

ETHICS & ECONOMICS EDUCATION OF NEW ENGLAND
2019 STUDENT ESSAY CONTEST

WHAT IS THE MORAL VALUE OF ECONOMIC GROWTH?

Do individuals, organizations, and governments have any kind of duty to promote or to permit economic growth? Or is growth actually harmful due to the scarce resources it consumes? How should we value the well-being of the present generation relative to the well-being of future generations that growth makes possible? Do individuals, organizations, and governments have any kind of duty to promote or to permit economic growth? If economic growth does have some value, what concrete steps should we take to achieve it?

“Moral values” are the ideals that an individual or a society believes make it “good”. They govern our decisions by helping us decide what is good for ourselves and what is good for our society. When I say something is “moral”, I mean something that is beneficial.

“Economic growth” is when an economy becomes more valuable, because either its goods or services become more valuable or it produces more goods and services or both.

Economic growth is moral because it makes most of the people involved in the economy wealthier. This is beneficial because people with enough resources are able to support their basic needs such as hunger, safety, health, and education. With basic needs met, people have more time to come up with new ideas or to solve problems. This leads to advancements for all of humankind and sometimes animals, too.

When people have more resources, they are also more cooperative with each other. When we cooperate, life is more peaceful. Wealthier consumers are more willing to give sellers leeway with their prices and are less likely to steal. Equally, a seller who has enough resources to make a lot of product will accept a more reasonable price for it. This makes good, fair, trades that are beneficial to both people go more smoothly.

A growing economy usually also has many sellers selling the same product or service. This is important, especially to Americans, because it allows consumers the freedom to choose both which product to buy and the best place to buy that product. This is also important because if consumers are only buying the best product or service, then there is competition between sellers to make their product or service better.

While economic growth is moral, it can also cause immediate or future harm if is not properly controlled. Although, you cannot say that growth is completely immoral due to the scarce resources it consumes because not all growth has to consume scarce resources. So what about when it does cause harm? For example, in “The Lorax”, a businessman named The Once-ler comes and uses up all the Truffula trees and pollutes the air and water in order to make his product, the Thneed. This is a perfect example of a bad outcome from uncontrolled economic growth. Not only is this a bad outcome for the animals that live in the Truffula forest but it is also a bad outcome for the businessman because he can no longer use the Truffula trees to make his product. It is also bad for anyone else who wanted use of the destroyed environment. If this economic growth had been controlled, if the Once-ler had replanted the

Truffula trees as he cut them down, the bad outcomes could have been avoided. This is why it is important to remember that economic growth is not unconditionally moral, it must be properly controlled.

Economic growth needs to be controlled or “pruned”, like a garden, not only to have the most moral value for present generations but also for future ones. Some might say that it does not matter if we use up resources because “necessity is the mother of invention.” This is true, but it is not fair to pass down problems to future generations that they did not agree to solve. Also, just like in “The Lorax” it is often bad for the present generation, too, to use up resources. If we think that humans will be able to solve the problems we cause now in the future then humans should also be able to solve those problems now. This way, we do not use up resources unless we *know* that there are replacements or alternatives.

The other reason it is not fair to use up resources is that a lot of them do not all belong to one person or one company. All humans and animals need resources so when one person or company uses up a resource then they pass on a problem to the whole world. Even in a country like America, where we have a lot of personal property rights, finite resources really shouldn’t be allowed to belong all to one person or company.

So, who should manage this garden? Individuals, organizations and governments have different obligations when it comes to promoting or permitting economic growth.

Although individuals have no duty to do anything, it is often in their best interest to support responsible economic growth because wealthier economies have wealthier companies, which make their employees into wealthier individuals, which add up to create a wealthier community. Individuals benefit from that.

Organizations that promote the public good may sometimes have a duty to promote responsible economic growth (growth that is sustainable and does not result in monopolies) if that is part of their mission and they should at least permit it to happen. For example, where I live, there is a nonprofit group called the Mount Washington Valley Economic Council, whose mission is to “enhance our communities by fostering the formation of new business and attracting businesses to relocate to the area, with a commitment to help them diversify, prosper and enhance their sustainability while preserving the region’s natural beauty.” (<https://mwvec.com/our-mission/>). The Mount Washing Valley Economic Council has a self-created ethical duty to not just permit responsible economic growth, but to promote it.

As far as governments, it depends on which government. A government like the United States Government, “of the people, by the people, for the people”, whose job is to serve ALL citizens, does have a duty to promote responsible economic growth.

What concrete steps can our government take to achieve responsible economic growth? In a Capitalist society, like America, the government is the “gardener” and the economy is the “garden.” The government’s job as the “gardener” is to maintain sustainability by pruning monopolies (a monopoly is when one company has no competition selling a particular product or service) and by creating an environment that is good for economic growth, just as a gardener trims too-big plants, rotates plants that add or take away different nutrients in the soil, and by creating a place where it’s easy for plants to grow.

The way a government can “prune” is by making the monopoly break up into smaller companies or by putting in place laws that prevent monopolies from happening. The government can also stop companies from using up resources that are not renewable. Or by forcing companies to use renewable resources at a slower rate to actually allow them to renew.

A first step for the government to create a place that helps plants to grow is to help fulfill the basic needs of it’s citizens (the first two levels of [Maslow’s Hierarchy of Needs](#)) such as safety, food, shelter, and education, like water, sunlight, safety, and soil in a garden. Once those basic functions are met, the government, more than just staying out of the way of business, should do it’s best to try to create conditions that are good for economic growth.

Like a gardener, the government can’t do anything about the characteristics of the seeds or people but it can make sure that all the seeds are grown in good soil with water and sunshine. It is important to acknowledge that some “seeds” are born with setbacks like disabilities or disadvantages. This is why, even in the wealthiest economies where everyone can get a living-wage job, there is always a need for at least minimal government support. This must be done carefully because, if the government gives too many unearned resources, it might promote opting out of work and the economy, which definitely won’t be good for economic growth.

The government’s most powerful tool is to make laws that make responsible economic growth easier, like giving responsible businesses tax credits, low-interest loans for coming to or staying in an area, training workers as in the WorkReady NH program (which trains adults to get back into the workforce after stepping out of it or get in to it for the first time), or by helping to make licensing and permitting of businesses easier. The other part to the government’s most powerful tool is to make laws that make irresponsible economic growth harder, like declaring land a National Park so it’s resources can’t be used for business, taxing businesses more for harming the environment, requiring fair pay or working hours for employees or penalizing businesses for producing too much product.

Some of these laws look like they are helpful to individuals, like laws that require education or healthcare, but by supporting healthy and educated workers, the government encourages growth by helping to provide a healthy and able workforce, which is good for business. It is moral for us to have an educated and healthy workforce that is willing to work. Whatever the laws, the goal should be to maintain the most freedom for the most people while keeping the economy stable and conserving resources.

In the end, the garden of economic growth is moral, as long as it well-tended.

JULY 30, 2019
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