

Three Narratives of Capitalism and Economic Growth

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Prof. Dr. Ottmar Edenhofer

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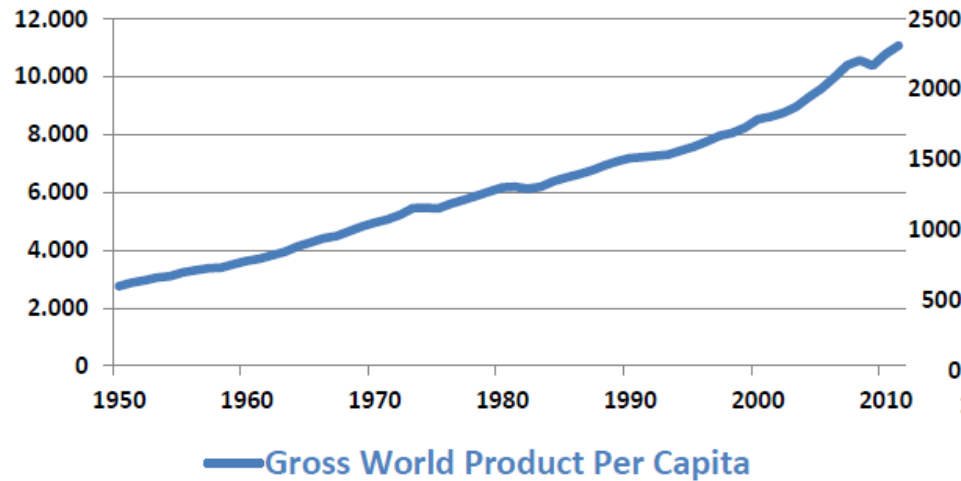
1. Economic Growth as a Narrative of Liberation
2. Capitalism and Growth as a Narrative of Exploitation
3. The Challenge of the Global Commons – Overuse of natural resources, Shortage of public infrastructure

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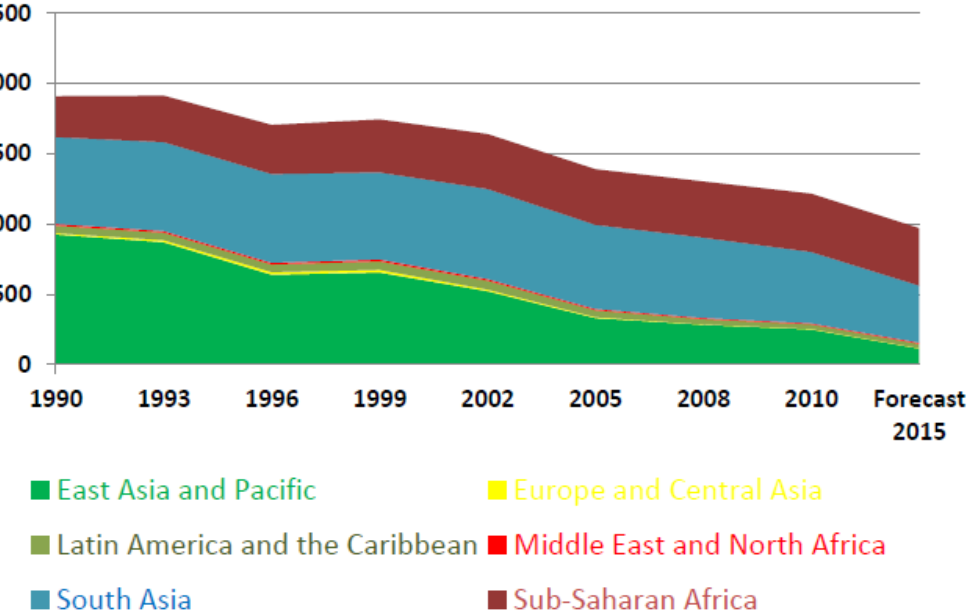
Capitalism as the reason behind current prosperity

GDP per Capita



Snowier (2014)

