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The happiness economy represents a new economic paradigm, not just a superficial reform of the existing growth-based consumer economy. Further, whether or not we choose to stress it publicly, limits to growth will ultimately be the primary underlying driver in the paradigm shift.

The growth-based consumer economy arose from a historic, temporary abundance of cheap, concentrated, storable, and portable energy in the form of fossil fuels. Cheap energy increased the rate and scope of resource extraction (e.g., via powered mining equipment), and, coupled with powered assembly lines, enabled vastly expanded production of consumer products. The problem of overproduction (which contributed to the Great Depression) was solved with advertising, consumerism, and consumer credit. Subsequently, all economic and governmental institutions were enlisted in support of consumerism and came to rely on constant growth of debt and consumption.

Consequently we face a paradox. Sustainability and increased human satisfaction require more sharing and a moderation of consumption. But if everyone were to share and to consume less in the context of our current economic and financial systems, the result would be recession, depression, or economic collapse. Consumerism is not merely a lifestyle preference; it is the basis of the current economy. Jobs, tax revenues for governments, and returns for investors (including pensioners) now require it.

But of course consumerism is setting us up for the collapse not just of the economy, but of the entire global biosphere. The growth-based consumerist paradigm must be replaced—hence the happiness paradigm, which presents a challenge to the very core of the current system. It ultimately will require the re-invention of finance, as well as fundamental changes to legal definitions of ownership and to government's role in the economy. This new paradigm will not be embraced absent necessity.

The good(?) news: necessity is here. Fossil fuel limits, environmental sink limits (climate change), and debt limits all now loom. While there may be short-term ways of pushing back against these limits (unconventional oil and gas, geo-engineering, and quantitative easing), there is no way around them. The only sensible long-term survival strategy for civilization is to abandon consumerism and to aim for a sufficiency economy.

The happiness paradigm is not only the best package in which to “sell” sufficiency to policy makers and citizens; it is also a pathway to a genuinely superior mode of human existence. For most public communications, this last point requires primary emphasis. But the argument for necessity must also be clearly articulated.