The Path To Sustained Growth

Balanced-growth equilibrium

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In macroeconomics, the balanced-growth path of a dynamic model is a trajectory such that all variables grow at a constant rate. In the standard exogenous growth model, balanced growth is a basic assumption, while other variables like the capital stock, real GDP, and output per worker are growing. Developing economies may adopt a strategy of unbalanced growth to rectify previous investment decisions, as put forward by economist Albert O. Hirschman.

In microbiology, the state of balanced-growth means "every extensive property of the growing system increases by the same factor over a time interval". It is ideal for performing experiments because all bacteria are at about the same state (as opposed to stationary phase, for example, where some cells are alive and others are dead). Machines like chemostats can be used to culture bacteria and keep them in a state of balanced-growth for long-term experiments.

Balance Growth refers to a specific type of economic growth that is sustainable in the long term. Balance Growth is opposed to the boom and bust nature of economic cycles.

According to Alak Ghosh, " Planning with balanced growth indicates that all sectors of the economy will expand in...

Green growth

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Green growth is a concept in economic theory and policymaking used to describe paths of economic growth that are environmentally sustainable. The term was coined in 2005 by the South Korean Rae Kwon Chung, a director at UNESCAP. It is based on the understanding that as long as economic growth remains a predominant goal, a decoupling of economic growth from resource use and adverse environmental impacts is required. As such, green growth is closely related to the concepts of green economy and low-carbon or sustainable development. A main driver for green growth is the transition towards sustainable energy systems. Advocates of green growth policies argue that well-implemented green policies can create opportunities for employment in sectors such as renewable energy, green agriculture, or sustainable forestry.

Several countries and international organizations, such as the Organisation for Economic Co-operation and Development (OECD), World Bank, and United Nations, have developed strategies on green growth; others, such as the Global Green Growth Institute (GGGI), are specifically dedicated to the issue. The term green growth has been used to describe national or international strategies...

Post-growth

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Post-growth is an umbrella term that refers to a broad family of economic, ecological, and political perspectives responding to the limits-to-growth dilemma—the recognition that infinite economic growth is biophysically unsustainable on a finite planet. Central to post-growth thinking is the shift of the focus out of GDP growth as the main goal of the economy. Instead, well-being becomes the main objective. Post-growth puts emphasis on decoupling societal well-being from economic growth, advocating for the possibility of prosperity beyond growth.

Scholars define post-growth in different ways. Some describe it as comprising two main categories: degrowth (a stance advocating for a deliberate and equitable reduction in material consumption and economic activity) and agrowth (an agnostic stance towards economic growth, holding that policymakers should remain neutral about GDP growth because it may have either positive or negative effects on environmental or social objectives). According to others it serves as an umbrella term encompassing research in Doughnut and wellbeing economics, steady-state economics, and degrowth.

A systematic review of academic literature found that the distinction...

Sustainable development

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Sustainable development is an approach to growth and human development that aims to meet the needs of the present without compromising the ability of future generations to meet their own needs. The aim is to have a society where living conditions and resources meet human needs without undermining planetary integrity. Sustainable development aims to balance the needs of the economy, environment, and society (Triple Bottom Line). Equitable health access is a pillar of social sustainability. The Brundtland Commission Report, published in 1987, helped to make the concept of sustainable development better known.

Sustainable development overlaps with the idea of sustainability which is a normative concept. UNESCO formulated a distinction between the two concepts as follows: "Sustainability is often thought of as a long-term goal (i.e. a more sustainable world), while sustainable development refers to the many processes and pathways to achieve it."

The Rio Process that began at the 1992 Earth Summit in Rio de Janeiro has placed the concept of sustainable development on the international agenda. Sustainable development is the foundational concept of the Sustainable Development Goals (SDGs)...

Sustainability

We came to see that a new development path was required, one that sustained human progress not just in a few pieces for a few years, but for the entire

Sustainability or being sustainable is the ability to continue over a long period of time. In modern usage it generally refers to a state in which the environment, economy, and society will continue to exist over a long period of time. Many definitions emphasize the environmental dimension. This can include addressing key environmental problems, such as climate change and biodiversity loss. The idea of sustainability can guide decisions at the global, national, organizational, and individual levels. A related concept is that of sustainable development, and the terms are often used to mean the same thing. "Sustainability is often thought of as a long-term goal (i.e. a more sustainable world), while sustainable development refers to the many processes and pathways to achieve it."

Details around the economic dimension of sustainability are controversial. Scholars have discussed this under the concept of weak and strong sustainability. For example, there will always be tension between the ideas of "welfare and prosperity for all" and environmental conservation, so trade-offs are necessary. It would be desirable to find ways that separate economic growth from harming the environment. This...

