

Economic growth boosts quality of life and human satisfaction

The goal of the economy is to **meet human needs** and enable a **high quality of life**. This is only possible if the economy keeps on growing.

A growing economy leads to two key satisfaction factors:

1. **higher incomes** and
2. **more products** and services for people to consume

A simple example: in the wake of World War II, Germany lay in ruins. Financial aid from the US in the form of the Marshall Plan enabled the country's economy to quickly recover, leading to the phenomenon known as the economic miracle. Rapid economic growth resulted in full employment. Incomes rose, and consumer goods such as a dishwasher or a small car became affordable for more and more households. In the 50s and 60s, life satisfaction in Germany shared the upward trend enjoyed by economic growth. While a citizen in 1960 had to work on average 350 hours to earn enough money to buy a television, today only around 30 hours are needed. Increasing material well-being was accompanied by higher levels of life satisfaction.

Numerous studies show that wealthier people are happier than poorer ones.

For example, in Europe 90% of the wealthiest quarter of the population describes itself as "very or quite happy". Inhabitants of wealthier countries also tend to be happier than those of poorer ones.

It follows that economic growth is a precondition for improving well-being and quality of life.

Quellen:

H. Krämer: *Wen beglückt das BIP?*, in: Friedrich-Ebert-Stiftung: *WISO direkt. Analysen und Konzepte zur Wirtschafts- und Sozialpolitik*, 12/2009; K. Pickett, R. Wilkinson: *Gleichheit ist Glück. Warum gerechte Gesellschaften für alle besser sind*, Berlin 2010; M. Schmelzer, A. Passadakis: *Postwachstum*, Hamburg 2011; K.H. Paqué: *Warum Wachstum? Sechs Gründe für eine gute Sache*, Berlin 2012; M. Miegel: *Exit – Wohlstand ohne Wachstum*, Berlin 2010; Tim Jackson: *Prosperity without growth* 2011, J.Grimm: *Ergebnisse der Glücksforschung als Leitfaden für politisches Handeln?* 2006.

www.endlich-wachstum.de



Does growth really make people happy?

Countless studies have now shown that to have more does not always mean to lead a better life. People's satisfaction does not depend solely on income, but also on other factors such as **health, job security, an undamaged environment and social relationships**. Although there is, up to a certain point, a correlation between material wealth and human well-being, this correlation **does not continue indefinitely**.

Above a yearly income of 13,900 Euro, well-being no longer keeps pace with a rising income. In other words, someone who earns less than 13,900 Euro per year must do without a number of things which make life easier (e.g. a washing machine). Beyond this threshold, people can afford more things, but they do not necessarily lead to an increase in satisfaction.

In Germany, for example, GDP has quadrupled over the last 30 years, while **life satisfaction levels have remained the same**.

What is more, **negative events** such as car accidents (visits to the doctor, auto repairs), pollution (protective measures against environmental disasters), wars (reconstruction, arms trade) and other catastrophes all contribute towards GDP, but certainly do not increase people's quality of life. This suggests that instead of pursuing ever greater riches, it would make more sense to ask ourselves the question: what do I really need for a good, happy life?