being achieved was by measuring GDP increases. Thus GDP measured growth in the economy was embedded across Western Europe and became associated with national prosperity - the main ingredients of which were consumer spending and government spending and public sector growth. Thus, was propagated “the idea that GDP, economic growth and national prosperity are interchangeable” (ibid.: 37). GDP enabled and empowered a small group of transatlantic experts to systematise and homogenise how ‘the economy’ was understood and offered a single metric by which policy-makers, academics, politicians and populations could judge the health or performance of national economies and compare economies.

The expert neoclassical knowledge and these experts who invented and refined this measure viewed and presented themselves and the knowledge the possessed as ‘neutral’, ‘apolitical’, ‘objective’ and ‘value free’.[[4]](#footnote-4) However it and they were (and are) anything but (Barry, 2015). While the process that led to the creation of the eventual GDP measure was shaped by methodological, statistical and technical debates, disagreements and arguments (between income and production measured GDP for example), it was equally shaped by political, ideological and normative claims and counterclaims. For example, Simon Kuznets, who can be legitimately viewed as the inventor of GDP/GNP, had a very different conceptualisation of GDP than others such as Keynes. He for example wanted to include income distribution, exclude defence/military spending and government spending, and was clear that a key issue to consider was both the quality of economic growth and not to forget that growth was a means to an end, not an end in itself. While he lost the ‘battle of ideas’ over how to model, measure and understand GDP growth (Masood, 2016; Firamonti, 2013) he continued to question the way this new measure was (mis)understood by policy-makers and he public alike. As he put it in 1962, “Distinctions must be kept in mind between quantity and quality of growth, between its costs and return, and between the short and long term...Objectives should be explicit: *goals for more growth should specify more growth of what and for what*” (Kuznets, 1962: 29; emphasis added).

​ ​​“GDP became mainstream because....it was designed with the interests of rich countries in mind. After the end of WWII, the forerunner to the OECD promoted GDP as a system of accounting to reassure richer nations that the assistance they were providing under the Marshall Plan wasn’t being misspent and was contributing to the growth of economies”. (Masood, 2016: 171).​

The key issue to understand here is that the imperative for GDP growth was born in a specific historical context and invented to politically solve economic and social problems of that context. There were three problems and contexts to consider here. *First*, were unemployment and social instability in depression-era USA in the 1930s. Here as Lepenies notes, “The role of gross national product or GNP as a political phenomenon is inextricably linked to the idea of growth. However, modern economic theories of growth doe not emerge until after the idea of its necessity had already gained a sure footing in American politics” (Lepenies, 2016: 131). Thus, the political-policy imperative for growth preceded the academic interest in it. *Second* was organising national resources efficiently in the war effort by Allied countries in WW2. The *third* was the post-war Cold War context and there were at least two salient dimensions. On the one hand was the adoption of the statistical measure of GDP as the universal way to measure and understand the economy and economic growth. On the other, was how, under the auspice of US hegemony and international elite organisations such as the OECD, GDP economic growth (Keynesian and neoclassical) was disseminated and accepted by state mangers of national economies as both the dominant economic paradigm and principal political economic state objective.

This powerful paradigm quickly became a ‘core state imperative’ in the post-War period and the promotion of GDP growth became via neoclassical Keynesian policy prescriptions the solution, the panacea to a whole host of problems from unemployment to welfare and political legitimacy of capitalist regimes. In this way, GDP growth became the measure of a nation’s welfare – despite it neither initially being invented for this purpose or despite concerns of conflating the two by its main inventor, Kuznets (Kuznets, 1962) - viewed as the same as ‘development’, and quickly a universally accepted and used measure of a nation’s standing in the world (Fioramonti, 2013). And in the post-war Cold War context, the political importance of western capitalist states being able to reach and sustain high rates of economic growth was about the superiority of capitalism over its communist alternative, and buttressing popular support for capitalism within western countries. And a large measure of this popular support was based on the ability of capitalist economies to deliver higher levels and more diversified consumer goods and services.

“Given that the GDP approach saw consumption as the driver of prosperity, society itself was shaped accordingly and economic policies were designed to push for all types of consumerism. While military conflict had marked the success of GDP as a political instrument, the post-war system of mass consumption sealed its grip on society as a tool of economic hegemony” (Fioramonti, 2013: 48-9).