Unified Growth Theory (book)

from the counterbalancing effects of population growth and, alongside the advance of knowledge and the rise of education, opened the path to sustained growth

Unified Growth Theory is a 2011 book by Israeli-American scholar and economist Oded Galor that sets out the framework he advanced to explain the entire course of human economic development. It develops a unified framework of analysis that captures the entire process of human economic development from millennia of stagnation to the era of sustained growth. The theory identifies the universal forces that orchestrated this remarkable transformation in living standards over the past two centuries and contributed to the divergence in the wealth of nations.

Unified Growth Theory suggests that for most of human existence, technological advances expanded the size of the population but left living standards unchanged. Yet as the pace of progress quickened, propelled by the reinforcing interplay between population and technology, the growing demand for human capital led parents to favor the quality of their children over their number, setting in motion the demographic transition. Falling fertility released economies from the counterbalancing effects of population growth and, alongside the advance of knowledge and the rise of education, opened the path to sustained growth and modern prosperity...

Endogenous growth theory

likely, over time, to slow growth to the disadvantage of the community. Peter Howitt has written: Sustained economic growth is everywhere and always a process

Endogenous growth theory holds that economic growth is primarily the result of endogenous and not external forces. Endogenous growth theory holds that investment in human capital, innovation, and knowledge are significant contributors to economic growth. The theory also focuses on positive externalities and spillover effects of a knowledge-based economy which will lead to economic development. The endogenous growth theory primarily holds that the long run growth rate of an economy depends on policy measures. For example, subsidies for research and development or education increase the growth rate in some endogenous growth models by increasing the incentive for innovation.

== Models ==

In the mid-1980s, a group of growth theorists became increasingly dissatisfied with common accounts of exogenous factors determining long-run growth, such as the Solow–Swan model. They favored a model that replaced the exogenous growth variable (unexplained technical progress) with a model in which the key determinants of growth were explicit in the model. The work of Kenneth Arrow (1962), Hirofumi Uzawa (1965), and Miguel Sidrauski (1967) formed the basis for this research. Paul Romer (1986), Robert Lucas...

Stability and Growth Pact

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The Stability and Growth Pact (SGP) is an agreement, among all the 27 member states of the European Union (EU), to facilitate and maintain the stability of the Economic and Monetary Union (EMU). Based primarily on Articles 121 and 126 of the Treaty on the Functioning of the European Union, it consists of fiscal monitoring of member states by the European Commission and the Council of the European Union, and the issuing of a yearly Country-Specific Recommendation for fiscal policy actions to ensure a full compliance with the SGP also in the medium-term. If a member state breaches the SGP's outlined maximum limit for government deficit and debt, the surveillance and request for corrective action will intensify through the declaration of an Excessive Deficit Procedure (EDP); and if these corrective actions continue to remain absent after multiple warnings, a member state of the eurozone can ultimately also be issued economic sanctions. The pact was outlined by a European Council resolution in June 1997, and two Council regulations in July 1997. The first regulation "on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies...

The Path to Prosperity

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The Path to Prosperity: Restoring America's Promise was the Republican Party's budget proposal for the federal government of the United States in the fiscal year 2012. It was succeeded in March 2012 by The Path to Prosperity: A Blueprint for American Renewal, the Republican budget proposal for 2013. Representative Paul Ryan, chairman of the House Budget Committee, played a prominent public role in drafting and promoting both Path to Prosperity proposals, and they are therefore often referred to as the Ryan budget, Ryan plan or Ryan proposal.

The plans stand in contrast to the 2012 and 2013 budget proposals, outlined by president Barack Obama and the Congressional Progressive Caucus.

The 2012 Republican proposal was formalized and passed by the House of Representatives on Friday, April 15, 2011 by a vote of 235 to 193, largely along party lines. No Democrats voted in favor of the bill, and four Republicans—Walter B. Jones Jr., David McKinley, Ron Paul and Denny Rehberg—voted against it. A month later, the Senate voted against the budget by a vote of 57–40.

The 2013 proposal would have provided workers under the age of 55 (beginning in 2023) a choice of private plans competing alongside...

Path dependence

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In the social sciences, path dependence is the phenomenon of past events or decisions constraining or defining later events or decisions. It can describe outcomes at a single point in time or to the long-run equilibria of a process. Path dependence has been used to describe institutions, technical standards, patterns of economic or social development, organizational behavior, and more.

In common usage, it makes two types of claims. The first is the broad concept that "history matters", often used to challenge explanations that pay insufficient attention to historical factors. This claim can be formulated simply as "the future development of an economic system is affected by the path it has traced out in the past" or "particular events in the past can have crucial effects in the future." The second is a more specific claim about how past events or decisions affect future events or decisions in significant or disproportionate ways, through mechanisms such as increasing returns, positive feedback effects, or other mechanisms.

== Commercial examples ==