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A consumer society offers a vision of quantitative growth for the future in which success is achieved through an increasing number of commodities. This essay offers an alternative vision of qualitative growth in which success includes development of human capacities, increased supply of noncommodity satisfactions, and expansion of democracy and public participation.

Qualitative growth is not inevitable; it is merely a logical, attractive alternative that can be constructed out of visible tendencies in the world today, one among many possibilities for our economic future. In this essay, qualitative growth is presented in two stages: Qualitative Growth I, embodying a set of principles of economic organization; and Qualitative Growth II, proposing specific institutional arrangements for pursuing these principles.

For more than a century, discussion of economic alternatives has been dominated by debates over the relative merits of capitalism and socialism. Today, however, capitalism has come to refer to an extremely wide range of economic arrangements; private ownership of the means of production can encompass many different approaches to employee participation and representation of the public interest. Socialism, meanwhile, has become problematic due to both the failure of the Soviet model and the implausibility of Marx's vision of a society beyond scarcity (since time will always be scarce, and some people will always be striving for greater status and recognition). Thus, the issue is no longer capitalism versus socialism, but rather how to create economic institutions that give maximum scope to democratic participation.

QUALITATIVE GROWTH I

The first principle of qualitative growth is the positive feedback between the development of human capacities and future expansion of production. This feedback results from the changing nature of work required by advanced technologies. Labor is increasingly employed to innovate, regulate, and change the production process, rather than to facilitate repetitive use of muscle power. As innovations save labor and create wealth, society can use some of that wealth to expand the pool of people with the skills to develop and use new innovations. But, at present, such positive feedback is often serendipitous; a society organized around qualitative growth would reform institutions to ensure and promote positive feedback.

The second principle of qualitative growth is the importance of the qualitative dimensions of output, and of satisfactions that are not directly tied to commodities, including inherently satisfying work, leisure, economic security, environmental protection, and community and

voluntary services. Expansion of noncommodity satisfactions and product quality is not cost-free. But most of the growth dividend from the positive feedback dynamic should be used to increase the quality rather than the quantity of output. Continued growth is compatible with environmental concerns for two reasons: first, because consumption is increasingly focused on services rather than goods; and second, because environmental improvement (e.g., cleaner air) is one of the ways in which qualitative growth can take place.

The third principle of qualitative growth is that neither the market nor planning is adequate as an exclusive organizing principle for the economy. Both have proven to be incapable of giving sufficient importance to product quality and noncommodity satisfactions. The pursuit of qualitative growth requires a combination of individual choice, social regulation, and state action. Many current experiments with hybrid institutional forms may help create new models for economic organization.

QUALITATIVE GROWTH II

An institutional framework that could support the principles of qualitative growth includes changes in the organization of the workplace and the labor market, public access to and support for new ideas and technologies, and new mechanisms for economic coordination.

Cooperative labor relations are increasingly important for current production processes, and will become even more essential for the positive feedback envisioned in qualitative growth. Firms must provide employees with career development opportunities, greater employment security, and democratic participation in decision-making. These acts must be supported by legislative changes which expand the rights of employees. Such institutional and legal changes, ultimately making employees genuine stakeholders in the firm, are required to evoke full, creative participation and innovation from the workforce.

It is difficult to create a cooperative workplace without corresponding changes in the labor market. The most important change is the establishment of a system of basic income supports available to all members of society. This would encourage continuing education and training, thereby accelerating the diffusion of new ideas and technologies into the workplace. Such a system would make it more difficult to fill the least interesting and worst paid jobs, creating incentives for employers either to automate or to restructure jobs to make them more attractive. A basic income system would reverse the current underproduction of leisure by freeing individuals to reduce their hours. Participation would increase in interesting but currently unpaid or underpaid work, such as community journalism, arts, and child care.

Society's arrangements for the development and utilization of new ideas are of critical importance to qualitative growth. There is a fundamental tension between the privatization of innovations and their diffusion into the economy. Public distribution of new software, research findings, or other advances will get them into circulation quickly, but at the expense of the private rewards and incentives that often motivate innovation. Proprietary use of new ideas preserves monetary incentives at the expense of rapid diffusion.

However, there are a rich variety of incentives that can facilitate innovation. For example, the computer hobbyists who helped spark the early development of personal computers came from an anti-establishment, countercultural background, and were not initially motivated by the pursuit of wealth. The fact that the work of successful artists and architects is frequently imitated by others does not appear to diminish artistic creativity; it is generally the innovator who becomes famous. Our goal should then be to shorten the period of patent and copyright protection for new ideas, and to increase the range of activities that fall under the model of artistic creativity – bringing fame but not exclusive use to authors of important advances. "The academic or government scientist who develops an AIDS vaccine should be rewarded with fame and recognition, but the patent rights should enter the public domain." (211-212)

To meet the goals of qualitative growth, complex coordination of production and investment decisions are required. The best way to do this is to expand the role of the private firm as an instrument of public purpose, as has been done with affirmative action. While regulation is needed, the primary emphasis is on forcing firms to internalize a broadened set of goals. The pursuit of profit is always socially constructed, occurring within a framework of law and custom; it is entirely possible to modify that framework to meet social objectives.

New objectives and improved efficiency are also needed in public sector service delivery. Just as in the private sector, lower level public workers must become stakeholders in the operation of their agencies. Incentives should be created to make agencies more responsive to the public that they serve.

Finally, the role of democratic politics should be expanded in shaping decisions about spending on infrastructure and public goods. Democratic planning mechanisms are needed to include non-elite groups in decision-making. "Rather than simply being passive victims of either market processes or elite planning, citizens could begin to address the basic questions of how to live and how the society's resources should be used." (215)