

Review of **Qualitative Growth**, by Fritjof Capra and Hazel Henderson

Reviewer: John Fullerton, Founder of Capital Institute and Level 3 Capital Advisors,
former Managing Director of JPMorgan

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Qualitative Growth, by Fritjof Capra and Hazel Henderson, is an important paper. The imperative and challenge of shifting to what the authors appropriately call “qualitative growth” must be understood as *the* issue of our time. It is a practical articulation of Thomas Berry’s aptly named *Great Work*. If such a transition does not occur in the front half of the 21st century, no other challenges will matter.

This reviewer is biased, it must be said. Capra’s work, *The Turning Point* in particular, and Henderson’s work on ecologically sustainable economics, have profoundly impacted my thinking and inspired my shift in work. To be “reviewing” their excellent paper is an honor, much less a challenge.

As fully developed in *The Turning Point*, framing this challenge in the context of our five hundred year cultural love affair with science totally resonates with me as a logical thinking finance professional. That economics has failed to keep up with more recent developments in physics, biology, and complexity science is both basic and profound. In a short, readable presentation, Qualitative Growth lays this framework out in a non-technical, highly accessible format.

Language is important and “qualitative growth” is both biologically accurate and politically effective. While we all owe a huge debt to Herman Daly, his use of the term “steady state economy” suggests stagnation to the casual reader. Professor Daly assumes qualitative growth will occur within a steady state economy and would undoubtedly support the ideas in this paper. However, Capra and Henderson have advanced the ball significantly with the term “qualitative growth” and by linking it to recent scientific understanding of quality in the physical world. This grounds the concept with the credibility of modern science. This contrasts with the outdated mechanistic science that core economic beliefs have failed to shed.

While a paper of this length by definition is limited in scope, it might benefit from some further elaboration on the premise that the current material throughput driven, perpetual growth model is unsustainable. Sustainability educated readers understand this. However, many in the business and finance community still have not accepted this most fundamental fact. Too many still rely on the expectation that technology will bail us out. It is important that business community read this paper and embrace it. In fact business and finance is exactly the audience that must read this important paper. Reinforcing some of these core assumptions will strengthen its acceptance, and provide critical education to the uninformed.

Finally, permit me to suggest one technical correction. The reference to tax credits in the context of subsidizing advertising makes sense, but I believe is not quite accurate. Advertising is a tax deductible expense, not subject to tax credits. Therefore, I believe what is meant is a tax policy that phases out the tax deductibility of advertising beyond some amount. Personally, I would like to see the authors challenge the premise of “free speech” applying to corporate advertising, but that’s probably the topic of another paper.

Qualitative Growth is an excellent paper. It should receive broad distribution.