

# Beyond Growth: A Strategy for Tackling Power. My speech to the EU Conference

On the need to blow up the 'easy money' pipeline



ANN PETTIFOR  
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With acknowledgements to Lucas Chancel

Ten days ago I addressed a thousand delegates (and many more online) at a conference organised by Members of the European Parliament (MEPs). The theme was 'Beyond Growth' - and the conference was sponsored by MEPs representing Green, Left, but also Conservative parties.

There was controversy at the event around the concept of 'economic growth'. Most delegates favoured 'degrowth' and heckled MEPs concerned to end 'fossil fuel-led growth' - but keen to promote 'economic growth' by which they meant (in my view) more investment, employment and pay for their constituents back home, in the new green economy.

This conflict between what can broadly be defined as the green movement and those concerned to defend 'green investment jobs and pay' is a fissure caused by the economic concept of exponential 'growth.' It is a fissure that must be bridged by the climate change movement if we are to mobilise the majority for transformative change. It's an issue I face as a member of the Scottish government's **Just Transition Commission** when sitting around a table with trades unionists representing oil rig workers as well as environmentalists to discuss the restructuring and transformation of the Scottish economy. An issue I will tackle in my next post..

You can watch the EU speech [here](#) - the notes are below.

## **The Power of Economic Models**

Thanks are due to MEPs that organised this event, and their excellent staff teams.

Thanks are also due to the President of the Commission, Ursula von der Leyen for her support for the conference. Her **speech**, and her statement that the "a model of growth based on fossil fuels is now obsolete" was in my view, highly significant. The green movement does not have enough friends. Instead of boo-ing and heckling we need to welcome all those that take steps toward us.

We have spent three days basking comfortably in consensus. And feeling good about ourselves.

We all agree on the need for Sufficiency, Equity, Well-being, a Regenerative Economy, a Donut Economy and a Circular Economy.

But there has been no discussion of a strategy for challenging *power*.

There are two sites of power we must challenge:

The Fossil Interest

And

The Money Interest.

Both have erected barriers and barricades to our challenges. And while we have protested and booed and mobilised public opinion against the Fossil Interest, we have neglected the Money Interest.

The Money Interest is where real power over the planet lies.

Toxic emissions are the outcome of 'easy money' poured into the Fossil sector. To stop emissions we need to stop the flow of largely unregulated credit into fossil fuels.

The Money Interest has something resembling a gas pump, a giant tap or spigot that pours out unregulated credit, from both commercial banks and also the 'shadow banking' sector - the sector that operates in the financial stratosphere - beyond the reach of regulatory democracy.

To save the planet we need to switch off that 'easy money' gas pump. We need to focus on monetary policy, not fall into the trap set by the Money Interest of focusing exclusively on fiscal policy.

To challenge the power of the Money Interest, we need to understand the global economic model - 'Capitalism without Brakes' - to quote [Jim Rutt](#).

Capitalism without Brakes is powered by infinite supplies of largely unregulated credit.

'Easy Money'

The global dominant economic model - the theme of this panel - orients economies away from the domestic sphere, towards exports, as Matt Klein and Michael Pettis argue in their important book, [Trade Wars are Class Wars](#).

The export orientation of economies like Germany and China boosts the income of the 1% - the corporations that are exporters, while depressing the incomes of the 99% - wages of workers at home, in the domestic economy. Germany since the

Hart reforms is the classic example, but so is China.

But here is the thing – the 1% - the rich – don't spend all they earn. There are limits to the number of super yachts, private jets and big houses they can buy. There are limits to the number of rockets Elon Musk can explode.

In contrast, the 99% - the workers – spend all their income. On keeping a roof over their heads, buying food, maintaining health, and sending their kids to university. But their incomes are falling in real terms, so they don't have the purchasing power to buy all that is produced by the export-oriented economy.

Far from society's purchasing power chasing too few goods and services, we have **too many goods and services chasing too little money.**

This leads to high levels of debt, as the 99% borrow to keep the roof over their heads, pay for health services etc, and as firms borrow because they can't sell all that they produce, so sales fall.

The consequence is over-production, high levels of debt and falling incomes. The reverse of much commentary - a crisis of over-production and under-consumption.

And that, as we know from experience, leads to global financial crises.

Another financial crisis is inevitable, although predicting its timing is tricky.