Population in extreme poverty



Capitalism as the reason behind current prosperity

- Technological change
- Secure intellectual property rights



Quelle: <https://corporate.ford.com/company/history.html>

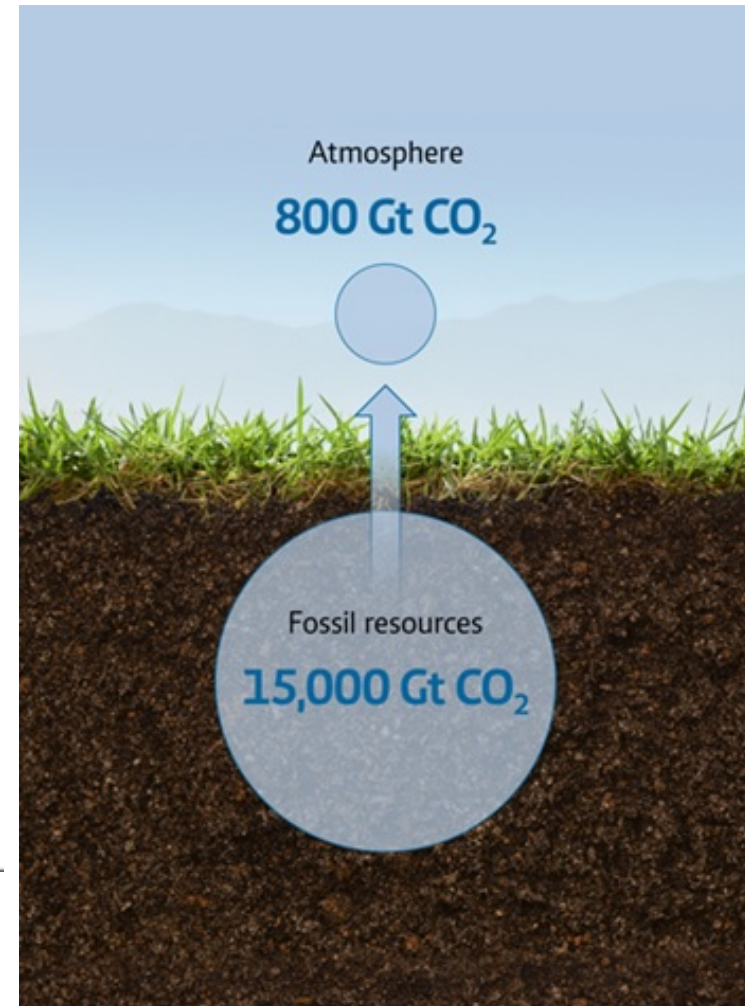
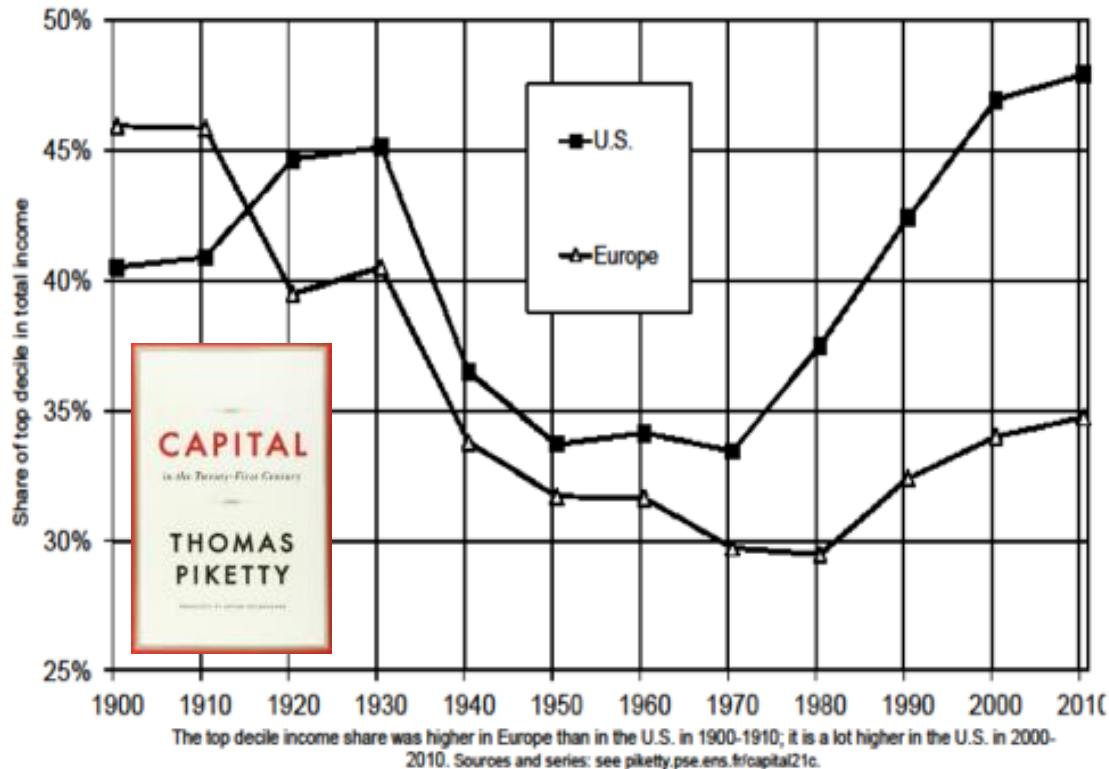
- Incentives for innovation
- Free trade