And while consumer-based growth secured popular legitimacy, structurally ‘locking in’ that form of growth led to a whole host of socially disruptive, normatively contested and ecologically destructive problems (Jackson, 2009, Barry, 2012), along with ideologically removing alternative economic models and objectives. In this way consumer-based GDP growth became a ‘core state imperative’ for capitalist liberal democracies.

**Part II**

**The Capitalist State’s Imperative for Growth: The Cold War origins of ‘Growthmania’**

The emergence of ‘economic growth’ both as a core state imperative and taken for granted, everyday ‘commonsense’ objective of a healthy and well-functioning modern economy did not happen by accident. Its original formulation, refinement and widespread dissemination from a small group of pre- and post-WW2 academics, business people, state policy-makers in a small number of capitalist nation-states and international organisations, to a larger number of states and civil society, eventually to the global as a whole is important to understand if we are to begin to think critically about and beyond growth. In short, the ideology of growth begins as an elite, expert discourse. And while there were other organisations and institutions which played (and continue to play) important roles in legitimising, disseminating and ‘enforcing’ growth (and particular patterns of growth i.e. pro-market, free trade/export-oriented) throughout the world (such as (parts of) the UN system, the World Bank, the International Monetary Fund and European Economic Community (EEC) for example), this article focuses on the Organization for Cooperation and Economic Development (OECD) and its predecessor the Organization for European Economic Cooperation (OEEC), and its complicated relationship to NATO within the Cold War context of post-war geopolitics (OCED, n.d)

Schmelzer documents one source of the rise of economic growth as a core state imperative – within the OEED in the immediate post-war period and the cold war context of capitalism versus communism. As he notes,

“The pursuit of economic growth is not a self-evident goal of industrialised countries’ policies, but rather the result of a very specific ensemble of discourses, economic theory, and statistical standards that came to dominate policy-making in industrialised countries under certain social and historical conditions in the second half of the twentieth century” (Schmelzer, 2016: 10).

So how did ‘economic growth’ become so powerful an idea and objective for states and citizens that to question it? How and who or what framed ‘growth as good’? Growth as God? Grow or die?

Here, I wish to focus on the emergence to prominence of economic growth amongst policymakers within nation-states, political parties, politicians, academics and the general population in the decades following the Second World War.[[5]](#footnote-5) But also a key role was played by international (or more correctly transatlantic) institutions such as the OEEC and later the OCED. Schmelzer’s work makes a convincing case for the OECD as a key institution that formulated, shaped and diffused the ‘growth imperative’ and associated economic policies, metrics and strategies to other countries of the ‘free world’. As he notes, “Up until 1989 (and possibly beyond) the organization [OECD] was the economic grouping representing the economic interests of the capitalist West vis-a-vis the communist East and the decolonizing countries in the global South” (Schmelzer, 2016: 29). Maddison (1964), for example charts the opening up and greater coordination of trade in Western Europe in the immediate post-war period, and stresses the impact of the American Marshall Aid programme. A condition of receipt of this aid required states commit to trade liberalisation under the auspices of the OEEC/OECD.

A sense of the role and function of the OCED in relation to growth can be discerned from the statement by one of its former directors, Alexander King, who opined that the OCED was “a kind of temple of growth for industrialized countries- *growth for growth’s sake was what mattered*” (Peckham, 2007; emphasis added). It is worth noting and highlighting this this view of growth is as a need in itself, not, growth as means to other ends, such as full employment, social welfare/wellbeing or ecological sustainability. This objective as Schmelzer notes was, in large part, initiated by and from the US (Schmelzer, 2016: 41), as an explicitly element of its foreign policy objectives of linking European capitalist countries to its leadership, in part through stressing the common state goal of coordinated growth between these non-communist nations.

