

# “SUSTAINABLE GROWTH” WASN’T

There’s something that bugged me about this article (indeed, bugs me about most economic analyses of our current crash). Amidst a discussion that fairly lays out some of the problems with the global economy (all the while ignoring that one critical issue in the US is a gutting of manufacture and unions and therefore increasing inequality), it talks about how to rebalance the global economy so as to return to “sustainable growth.”

What it failed to create, however, was the kind of virtuous cycle of growing sales, growing profits and growing employment, all feeding off of one another, to keep the economy growing even as the stimulus wears off – “escape velocity,” to borrow a term from aerodynamics.

[snip]

The truth is we’re in something of a trap. Until imbalances are corrected, the U.S. and global economies are unlikely to return to robust and sustainable growth. And yet to the extent that we address these imbalances, the correction process will inevitably be a short-term drag on an already weak economy.

I mean, aside from Pearlstein’s blind reverence for the market, he’s right about the notion of balance. It is true, for example, that the newly rebalanced globe, America will play a smaller role as the consumer of last resort.

But it’d be nice if, at the same time as analysts think about rebalancing the global economy, they’d consider what their idea of “sustainable growth” meant in the past—and what it would mean in the future if it continued

unchecked. After all, the sustainable-growth-that-turned-out-to-be-unsustainable of the last 60 years of a globalized economy caused climate change which will be an increasing drain on even a growing economy as disasters become worse and more frequent.

The spending on unnecessary consumer goods, the transportation miles driven, the dietary patterns, the waste. Those things caused climate change. Those are the things economists would like to return to, if slightly adjusted around the globe.

Since we're going to be spending the next couple of years trying to find "sustainable growth," do you think we could also keep in mind what would be truly sustainable for the globe?