

The Steady-State: It's Time to Rustle Some Jimmies

By Sofia Zasiebida

The steady-state is a political and economic theory that recognizes many of the detrimental problems caused by capitalism, while not accepting socialism as the solution. The steady-state paves its own way as a political theory with the main goal of consuming resources sustainably to save the planet and improve the lives of the public. The stationary state, as he named it, was first written about by John Stuart Mill in the early nineteenth century and was expanded upon to include action policies by Herman Daly in the late twentieth century. In a steady state, resource use stays constant so that humans do not over consume earth's natural materials. In order to keep resource use constant, population must also stay constant and subsequently, there will be no GDP growth, the economy must remain the same size year after year. In the steady-state, progress in the sense of intellectual innovation is preferred to economic growth, heavy government involvement in the markets is necessary, and equality must be all-encompassing. Steady-state policies have yet to be introduced on a large scale in any country but programs like a four day work week are promising in achieving the goals of a steady-state.

A state in which there is no economic growth, positive or negative, was pondered by many economists before Mill including Adam Smith. Smith, a classical liberalist, recognized that the natural world would halt economic growth at some point (6). However, John Stuart Mill, an economist of early nineteenth century Britain, was first to write about the stationary state in a positive light. Up until his work, *Principles of Political Economy*, the no growth state was seen as a negative stage that should be avoided at all costs as the general belief was that growth benefited everyone in society (6). Mill took the opposite view on the stationary state. He believed this state would be beneficial and almost a reward for society (5). Mill believed there would be no need for continued growth once everyone had their necessities, that people would instead have more time for "the art of living" (5).

As concerns for the environment grew in the 1960's, the steady-state was introduced as a solution. Most notably, economist and professor Herman Daly began publishing works in the early 1970s that expanded upon Mill's theory. Daly also believed the steady-state would be able to fix the social inequalities caused by capitalism and the ever-growing concerns of climate change.(2) Daly differed from Mill by believing that aggressive political action would be necessary to establish the steady-state. Daly also expanded on Mill's ideas by creating distinct policies of the steady-state including: reduced working hours, depletion quotas, wealth regulation agencies, and population regulation agencies (2).

The steady-state opposes economic growth for the sake of economic growth, citing that economic growth is unsustainable (2). Economic growth is defined as an increase in consumption and production of goods (2). Instead of economic growth, the steady-state has a constant rate of energy and resources that are used to produce a constant supply of goods (2). Continuous economic growth is unsustainable for the environment because it requires a growing supply of resources, mainly energy and land to produce the products. Due to the growing threat

of climate change, continuing at the same level of resource expenditure, not to mention increasing resource use, will cause catastrophic environmental damage (1).

Secondly, the steady-state opposes continuous economic growth because it does not benefit the general population. Though the GDP increases, regular people do not see an improvement in the quality of their lives. The increase in GDP that occurs yearly instead serves to increase the fortunes of a top percent while the rest of the public faces economic insecurity and more difficulty climbing classes (1). The negatives of constant economic growth were shared by Mill, “If the earth must lose that great portion of its pleasantness which it owes to things that the unlimited increase of wealth and population would extirpate from it, for the mere purpose of enabling it to support a larger, but not a better or a happier population...” (5) Mill believed that economic growth does not correlate with happier people and that society should not pursue growth for the sake of growth.

Instead of economic growth that classical liberalists believed in, the steady-state advocates for progress in the sense of economic development and intellectual growth. Economic development is different from economic growth; for example, economic development in a state could look like fixing infrastructure and expanding public transport (2). In a steady-state people are also encouraged to expand intellectually and artistically. If a government chooses a steady-state, workers will be able to work less and have more time to themselves. This idea was shared by Mill, “...a stationary condition of capital and population implies no stationary state of human improvement. There would be as much scope as ever for all kinds of mental culture, and moral and social progress; as much room for improving the Art of Living....” (5). Instead of focusing on economic growth, the steady-state says the government should focus on allowing intellectual growth and providing a higher standard of living.

The theory of steady-state economics argues that an active government is necessary to preserve the environment and sustain society. The steady-state theory advocates for government restrictions on resource use through the implementation of depletion quotas (4). To maintain a steady-state, there must be restrictions as to the quantity of resources that companies have access to and are allowed to use. If a government limits the amount of resources that are taken from the earth they can directly limit the amount of goods that are produced. Herman Daly explained how depletion quotas would function as follows, “Let legal rights to deplete up to the amount of the quota for each resource be auctioned off by the government, at the beginning of each time period conveniently divisible units, to private firms, individuals, and public enterprises” (4). Depletion quotas must be auctioned directly from the government to companies, allowing the government to restrict and directly control the output of the market.

Steady-state economics takes the idea of equality further than other ideologies and argues that people are equal in all facets of society including economic. Steady-state economics advocates for economic equality citing continued economic growth as a way to ignore the inequality that persists in the current system (4). Herman Daly wrote, “For too long we have, in the name of positive science, evaded the ethical and moral issues of just distribution by hoping that growth would mean prosperity for all with sacrifice by none” (4). By prioritizing growth governments have failed to address economic inequality. To remedy this inequality, the steady-state advocates for a redistribution of wealth. In his journal article “Steady-State Economics versus Growthmania”, Daly wrote that “The principal moral precondition of the market system-limited inequality-is remedied by the institution of minimum and maximum limits

to personal wealth and income. Some such limitation...is desirable on independent ethical grounds” (4). Economic equality is necessary to increase the standard of living for all citizens without solely increasing the GDP. Economic redistribution would bring everyone to a middle ground whereas continued GDP growth increases everyone’s wealth but does not address the massive disparities that exist in the current state (4).

Though wide scale implementation of a steady-state has yet to be seen in the world, the introduction of a four-day work week is one example of a policy that will shift society towards steady-state economics. As of 2022, countries in Europe such as Belgium and Iceland are implementing shorter work weeks for workers. Reducing the number of hours worked will achieve multiple goals of the steady-state. Specifically, less work hours will reduce consumption of natural resources and cease economic growth (1). If there are less total work hours, the output will be reduced, which will in turn reduce consumption. This reduction of hours is positive for the environment because less resources like energy and land are consumed to make products. A journal article published in *The European Financial Review* titled, “A Four-Day Workweek” shares these conclusions, “...shorter work hours tend to have lower ecological footprints, carbon foot-prints, and carbon dioxide emissions (1). This article also discusses how working less hours a week will save on energy required to operate workplaces and will reduce energy required for transit if people have to travel to work one less day per week (1).

Reducing the total number of hours worked will also benefit workers and adhere to the goals of the steady-state because it will spark intellectual growth and a better work-life balance. If countries were to focus on implementing policies that benefit citizens instead of ones focused solely on growth, they would see that reducing work hours is necessary. A shorter work week will increase the standard of living for workers because they will have more time for leisure (3). Working 8 hours less per week would have a significant impact in the lives of workers. People would have more time to dedicate to their relationships, hobbies, and other activities they enjoy.

The steady-state advocates for economic equality, intellectual progression without economic growth, and a heavily involved government to regulate resource use and the output of the market. By pursuing a state in which economic growth is no longer a goal, the government and citizens will be able to define their own ideas of progress and live happier lives. People will no longer be subject to capitalist exploitation and will be given the time and money to pursue their life's passion. The steady state believes that ceasing economic growth is the only solution to the dire situation humans have put the environment in and address the disparities that exist in the current system.

References

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