The OECD provided the convincing narratives, research, polices and neoclassical economic models and metaphors about the effective and rational way to manage a modern economy - leading to member countries all perceiving problems in the same way and coming to similar proposals to solve them. Here the role of the OECD centred on providing expertise and policy advice for, *inter alia*, the liberalisation of capital, the opening up of markets (Maddison, 1964), coordinated free trade (Schmelzer, 2016), education policy as ‘human capital formation’ (Walsh, 1993; Kirby, 2009), active labour market policies, and the promotion of economic globalisation.[[6]](#footnote-6) As such in providing technical expertise and training ‘economic technocrats’, the OECD became a key institution of what might be called a pan-Atlantic institutional ‘econocracy’. The OECD was and is linked other pro-growth international organisations such as the International Energy Agency. Fredrichs points out that both the IEA and OECD shared a belief of markets leading to energy abundance and mainstream economists dominate both. An example of this is that, “until 2008 the standard practice if the IEA [International Energy Agency] has been to extrapolate trends in energy demand, and simply to assume that future demand will be met via the market mechanism” (Fredrichs, 2013: 116). Bridge goes further in analysing this carbon energy–growth relationship in pointing out that, “the social significance of an ‘economic imaginary’ like continuous growth (a particularly pervasive imaginary rooted in the experience of energy abundance and falling energy costs associated with transition from coal to oil in the United States in the early 20th century)” cannot be understood without knowledge of the oil energy assumed to underpin and inform the economic imaginary of endless GDP growth, capital accumulation and consumerism (Bridge, 2010: 5). Mitchell develops this insight further stating that, “The conception of the economy depended upon abundant and low- cost energy supplies, making post-war Keynesian economics a form of ‘petroknowledge’” (Mitchell, 2009: 417). Which in turn highlights the dependence of economic growth on cheap and secure sources of carbon energy. ​

This ‘econocracy’ created and disseminated by the OECD can be defined as when

“economic discussion and decision-making has become a technocratic rather than political or social process. We increasingly view the economy as something separate from wider society and, *in many cases outside the sphere of democratic debate*. The philosophy of econocracy is to leave decisions about the economy to those who supposedly know best” (Earle, Moran, and Ward-Perkins, 2016: 8; emphasis added)

And the OECD certainly did ‘know best’ in the post-war period, when it came to understanding and knowing how to grow the economy as measured by GNP. Its aim was to create “a common value system at the level of civil servants in the OECD countries that should form the basis for consensually shared definition of provokes and solutions in economic policy making” (Marcussen, 2001: 1), and by and large it was extremely successful in this (Schmelzer, 2016). In promoting, developing and disseminating the ‘policy toolkit’ for economic growth it was at the same time disseminating an elite, technocratic way for policymakers and politicians to bypass issues of social injustice, socio-economic inequality and demands for just distribution of the national wealth (Barry, 2015).

Growth thus allowed for an economic ‘supply-side’ solution to any political demand side call for redistribution. This of course was useful in the Cold War context to be used against socialist/communist ideas of equality and fair shares of the social product, or even more radically for demands for democratic control over via ownership of the very means of production. GDP growth in this way allowed, “the primacy of economics over politics, to de-ideologize issues of political economy into questions of output and efficiency” (Maier, 1987: 146). A key text here was a best selling book written in 1958 by the West German economics minister, Ludwig Erhard’s entitled *Prosperity through Competition*. In it he outlined how economic growth avoided the politically difficult (‘quarrelsome’ ‘squabbling’) task of distribution.

“to increase prosperity by expansion than to try for a different distribution of then national income *by pointless quarrelling*…This measure of the undisputed success of the policy demonstrates how much more sensible it is to concentrate all available energies on increasing the nation’s wealth *rather than to squabble* over the distribution of this wealth, and thus be side-tracked from the fruitful path of increasing gross national product. It is *considerably easier* to allow everyone a larger slide out of a bigger cake than to gain anything by discussing the division of a smaller cake” (Erhard, 1958: 3-4; emphasis added)

The OCED was the key transnational organisation that systematically and consistently promoted GDP growth, a powerful transatlantic political economy-epistemic network of ‘economic experts’ drawn from academia, national governments, business and international organisations. As an organisation it was forged in the Cold War context, and thus its aims, such as the promotion of economic GDP growth, reflected those origins and contexts and the interests of specific states and suprastate organisations – notably the USA, NATO, the EEC, the UK and West Germany – and Western businesses and multinational corporations. And all with popular support, part of the aim of which was the transatlantic “transfer of the ideas and practices of economic growth, embedded liberalism and consumerism from the US to Western Europe” (Schmelzer, 2016: 119), as well as to more effectively coordinate post-war national capitalist economies, through technocratic means which required more statistical and standardised data and measures of ‘the economy’. Here, while stretching it somewhat, just as Marx described “The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie” at the national level, one could make the case that the OCED did the same for NATO countries internationally, thus becoming the ‘economic arm of NATO’ in the Cold War period (ibid.: 43).

