

# Economic Growth and Sustainability: The Multidimensionality of Social Progress

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## **Abstract**

It is how we grow and not economic growth by itself that matters. The answer to the “how” we should grow question is determined by the values and principles that a society uses to define progress. Welfare is normative and there will be multiple perspectives on what matters to society. Wellbeing itself has several dimensions. A sustainable future implies minimizing the trade-offs and enhancing the synergies among these dimensions. Economic growth is one of the enduring determinants of well-being while environmental sustainability has become a critical aspect in recent years. The paper draws upon the material from chapter 4 of the IPSP report (Dasgupta et al 2018), and adds to it to synthesise findings on what matters for a sustainable society. The topic is vast, so the focus is kept on the interactions between the two identified domains of economic growth and environmental quality. Available evidence clearly indicates that social and economic transitions are required for long run sustainability, where sustainability calls for reduction in poverty and inequality, alongside the halting of environmental degradation (air and water pollution, climate change). Economic growth will continue to matter for some regions of the world as it is unlikely that re-distribution of resources to take care of an acceptable quality of life for the poor and underprivileged will take place in the foreseeable future. Institutions for collective action have an important role to play as evidence accumulates that it is how we grow that matters much more than by how much we grow.