# Introduction

Economic growth is the religion of the modern world, the elixir that eases the pain of social conflicts, the promise of indefinite progress. It offers a solution to the everyday drama of human life, to wanting what we don't have. Sadly, at least in the West, growth is now fleeting, intermittent. It comes and goes, with bust following boom and boom following bust, while an ideal world of steady, inclusive, long-lasting growth fades away.

Historians have spoken of a crisis of the "European conscience" to characterize the profound spiritual angst that struck Europe in the seventeenth century, when, through Galileo and Johannes Kepler, it discovered that the universe is empty, that the stars are not the dwelling place of the gods. Is life worth living, our ancestors asked, deprived of the divine promise of salvation? We are experiencing a crisis of the same nature. The very idea of progress seems to be negated when growth disappears. Today the question has become: Will our lives be harsh and sad if the promise of material progress is taken away from us?

The great English economist John Maynard Keynes, writing at the outset of the economic crisis of the 1930s, warned against the pessimism of his time, and his message remains refreshingly hopeful. Despite the crisis looming all around, he wrote in his famous article "Economic Possibilities for Our Grandchildren" that a period of exceptional prosperity was at hand and that the world's "economic problem" would soon be resolved—just as, in the preceding century, the problem of providing enough food had been solved. Based on existing patterns of industrial growth he boldly announced that by 2030 people would work three hours a day and be able to devote themselves to the really important tasks of art, culture, and metaphysics. Sadly, questions of culture and metaphysics have not become the defining issues of our day. The pursuit of material wealth remains our primary goal, despite the fact that we in the West are four times richer than we were in the 1930s. Thus it must be said that while Keynes, an intellectual giant, perfectly predicted the prosperity to come, he failed completely to foresee what we would make of it. Like many before him, he did not understand the extraordinary malleability of human desire, which is prepared to consume boundless riches to find its place in the world.

The so-called Easterlin paradox helps to explain Keynes's mistake. According to the economist Richard Easterlin, wealth does not correlate well with happiness. A higher salary is obviously always desirable, yet once we've reached that target it is never enough. We fall victim to a process of habituation of which we are largely unaware. Furthermore, as each of us sets our own goals, we fail to take into account how much our desires depend upon the achievements of the others. If they get richer, we also want more riches for ourselves. "Once the basic needs are satisfied, and sometimes even before," writes the philosopher René Girard, "humans feel intense desire, but they do not know for what. For it is being they desire, a 'beingness' of which they feel deprived and which, it seems to them, others have." This explains why economic growth, more than pure wealth, is the key to the functioning of our society: for it provides each of us with the hope that we can rise above our present condition, even though this dream remains elusive.

The idea of progress has been subject to serious misunderstandings throughout history. The Enlightenment, which introduced the idea in the eighteenth century, made progress a moral value, one of autonomy and freedom, using it to critique the hierarchical order of the *Ancien Régime*. The Industrial Revolution, which unfolded in Europe over the course of the nineteenth century, transformed that ideal into a promise of material progress. Yet in doing so, it also established a society that completely turned its back on Enlightenment ideals. Engineers drove out priests, but industrial society remained just as hierarchical as before. In the family and in the factory, the vertical structure of society continued to dominate. In the twentieth century, Fordism and the assembly line, the standard for the industrial world, retained the age-old pyramidal organizational structure. In the private sphere, it was not until 1965 that a woman in France could open a bank account without her husband's permission. Some two centuries after the French Revolution, she was still under his guardianship when it came to most of the legal acts that affected her. For women, as for many other social groups, the idea of autonomy and freedom was dead on arrival.