But the American vision of and for the OECD (and the early EEC and EFTA in the late 1950s and early 1960s as well) went beyond NATO members, seeing for it a significant role in ensuring ‘developing world countries’ did not fall under the sway of the USSR and communism. Thus, development policy and development aid and ideas of ‘development’ were also presaged into and shaped in the project of ‘free market’, non-communist economic growth. As US Secretary of State Colin Herter noted in a significant and (in)famous 1958 memo to President Eisenhower,

“The great—even startling—changes in the international economic situation over the past two years have created two new problems of major dimensions for our foreign policy. The first is: how can we mobilize the energies and resources of the other industrialized countries to assist the development of Asia, Africa, the Near East and other development-hungry parts of the Free World? The enormous task of developing these areas must go forward or we will, in the end, lose out to the Communists. The United States cannot provide the needed capital alone”. (Herter, 1958)

Linking back to the discussion in Part I and the ‘transmission’ of academic neoclassical economic ideas to state policy, we can summarise and surmise the manner in which this US and later OECD version of ‘development’ (more or less a ‘one size fits all’ conception of what constitutes a modern economy i.e. a *capitalist* economy, based around, *inter alia*, industrialisation, urbanisation, a de/limited role for the state, secure private property rights, free trade, low import tariffs etc.) was based on neoclassical and pro-growth theories of development. The most prominent and influential of which was Rostow’s prescriptions as outlined in his book *The Stages of Economic Growth: A Non-Communist Manifesto* (Rostow, 1960), the title of which says it all. And also worthy of note is that Rostow went on to become US State Department’s head of policy planning and later advisor to President Kennedy in establishing the US Agency for International Aid (USAID). As noted by Borowy and Schmelzer “Through aid policies in post-war Europe and, later, in the global South, GDP was exported to the rest of the world, soon taken up and propagated by the United Nations and the OCED. During the Cold War, the US government sought to discredit the USSR by reassessing Soviet economic performance through a GDP lens” (2017: 18), and Rostow’s neoclassical economic model of ‘development as capitalism’ was effectively a part of US foreign policy in its battle against USSR influence in the global South (Macekura, 2017: 119-120).

A significant development in this regard, demonstrating the elite and technocratic origins of GDP growth as a state imperative, was the creation of an internationally recognised, adopted and standardised System of National Accounts in the 1950s. While modern GNP measurements were initially devised by three countries in 1944 – the US, UK and Canada, after the war this system of measuring national income and product was promoted by the forerunner of the OECD and the UN. As Schmelzer notes: “In 1953, the UN adopted the famous System of National Accounts (SNA)...That these decisions, which had far reaching consequences until the present day, were taken by a small transatlantic economic elite of accounting experts was justified by the complexity of the issues involved” (2016: 95). And such a system of accounts was an important element in promoting, mapping and comparing economic growth rates between countries in the Cold War period. With the SNA economic technocrats gathered data, mapped causal relations and increased their knowledge of (and hence power over) the management of national economies and coordination of trade between them, to produce productivity growth amongst Western European countries in competition with those of the USSR and the communist bloc.

Indeed, following Mitchell, we can go further and say that the SNA and the concepts of GNP and GDP created what we now know as and take for granted as ‘the economy’ (Mitchell, 2005a, 2005b, 2008), both within the academic study of economics and state economic policy-making. But this conception and image of the ‘economy’ excludes, on normative, ideological grounds forms of work and economic activity which might otherwise have been included. Thus, this ‘economy’ as constructed by GDP systematically excluded unpaid housework and informal, non-monetised economic activity. It also included military expenditure rather than exclude it as ‘unproductive’ or not adding to welfare (as Simon Kuznets, one of key creators of GDP proposed), and assumed environmental services as free. In this way, the GDP measure was, also taking into account the small number of countries involved in developing it, a thoroughly Eurocentric and capitalist political economy measure. To paraphrase Marx, if Malthus looked for economic man and found the English shopkeeper, the transatlantic policy and intellectual elite who looked for ‘the economy’ and found the liberal capitalist monetised one.

