

Rethinking economic growth in Regional Science: on (new) narratives and indicators

Economic growth has been a dominant goal and narrative, basically since the development of GDP after the Second World War. The modern concept of Gross Domestic Product (GDP) was first developed by Simon Kuznets for a 1934 U.S. Congress report, where he warned against its use as a measure of welfare. After the Bretton Woods Conference in 1944, GDP became the main tool for measuring a country's economy. And it not only became the main measuring tool, economic growth (as measured by GDP) also became the 'main solution for everything': from poverty, unemployment, environmental destruction, climate change, financial instability, etc. (Daly, 2019). Many scientists, including Noble prize winner Joseph Stiglitz, have shown that society in general and the economics discipline more specifically needs a different compass than GDP (Hoekstra, 2019). Alternative economic models have been proposed, such as Doughnut Economics, Sustainable Development Goals, Steady State Economics, De-growth and Green Growth (D'Alessandro et al., 2020). The fundamental value which these models have in common is that they make a distinction between present wellbeing, future wellbeing (sustainability) and also the distribution of wellbeing within and between countries (inclusion). But how to conceptualize and measure this in a way that is meaningful (i.e. measuring what matters) and clear (through a moderate number of indicators), as well as appropriate for the right spatial scale?

In this paper, we analyze how economic growth is used within the regional science literature: to which topics is it linked, what conclusions are drawn and how is this translated into policy recommendations? In a next step, we will analyze to what extent new concepts as broad prosperity and postgrowth are used and implemented. To answer these questions, a structured literature review within the ERSA/RSAI journals will be performed.

Methods

Through a structured literature review of the ERSA/RSAI flagship journals, i.e. Papers in Regional Science, Regional Science Policy and Practice, REGION, Journal of Regional Science and others, we will analyze what the dominant view on economic growth is. To what extent is it a means, or an end, what should it facilitate at the end, and how central is the concept? Next, we will compare this to other 'output indicators' such as (un)employment, income, and wellbeing.

Results

The results will be several metrics on the use and centrality of the concept of economic growth. We will connect this to narratives that go along with this. Finally we will make recommendations on a potential update of the narratives used in regional science, that follow unfolding discussions on new economic thinking that go beyond (just) economic growth.

The results will be used for an introduction of the special session, as well as a special issue in one of the flagship journals (still to be determined which one).