

Executive Summary

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The St. Gallen Symposium's community of leaders posed the question "What are alternatives to economic growth?" as a provocative topic for symposium's global student essay competition. This position paper – created through a collaboration between the essay competition finalists and Harvard University's Center for International Development – distils some of the best ideas to come out of the 46th St. Gallen Symposium in response to this question. Four major themes emerged from their analysis.

First, the authors highlight the need to **contextualize any discussion of economic growth**. There is no "one size fits all" prescription; any proposition on growth is context dependent. In the developed world it might make sense to enact policies that trade off economic growth for other social objectives, but in the developing world economic growth remains an imperative. Sometimes the best solutions are local ones, and to discover them it may be necessary to focus on regional needs and preferences to accommodate a context-specific concept of growth.

Second, **new models of consumption** may reduce the importance of growth in developed markets. If well-off consumers were to adopt a sufficiency mindset and to value experiences over material goods, quality of life can rise without the social and environmental downsides that often accompany economic growth. Related to this idea, the sharing-economy and the gig-economy represent an opportunity to democratize the economy and reduce environmental impact, with an associated risk of creating new monopolies and leaving many workers in precarious employment.

Third, the authors note that the **rising level of inequality** in many countries is a major concern, and suggest ways to address it through inclusive economic models. They draw attention to a tried and tested organizational model for inclusive growth—the cooperative form of organisation—as a vehicle for making progress on both social and economic goals. And they point towards large gains that could be made by addressing gender inequality, by empowering women in the workforce in general, and in leadership positions in particular.

Fourth, the trend of **digitalization is changing what growth means**. There are fundamental differences between the digital economy and the classic industrial paradigm; differences which conventional thinking has not fully caught up with yet. Digital platforms create a lot of value for their users, not all of which gets reflected in conventional GDP statistics. Also, the digital economy offers opportunities to generate economic growth that is less energy and resource intensive than industrial growth.

Overall, the authors conclude that the nature of economic growth as we know it is changing. In rich countries, annual GDP growth has slowed to a "new normal" that cannot match the faster rates of past decades. Across the world, labour collects a decreasing share of national income (relative to capital), upending a trend that held constant for most of the 20th century. Businesses, supply chains, and even entire economies have globalized. These changes are irreversible in the foreseeable future, and they present governments and their citizens with an unprecedented set of opportunities and challenges.

TOM-LAB

The TOM-LAB is a working and collaboration space for Leaders of Tomorrow of the St. Gallen Symposium to develop out-of-the-box ideas. The labs produce concepts and other papers that lay the foundation for action.

> www.symposium.org/tomlab

TOM-LAB 2016

The TOM-LAB 2016 was conducted by the six student finalists of the St. Gallen Wings of Excellence Award 2016, under the auspices of the St. Gallen Symposium, and in collaboration with the Center for International Development at Harvard University.

> Position Paper: www.symposium.org/tomlab2016

St. Gallen Symposium

The St. Gallen Symposium is a global annual gathering of Leaders of Today and Tomorrow that takes place at the University of St. Gallen. Its goal is to create healthy debates on topics that matter – organised by students.

> www.symposium.org

Center for International Development

The Center for International Development (CID) at Harvard University is a university-wide center that works to advance the understanding of development challenges and offer viable solutions to problems of global poverty.

> www.cid.harvard.edu