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Increasing inequality and environmental problems

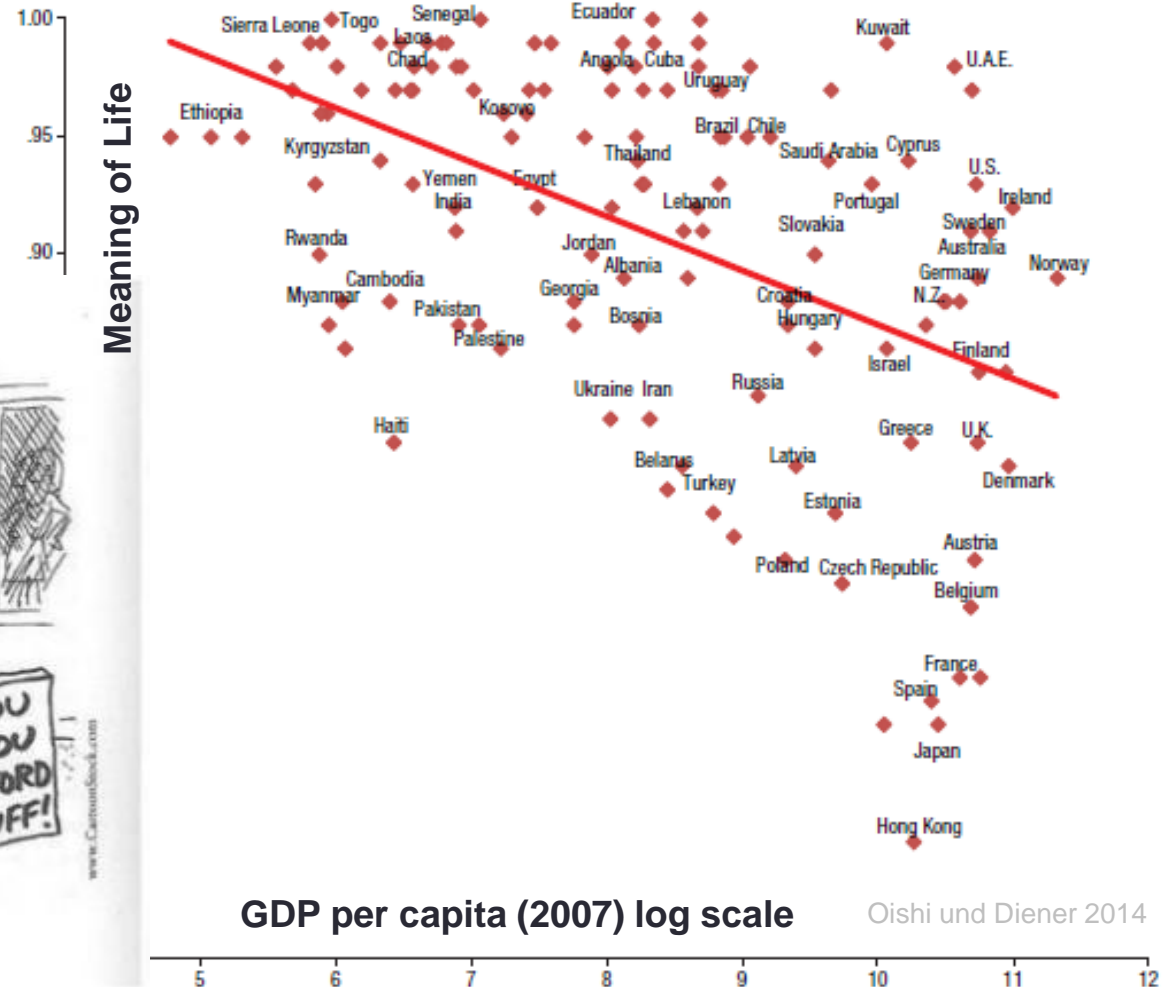
Figure 9.8. Income inequality: Europe vs. the United States, 1900-2010



Materialism and a loss of meaning



Wilkinson and Pickett 2009



Unbalanced relationships to power...

