A 'Temple of Growth' in Crisis?

The Production of Economic and Environmental Policy Norms Within the OECD in the early 1970s

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Overview

1. Paper as part of an ongoing dissertation-project

2. Situating the crisis of the growth paradigm

3. The origins of the OECD debate on the “Problems of Modern Society”

4. The emergence of international environmental norms within the OECD

5. The main arguments of the paper in a nutshell
The hegemony of growth
The making and remaking of the economic growth paradigm and the OECD
1950s to 1980s

1. **Paradigm in the making: The emergence of economic growth as the key economic norm within the OEEC**
   1. Measuring growth: The OEEC and the international standardization of national income accounting (1948-1952)
   2. Producing growth: From reconstruction to productivity to economic growth (1948-1953)

2. **Paradigm at work: The growth paradigm in the 1960s**
   1. Committing to growth: The 50 percent growth target in perspective (1961)
   4. Replicating growth: The OECD, uneven development and the South (1950s to early 1960s)

3. **Paradigm in discussion: The 'problems of modern society', environment and welfare**
   1. Emergence of limits: The origins of the Club of Rome within the OECD (1969-1972)
   2. Quantity in question: The 'problems of modern society' and the intellectual crisis of the growth paradigm (1969-1972)

4. **Paradigm remade: The reconfiguration of the growth paradigm in the 1970s**
   1. Jeopardized growth: Coming to terms with oil crisis and stagflation
   2. Neoliberalism on the rise: The McCracken report and 'positive adjustment'
   3. New harmony found: The Interfutures study and the magic formula of 'sustainable growth'
The “Problems of Modern Society” in context

<table>
<thead>
<tr>
<th>Period</th>
<th>Description</th>
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<tbody>
<tr>
<td>1948-1960</td>
<td>Reconstruction: Marshall Plan (OECD)</td>
</tr>
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<td>1961-1969</td>
<td>Re-foundation: monitoring growth</td>
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<td>1969-1984</td>
<td>Transition: from monitoring growth to crisis management</td>
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<td>1984-1996</td>
<td>Consolidation: warden of the new economic orthodoxy</td>
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<td>Since 1996</td>
<td>The OECD in the age of globalization</td>
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<table>
<thead>
<tr>
<th>Secretaries general</th>
<th>Members</th>
<th>OECD share of World GDP (%)</th>
</tr>
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<tbody>
<tr>
<td>R. Marjolin &amp; R. Sergent (FRA)</td>
<td>18 European</td>
<td>53.2</td>
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<tr>
<td>Thorkil Kristensen (DK) 1961-1969</td>
<td>20 Euro-Atlantic</td>
<td>58.5</td>
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<td>Emile Van Lennep (NL) 1969-1984</td>
<td>21 triadic</td>
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<tr>
<td>Jean-François Paye (FRA) 1984-1996</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>D. J. Johnston (CAN) 1996-2006</td>
<td>31 global</td>
<td>50.5</td>
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<tr>
<td>A. Gurria (MEX) 2006-2010</td>
<td>34</td>
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Key period of change and turbulence for industrial societies:

- postwar division of Europe
- early European integration (EEC vs. EFTA)
- first oil crisis, end of Bretton Woods economic recession
- global extension of capitalism, recurrent crises
- internationalization of Keynesianism and industrial growth
- crisis of Keynesianism and neo-liberal ascendancy
- crisis of industrial societies
The Growth Paradigm and its Intellectual Crisis
Periodizing the economic growth paradigm within the OEEC/OECD debates

<table>
<thead>
<tr>
<th></th>
<th>Paradigm in the making 1950s</th>
<th>Paradigm at work 1960s</th>
<th>Paradigm in discussion 1969-1973/4</th>
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<tr>
<td>Growth target</td>
<td>1951 MCM: 25 % in 5 years</td>
<td>1961 MCM: 50% in 10 years</td>
<td>1970 MCM: 65% in 10 years</td>
</tr>
<tr>
<td>Catch-phrases</td>
<td>Reconstruction, selective expansion, viability, productivity</td>
<td>Quantitative growth</td>
<td>Qualitative growth, problems of modern society, inclusion of externalities</td>
</tr>
<tr>
<td>Initiators</td>
<td>OEEC-member states, MSA</td>
<td>Kennedy-Administration, CEA</td>
<td>OECD-Secretariat, Committee for Science and Technology Policy, Club of Rome-members</td>
</tr>
<tr>
<td>OECD-Organs</td>
<td>Council, Council WP-5 on selective expansion</td>
<td>Economic Policy Committee and EPC WP-2 on Promotion of Economic Growth</td>
<td>Bellagio-Conference, CSTP and Env Comm, Manpower and Social Affairs, Social Indicators WP</td>
</tr>
</tbody>
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The Origins of the “Problems of Modern Society”

• Context: anomalies of the growth paradigm
• The events of ‘1968’
• New framework for OECD
• Network around King
• OECD as “transmission belt”
International Environmental Norms and the OECD

• The “economic approach”
• The end of growth or the internalization of externalities?
• “Liberal environmentalism”: Establishing the harmony between environmental protection and both free market policies and economic growth
• 1973/4 crisis and the end of the questioning of growth within the OECD
Main arguments in a nutshell

1. The emergence of OECD environmental norms have to be situated within the debate on the “problems of modern society”

2. An epistemic community around Alexander King was active both within the OECD and in launching the Club of Rome

3. International organizations have some autonomy; it is important to take internal divisions into account; the concept of the use of IOs as “transmission belts” should be further developed