It is only in the last few decades that the remaining vestiges of the *Ancien Régime* have finally disappeared. Workers no longer manipulate physical objects (agricultural or industrial), but rather the flow of information. According to the sociologist Ronald Inglehart, creativity is replacing authority as the core value. In his view, Enlightenment ideas are finally prevailing: autonomy and self-direction are becoming the standard of our modernity. Sadly, it is not so simple. The new digital economy is setting in place a totally disruptive "zero-cost" production model, bringing in new forms of insecurity. Inexpensive software takes over routine tasks, whatever their level of sophistication, from playing chess to dispensing cash to trading on the stock market. This race against machines creates a nervous strain that is reaching new heights. As the economists David Blanchflower and Andrew Oswald have shown, mental stress in the workplace has increased over the years. To borrow an expression from the psychoanalyst Pierre Legendre, modern man lives above his "psychological means." Creativity, when it becomes a business imperative, loses much of its moral benefit.

Inglehart, furthermore, repeats Keynes's error when he concludes that a postmaterialist world, freed from need, is now at hand. The quest for economic growth is still very much there, for the reasons explained by the Easterlin paradox. But digital society is marked by a paradox of its own: the technological prospects it heralds have never looked so bright, yet the prospects for growth have never been so disappointing. We seem to be experiencing *an industrial revolution without growth*. In the United States, 90 percent of the population has seen no growth in purchasing power over the last thirty years. In France, annual per capita growth has dropped steadily from 3 percent in the 1970s to 2 and then 1 percent in the following decades, and down to almost zero in the last five years. This brings us back to the critical question: Will economic growth for the broader population return, and if it doesn't, what then?

Economists are sharply divided. The pessimists, led by Robert Gordon, believe that the potential for economic growth is now much lower than in the last century. In his book *The Rise and Fall of American Growth*, he explains that the new industrial revolution may have given us the smartphone, but that hardly compares, in his thinking, to the great advances of the twentieth century: electricity, the automobile, the airplane, movies, television, antibiotics. On the other hand, optimists like Erik Brynjolfsson and Andrew McAfee tell us in their book *The Second Machine*

*Age* that Moore's Law is going to allow "the digitization of just about everything." Already, we have driverless cars, and robots are caring for the elderly in Japan: Another burst of growth appears to be at hand.

When analyzing this controversy in detail, it becomes apparent that this is less a clash between those who believe in technology and those who don't than an argument about whether the new pattern of growth is inclusive or not. Are the new technologies dragging workers in or out of the vanguard of economic growth? It's useful to compare this situation with the twentieth century when American farmers, comprising 40 percent of the labor force in 1900, moved to the cities and became highly productive workers in manufacturing. Economic growth quickly doubled. The fact that the purchasing power of the American middle class has grown so little over the last thirty years reflects a major change: Workers have been let go from the most efficient factories—but their productivity in their new jobs is often stagnant, which explains why economic growth is petering out (something economists refer to as the Baumol disease).

So how could we deal with a world without the kind of economic growth that we experienced in the previous century—if that were to come to pass? How do we motivate people if we can't fulfill their hopes for rising living standards? One recalls the radical move by Henry Ford to double salaries in his factories to cut back on absenteeism and to reinvigorate his employees' desire to work. In growing economies you can reward diligent workers with rising wages. Today's companies do give bonuses to workers based on merit, but that carrot comes with a stick: layoffs if goals aren't met.

Work hard or get laid off, as opposed to work hard and get higher wages: this management-by-stress technique is a major cause of suffering in our modern societies, and it is simply counterproductive. Unhappy workers are less productive, less cooperative, and less creative. Can't we do better? The Danish economic model, much discussed in Europe, shows that it is indeed possible to motivate workers by something other than fear. Denmark's ample safety net protecting laid-off workers and providing job retraining encourages mobility in the workplace and eases fears about losing one's job. The country ranks highest in job quality in Europe. It's no wonder then that in 2013 Denmark was declared the happiest country in the world.

It would be absurd to argue that the ills of Western societies all arise from the stagnation of individual purchasing power. But if we ignore the problem and go on pretending that growth will surely return, just as it did after World War II, we will fail to understand the reasons why weak economic growth produces an unhappy society. We must try to imagine a world in which happiness and satisfaction with one's life are less dependent on the expectation of constantly earning more. This will take us on a long journey to understand how human desires have been fulfilled throughout history, what has been the role of modern economic growth in the quest for happiness, and how we might reinvent the idea of progress beyond material gains.