... in favor of large corporations and banks, at the expense of national governments



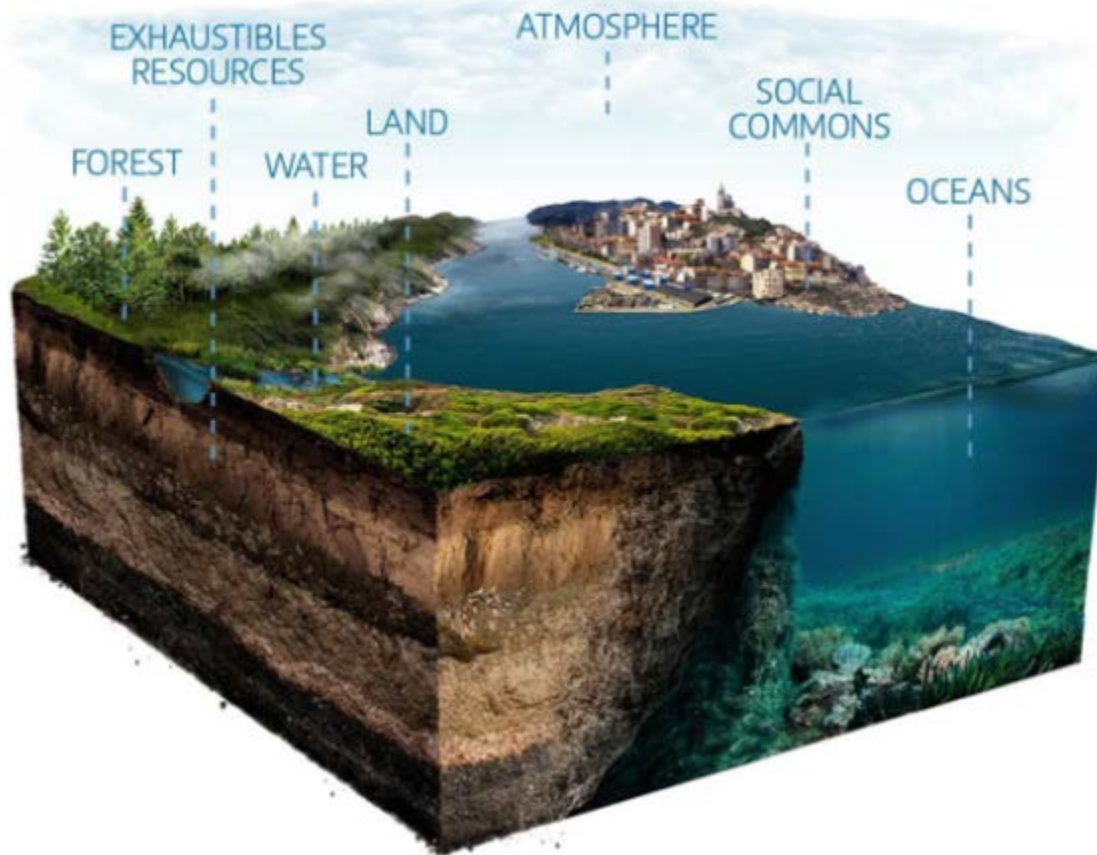
Quelle: Valenciano (own work) [CC BY-SA 4.0 (<http://creativecommons.org/licenses/by-sa/4.0>)],

- Tax evasion and competition may lead to a situation in which the provision of public goods is lacking.
- Powerful groups are able to procure advantages through lobbying.
- Economic bonds in the financial system, e.g. profits, become privatized, losses become socialized; opaque financial products.

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Management of the Global Commons in the 21st century



- 1) **Avoid overuse of
global natural
resources**
- 2) **Ensure public
investment and
expenditures**

Natural and social Global Commons



Globalization causes overarching environmental problems to worsen, which calls for international cooperation.

A shortage of public infrastructure and social capital exists across countries.



The basis of a new Model of Prosperity

- 1. International agreements and multilateral institutions**
 - UNFCCC Climate Agreement
 - Prevention of ruinous tax competition
 - Securing minimum standards within the social system
- 2. Access to infrastructure and public goods, especially for the poor**
- 3. Overcoming inequality**
 - Tax on inheritance
 - Tax on Rents (monopoly rents, land rents)
 - Environmental taxes that are socially bearable