

Growth creates social equality

In a growing economy, everyone benefits from the increase in prosperity. If the cake keeps on getting bigger, everyone receives a bigger slice – both those who have less, and those who are already well off. What is more, this does not involve taking anything away from anyone else, jeopardising hard-won social stability and democratic principles. Wealthy countries – i.e. those with a high GDP – enjoy a high level of social equality, and are almost all democracies. Growth is therefore a **guarantor of satisfaction in society** and of the **stability** of our economic and social model.

Sources:

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; K. Pickett und R. Wilkinson: *Gleichheit ist Glück*, 2010.

Growth exacerbates inequality

Studies have shown that there is a close correlation between life satisfaction and equality. In unequal societies, everyone – including the rich – is less happy than in countries where the gap between the poorest and richest people is narrower.

Growth may indeed result in more for everyone. However, while the cake as a whole grows, the poor receive just a few crumbs more, while the rich continue to multiply their wealth. The result is an ever wider **gap between rich and poor** – growth leads to greater inequality. This conclusion is supported by numerous studies showing that despite – or perhaps due to – constant economic growth, social inequality has risen steadily in Germany since the 1990s. What is more, unequal societies perform worse in many key social issues: life expectancy is lower, there is less trust between citizens, more disease, worse educational systems, etc. For a higher quality of life, the issue of distribution is much more important than that of economic growth. The problem is often simply a lack of courage for the necessary redistribution.