Another key figure in the development of GDP, Richard Stone, won the Nobel Prize in Economics in 1983. The official citation demonstrates, I think the way in which the value and ideological biases and bases of GNP accounting are forgotten and unspoken, hence presented as objective. The citation reads that Stone’s work meant that: “An excellent common basis was thus obtained for statistical comparisons between countries, of levels of economic activity, and of economic structures. The international organizations (the various UN organs, OECD) have greatly benefited from the existence of this type of comparable national accounts statistics” (Sveriges Riksbank, 1984). Note the specific mention of the OCED. The citation then proceeds to state the following:

“The theoretical analysis of national economic balance problems was, for Stone, the starting-point and justification for the national accounts. Although it was primarily the Keynesian revolution in economics which gave the strongest impulse towards the construction of national account systems, *these systems may today be regarded as ‘neutral’ from both the analytical and the ideological point of view*”. (Sveriges Riksbank, 1984)

But they are anything but neutral or objective from either an analytical or especially ideological perspective.[[7]](#footnote-7) But why the silence, the convenient amnesia around the pre-analytical normative origins of growth, as outlined in Part I, and the continuing ideological character of GDP as a core state and social imperative for it to constantly grow?

Returning to the post-WW2 and Cold War context within which the OECD and the economic growth imperative – sometimes referred to ‘growthmanship’ (Cypher, 2016) and ‘growthmania’ (Daly, 1974) – were forged, the geopolitical motivation behind the aggressive, sustained and coordinated growth of western economies was a combination of US-led anti-communism and as part of that growth as a means to demonstrate and deliver the superior benefits of a non-communist, capitalist free market economy (and associated liberal democracy) to Western and non-Western populations in the decolonising global South. Popular legitimation bought and delivered by capital accumulation (GDP growth, employment, consumerism and the welfare state in Western countries) as it were, and GDP growth as ‘development’ and ‘modernisation’ as ‘capitalism’ in the global South. In the 1958 note from US Secretary of State Herter to President Eisenhower on restructuring the OEEC (basically outlining the rationale for the OEEC to become the OECD), the centrality of economic growth as a vital element in fighting the Cold War, and the ever-present link to NATO, is clear:

“If these two vital problems in the field of development [increase role of the dollar in international trade] and trade [prevent inter-European trade conflicts] are not dealt with through cooperative action, they *could lead to a serious decline in the rate of economic growth of the Free World (which must be increased in the face of the Communist threat)* and to sharply divisive political wrangles within Western Europe and between Europe and America which would inevitably weaken the NATO alliance.” (Herter, 1958; emphasis added).

Economic growth (along with modern neoclassical economics) is viewed and presented as apolitical or beyond politics - a technical matter (best left to experts, see more below) and something so ubiquitous and ‘natural’ as a social goal (look! both left and right champion it) that it does not demand or lead to the need for political, ethical or normative debate, discussion and potential disagreement. Economic growth becomes a form of ‘common sense’, widely supported understanding (that while ‘hegemonic’ is also in the Gramscian sense unstable due to the internal contradictions it manages to occlude).

**Economic Growth as Elite Ideology**

Based on the above, a good case can be made that economic growth operates not as a factual or neutral functional objective of the economy, but a policy choice based on certain political ideological commitments, as well as arising from a particular set of geopolitical historical circumstances. But more than that. One can go further and assert that it operates as a powerful ideological political economy ‘commonsense’ that serves the interests of the few not the many.[[8]](#footnote-8) But how would one go about systematically investigating whether economic growth is the ideology of the ruling class or elite?

The working hypothesis of the argument presented here is that the main reason why growth can be viewed as an ideology of the elite is that it is an extremely effective, persuasive and (at first gloss) empirically robust proposition against redistribution and reducing inequality. Ideological strategies to operationalise this vary from ‘trickle down economics’, ‘a rising tide raises all boats’, to more culturally specific ideas such as ‘the American Dream’ in the USA, or colloquial and widespread ideas such as ‘work hard, play hard’, of ‘you’re worth it’, or ‘skivers versus strivers’ in the UK. What they all share is the core claim that economic growth (mostly viewed as a growing ‘economic pie’) is the only effective means to reduce inequalities and ‘democratise wealth’. All can have their fill, but only if the pie is growing, and all accept unequal (but theoretically and potentially growing) slices.