The diagram is a hand-drawn mind map on a light blue background. At the top left, a blue circle contains the text "10 The power of economic models on decision-making and society at large". Below this, a larger blue circle says "MODELS ON DECISION-MAKING and SOCIETY at large Plenary 6". To the right, a quote reads: "The world is RULED by the else than ECONOMIC MODELS". A box labeled "Measure what MATTERS" points to "New Indicators" which includes "emissions" and "income inequality". Below this, it says "Discontent" and "Limits to GDP". Further down, it notes "Alternative to growth model can't not be DEGROWTH" and "Growth is the ENGINE of our society". At the bottom left, it says "Economics is NOT a natural science" and "We are going dramatically in the wrong Direction". A question mark asks "What to do the MODELS that MEN made and WOMEN changed...". In the center, it says "Sustainable Growth + Sustained Green Deal". On the right side, there's a section titled "We all AGREE here..." with a "But" in a circle. It says "No Strategy for a Change of POWER" and "Easy Money" with a "Machine for" drawing. Below this, it says "Export oriented" and "Neglect of local economies". A "Shift of focus" points to "1%" and "99%". A note says "The Rich don't SPEND all their money" and "Can't afford their life". At the bottom, it says "Crisis" leading to "Over-production" and "Under-consumption". A video inset shows a woman in a yellow jacket speaking at a podium with logos for "THE LE", "S&D", and "#Beyond". The bottom of the image has a footer with "15-17 May 2023", "European Parliament - Brussels", "Day 3", and "visualsensemaking.eu".

## **What lessons does this economic model hold for the green movement?**

First, we must stop attacking and blaming the 99% for excess consumption. Instead we must attack the 1% - the rich – for excess production, powered by excessive 'easy' largely unregulated money.

As **Phillippe Lamberts** has said, "This is a fight. A struggle. Even a war – to defend the planet."

How do we mobilise the 99% to break down the barricades erected by the Money Interest? It is important to remember what Karl Polanyi taught us...

That when governments refuse to protect the interests of the majority, instead leaving everything to the 'invisible hand' of the market...

And when governments argue they are helpless and "it's the market" causing impoverishment etc (in housing, food and education)...

Then people look for someone, an institution that will protect society from the market. They turn to the 'protection' offered by 'strongmen' - and women (in the case of Italy).

This is why we have the rise of authoritarianism - so-called strong men and women who promise to protect society from the deprivations of 'the free market'.

To mobilise the majority for a progressive project, the first steps we can take are these:

Shine a very bright light on the the giant spigot of the finance sector.

Second, educate ourselves. Finance, monetary policy is not rocket science. If I can understand it, so can you.

Third, we need to understand that the Money Interest – the 1% - based on Wall St., Frankfurt and the City of London, would not have the wealth they enjoy without the public infrastructure – the 'plumbing' - supplied by institutions and services maintained and provided by taxpayers:

- The central bank – which periodically bails out the sector

- Government bonds – safe assets for investors
- And the annual income streams from taxpayers – stretching decades into the future

Income streams that are the very profitable, safe 'rents' on government bonds.

We need to acknowledge and deploy the power embedded in public institutions and funded by taxpayers.

We need to demand tougher terms and conditions for their use by private finance.

And finally, we need to mobilise public opinion and political power – by focusing on the 1%, not the 99%.

**To echo [Andreas Malm](#), We need to blow up the 'easy money' pipeline.**

Thank you.

Watch the full plenary [here](#)



An independent analyst, I write about the international financial system and its impact on humanity and ecosystem. I do so without fear or favour. This freedom comes at a cost, but is a price worth paying if it helps others learn about 'The System' and why it must be changed. Your support is appreciated.

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## 6 Comments



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**Gene Catrambone** May 29

Once the public understands that government deficits are equivalent to the public surplus and that the public surplus is largely held by 1% of the population, the correlation between the deficit and wealth inequality will become evident.

REPLY ...



**Steve Hummel** Writes *Wisdomics-Gracnomics: The New ...* May 29

Yes, Finance is the problematic institution and the paradigm concept of Debt ONLY as the sole, MONOPOLISTIC, form and vehicle for the creation and distribution of new money IS the core of the core problem for the economy and for the planet.

Beside breaking up that monopoly paradigm we need a directly distributive money system that with its new paradigm policies (think GIFTING) insures individual monetary security while simultaneously enabling and encouraging commercial agents willing to cooperate in the transformation.

We require an integration of economics and ethics fundamentally based on the natural philosophical wisdom concept of grace. A *Wisdomics-Gracnomics* if you will. Grace is nothing more and certainly nothing less than love in action...and as policies are the

actions of systems...systemic policies. So let us align economic policy with it.

Beats hell out of the human civilization long "free" market fallacy that is actually alternately goosed and strangled financially dominating chaos.

 REPLY ...

**4 more comments...**