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Book Review: Growth Fetish by Clive Hamilton

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Book Reviews

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In this book Clive Hamilton, a prominent independent Australian research scholar, provides a new and powerful critique of the Western preoccupation with economic growth. But the book is not just another 'greenie' anti-growth tract. Hamilton is a broad-ranging economist, and certainly a strong environmentally aware one, but his critique is based on a rich range of psychological, sociological, political and economic grounds as well as environmental issues.

In fact most of the book does not read like a 'greenie' tract at all, environmental aspects only entering the second last chapter where these are presented succinctly and well, but as merely a component of the case. The book then culminates with an outline of an alternative 'post-growth' philosophy.

Hamilton begins with a sharp, thoughtful critique of the core philosophies underlying what could be called the 'Three Ways'. The First Way relies far too heavily on Free Market assumptions. The Second Way of the old Left relies too heavily on distributional critiques of capitalisation. The so-called Third Way of Tony Blair and other ex-social democrats (my interpolation) is barely distinguishable from the Thatcherite First Way. All are far too reliant on mythologies of the 'growth fetish'.

The first chapter defines 'growth fetish' as the cargo cult-like belief running through Western economics that perpetual economic growth is the best way to solve all economic problems, promote well-being, ensure high living standards and maximise human happiness.

The following chapters proceed to debunk all this, citing a wide range of high quality research (including some by Hamilton himself), to show that well-being, happiness and 'living standards' are not tightly proportionate to income increases.

More profoundly, Hamilton makes a strong, well-documented case, often only loosely argued by fellow critics, that perceptions of need and identity are excessively influenced by advertising, promotion and related forces. He then argues that conventional notions of progress and work are in turn unduly influenced by such forces and by the general furphies of growth fetishism.

In his final chapter Hamilton sketches some possibilities for a 'post-growth' society in which work and income have been de-linked, advertising is greatly restricted and the present trend of 'downshifting' (working less and substituting creative leisure for income maximisation) is encouraged.

Hamilton argues that the 'defining struggle' of modern capitalism is not class, as the old Left held, but the need to overcome a social structure which 'manufactures 'individuality' and celebrates superficiality', as well as generating 'loneliness, boredom, depression, alienation, self-doubt and … ill-health'. He claims that the main contradiction of capitalism is the failure of economic growth and higher incomes to improve well-being.
As a core concept in post-growth society Hamilton advocates what he calls 'Eudemonism', a term and philosophy deriving from Aristotle and meaning the 'full realisation of human potential through, in the first place, proper appreciation of the sources of well-being'. He admits that it is an awkward term, but wants to distinguish the notion from the old Three Ways.

Broadly I agree with Hamilton's critique, especially with his case for a disjunction between income and well-being. I have cited some such evidence myself, but in my forthcoming book *Free Trade: Myth, Reality and Alternatives* I coin the concept of an 'r-curve' which shows growth improving well-being at low income levels, but not much at high levels. Hamilton obliquely acknowledges this, but does not recognise the complexity of differential growth strategies that this reality entails.

It is not at all clear where 'eudemonism', a term which is unlikely to have mass appeal, takes us even once we have recognised the disjuncture between growth and well-being. Hamilton says that, 'whereas Marxism called for the power of capital to be destroyed, eudemonism calls for it to be ignored', but he has not really tried to show that this is realistic. He advocates the near-banning of advertising, and I sympathise with this, but it is hard to imagine it being done without something like a political revolution. So we need to know more about strategies than Hamilton tells us.

Hamilton criticises globalisation but incongruously uses some unnecessary American expressions such as *shopping malls, candy bar, kick-arse and gas station*, which is symptomatic of a need for more strategic thought. The book cleverly establishes a crucial point - the disjuncture between growth and well-being, which has far-reaching implications, but we need to know more about what this means for alternative institutions, beyond Hamilton's suggestions for a leisured, more self-fulfilling society.

Graham Dunkley