Whether expressed in Marxian terms that economic growth secures the buy-in of workers to the system by, as Douglas Dowd puts it, “camouflage[ing] the necessary inequities and inequalities of income, wealth, and power that are intrinsic to the system” (1989: 21): in more overtly ‘mythic’ or cultural terms of ‘the American dream’, or generic beliefs that ‘a rising tide raises all boats’, economic growth in being so legitimised by a majority in society, thereby legitimises socio-economic inequalities. Hence, as Althusser put it, “What is represented in ideology is therefore not the system of the real relations which govern the existence of individuals, but the imaginary relation of those individuals to the real relations in which they live” (Althusser, 1971: 155). So the ideology of economic growth legitimates continuing and future socio-economic inequality. For as long as economic growth is deemed legitimate, then so are the socio-economic inequalities within and between societies, that the achievement of such growth both requires and produces.

Simply put, for neoclassical economics the only way to address inequalities (though usually rendered as ‘poverty’ rather than inequality) is through more economic growth. As Coyle puts it, offering a mainstream neoclassical economic defence of economic growth, “Economic growth is essential...*Without economic growth, there would not be enough jobs to keep the unemployment rate down to a tolerable level. It is not possible to redistribute incomes unless the economic pie is growing.* Democracy itself is more fragile when growth halts” (2014: 135-6; emphasis added). This connection between employment and growth will be discussed below, but for the moment I simply wish to highlight a) her point that the redistribution of income depends on growth (itself based on the Pareto Optimality principle), and b) the comment (threat?) that without orthodox economic growth, democracy and the social order itself is insecure (Barry, 1999). A possible indication/evidence of economic growth as an elite ideology is elite support for ‘jobless growth’. A good example of the jobless growth is Herman Daly’s discussion of the US Full Employment Act and its relation to economic growth. As he puts it:

The Full Employment Act of 1946 declared full employment to be a major goal of U.S. policy. Economic growth was then seen as the means to attain the end of full employment. Today that relation has been inverted. *Economic growth has become the end, and if the means to attain that end* ... *result in unemployment, well that is the price ‘we’ just have to pay for the glorified goal of growth in GDP*.... Cheap labor and funny money policies in the name of ‘growth and global competitiveness’ *are class-based and elitist*. (Daly, 2013; emphasis added)

Here Daly is obviously presenting a view of economic growth as an ideology or strategy and while of course contestable, there is certainly circumstantial evidence in favour of this proposition. Think how ‘jobless growth’ is presented by state and business elites and the media as a positive development, heralding ‘recovery’ and a ‘return to growth’ (Bailey and Barry, 2016).[[9]](#footnote-9) Or indeed how austerity policies in many European countries, slashing public sector jobs, reducing social welfare and other state supports, are justified as ‘necessary pain for future economic gain’. But more than that. It is not as if elites are imposing these measures on an unwilling populace by force of arms. Even as there are social resistances to austerity (most prominently in Greece and Spain), we also find a much larger degree of support, or grudging acceptance would be a better way of putting it, for these policies (here I am thinking of the UK and Ireland). And this in the face of massive public sector bailout for the private financial sector in both countries. What is suggested here is that non-elites, ordinary citizens, the majority in society, accept/support such negative policies as ‘jobless growth’ and ‘austerity’, in large part because they believe these are necessary for a return to economic growth.

The point here is to recognise the widespread and popular support for economic growth and policies proposed to sustain or return to it. And also, to state the obvious, from a political-discursive or ideological point of view of economic growth as hegemony, what matters is the *widespread belie*f that economic growth *and only economic growth* is the answer to our economic and social problems. *Not* that economic growth actually works to solve those problems. In this manner economic growth as a hegemonic ideology frames what is possible as responses to any economic crisis. That is, if it is strong enough it can represent the crisis as a *crisis in* not *a crisis of* the current economic growth system (Offe, 1984), i.e. a crisis that is solvable within the current parameters, frameworks and structures. And thus, elite commitment for economic growth (within state, corporate, media and academia) coupled with popular support, makes economic growth ‘natural’, desired, expected, demanded and the ‘commonsense’ and obvious headline objective of economic policy, both domestically and internationally. Growth in this ways achieves ‘full spectrum ideological domination’ as the non-negotiable grammar (rules of the game) of modern liberal capitalist politics. It is for this reason that as Tim Jackson states, “Questioning growth is deemed to be the act of lunatics, idealists and revolutionaries” (Jackson, 2009: 14).

**Conclusion**

What is presented here is only a small snapshot of a much larger story of how orthodox GDP measured growth historically emerged and became a ‘core state imperative’ – others included the structural necessity for growth as the tax base for national welfare state goods and services, and the need for the state to secure a regime of accumulation as a core feature of the capitalist nation-state, some of which are developed and explored in more detail by the articles from Daniel Bailey and Martin Craig in this volume. Hopefully enough has been outlined here to defend the claim that the origins of economic growth as a core state and social imperative lie in a specific set of normative and ideological commitments, a specifically neoclassical political economy applied within the cold war context after WW2. While GDP as a measure of growth was born in the build up and preparation for WW2 (notably in the work of Kuznets in the USA), and its utility for state wartime planning, it was with the Cold War that it became a widespread state objective, and not by accident. Under post-war American hegemony, institutions such as the Marshall Plan, the OEEC/OCED and indeed the EEC were key institutions that spread ‘growthmanship’ to national political, policy and business elites within both core capitalist states and countries in the global and decolonising global South.  And using neoclassical economics (initially Keynesian), which also had a ‘pro-growth’ and pro-market bias – meaning that for some, such as Stanford, neoclassical economics is ‘capitalist economics’ (Stanford, 2009) – institutions such as the OCED, the IEA, NATO and the EEC/EU promoted nation-state commitment to prioritising economic growth. And in this endeavour states were also supported by most political parties from left and right, trades unions, businesses, the media and the academy; all of which helped produce and sustain a widespread Gramscian ‘commonsense’ social acceptance of and support for policies that would promote economic growth.

In this way, the Cold War, US hegemony in its post war role as ‘leader of the free world’, and transatlantic elite economic, policy, military and energy institutions combined with neoclassical economics in the promotion and protection of ‘managed’ capitalism that secured popular support through achieving and promising (and for a time delivering) continuous economic growth.[[10]](#footnote-10) This almost perfect match between high theory, ideology and historically specific geopolitical context, can explain the remarkable *resilience* of the ideology of economic growth in the face of the mounting scientific and social scientific evidence of its ecological unsustainability and inability to reduce socio-economic inequalities or increase human well-being after a threshold within those self-same developed capitalist nations where it was first practiced (Barry, 2012, 2015; Jackson, 2009).

Which leaves us with a key political dilemma: have populations who have lived under regimes of economic growth become so beguiled by it, and the latter become so deeply and quickly engrained that most people simply and literally cannot see beyond economic growth? That it, for them, *it is easier to imagine the end of the world than the end of orthodox undifferentiated economic growth as a permanent feature of the economy*? If so, how do we overcome this failure of imagination? What, in other words are the most effective strategies to democratically and politically challenge the ideology of growth? Along with the still relevant ecological questions of the ‘limits to growth’, we now have to ask what are the limits to the resilience of the ideology of growth?

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1. John Kenneth Galbraith offered a wonderfully provocative definition of trickle-down economics, as “the less than elegant metaphor that if one feeds the horse enough oats, some will pass through to the road for the sparrows” (Galbraith, 1982). [↑](#footnote-ref-1)
2. A similar process can also be observed in the shift from eradicating to managing poverty globally in the Sustainable Development Goals (SDGs). As Blackmore points out, “Poverty in the SDG documents is consistently framed as a *disease*...given that eradication is unlikely with disease, the best we can hope for is to *manage* poverty rather than rid ourselves of it altogether” (Blackmore, 2015; emphasis in original). The poor it seems will always be with us. [↑](#footnote-ref-2)
3. A related point here has to do with the power-knowledge of GDP statistics in inventing what we now commonly accept as ‘the economy’. The reality is that there is nothing ‘natural’ or ‘real’ about ‘the economy’ in the sense that we only have this ‘economy’ when we decide to count and develop particular statistical measurements of it. That is, what the economy ‘is’ (or taken to be) is completely dependent on the analytical model and statistical paradigm one employs (Mitchell, 2005a, 2005b). [↑](#footnote-ref-3)
4. There is a link here between the expert/elite/specialised power—knowledge of neoclassic economic growth and the argument put forward by Earle, Moran, Ward-Perkins (2016) that the modern discipline or economics has transformed itself into an ‘econocracy’, including how this knowledge is taught and disseminated. As they put it, “Economics education frames economic issues in terms of clearly defined problems and answers, depoliticises economics, devalues non-economic forms of knowledge and does not highlight the limits of what we currently know and what it is fundamentally possible to know. Taken together, these features underpin the view that the economy is something that can be detached from politics and society and mapped, measured and shaped in an objective manner by a small number of experts” (Earle, Moran, Ward-Perkins, 2016: 161-2). [↑](#footnote-ref-4)
5. For the colonial/imperialist origins of early ideas of economic growth and primitive accumulation – growth by ‘occupation and dispossession’ see Dale (2017). On the pre-war origins of national accounts and the methodological and ideological debates around how and what to measure as part of national income and what would later become Gross National Product and Gross Domestic Product. For reasons of space I cannot develop this story and would direct the reader to the scholarly work in this area (see *inter alia*, Borowy and Schmelzer, 2015; Coyle, 2014, Fioramonti, 2013; Phillipsen, 2015; Dale, 2012; Lepenies, 2016). [↑](#footnote-ref-5)
6. The Republic of Ireland makes for an interesting case study of the role of the OECD in disseminating the ideology of economic growth and the liberalised trade policies to achieve it. Up until the late 1950s it followed a strongly protectionist economic policy and under a combination of elite civil servant anti-protectionism together with membership and active support from the OECD and the USA became a ‘small open economy’ (O’Hearn, 1998; Kirby, 2009). Such was this transformation from an inward looking, strongly protectionist economy to a fully liberalized, free trade one, that it is even to this day seen as a ‘poster child’ for globalisation, with for example strong political elite and popular support for having one the lowest corporation tax rates in the European Union (Coulter and Nagel, 2015). While more archival research would be needed, there is, ceteris paribus, a good case to be made that the OECD and its liberalised, trade-based model for economic growth played a decisive role. [↑](#footnote-ref-6)
7. And note that acknowledging its ideological origins does not necessarily invalidate its analytical or policy usefulness. Here I am reminded of arguments that some of made that the more advanced system of national accounts that the UK and the USA had during WWII were a little known reasons for their success over Germany and Japan (Fioramonti, 2013). Which also opens up another genealogical task of uncovering and tracing the origins of GDP in measuring the war fighting capacity of states. [↑](#footnote-ref-7)
8. An interesting and important nuance here is the complex normative-democratic and practical connection between an elite/expert discourse and power-knowledge nexus of managing or implementing economic growth and this necessarily being in the interests of that elite. For example, within social democratic politics there is evidence of a distinctly Fabian, paternalistic social democratic perspective on growth. That is, an elite, minimally democratic organisation of the economy, but motivated and aimed to benefit the many not the few. So while the case made here is how economic growth within a capitalist economy supports the interests of a minority, there are forms of economic growth which can be serve the interests of a majority. Examples include ‘pro-poor growth’ and more recent calls for ‘inclusive growth’. Even if we allow this however, there are other ecological, wellbeing, egalitarian and democratic reasons to be critical even of these forms of growth. [↑](#footnote-ref-8)
9. Alongside jobless growth there is also ‘voiceless growth’ - defined by the United Nations Development Program as a condition under which economic growth does not expand democracy or empower people, but rather perpetuates authoritarian and repressive political structures (UNDP, 1996: 2-4). [↑](#footnote-ref-9)
10. This ‘economic-energy-military-business complex’ we might call the ‘growth alliance’ easily embedded itself with capitalist states given the continual flow of elites from these states within and through these transatlantic Cold War organisations. [↑](#footnote-ref-10)