



# POLICY SPOTLIGHT

An Abundance Agenda Can Restore Our Economy, Revitalize Our Society, and Bring Our Country Together

VERONIQUE DE RUGY | APRIL 2023

In America, there has been a longstanding bipartisan agreement on the benefits of economic growth, albeit with different ideas about how best to achieve this goal. But recently, this consensus around growth has eroded, with calls from across the political spectrum for policies that would restrict growth in hopes of achieving other goals.

Such policies would stifle the innovation, entrepreneurship, and creativity that can deliver growth—and lead to a future of stagnation, redistribution, and managed decline. Our country needs an agenda of abundance: policies and approaches that can transform every sector of our economy and improve the lives of all Americans, especially the most disadvantaged. Abundance can raise not only our material standards of living but individual and societal well-being as well. The real case for abundance is thus a moral one.

## **ABUNDANCE AND WEALTH VS. POVERTY AND SCARCITY**

There are real dangers associated with slower rates of growth, which can bring division, tribalism, intolerance, and sometimes even wars. And given the stakes involved, policymakers must also be mindful of one other important factor: abundance is not the natural order of things—scarcity is.

As my colleague Don Boudreaux puts it, “On a timeline of human history, the recent rise in living standards resembles a hockey stick: flatlining for all of human history and then skyrocketing in just the last few centuries.” The pertinent question then is not “What causes scarcity and poverty?” but rather “What causes abundance and wealth?”

## **REMOVING NEEDLESS BARRIERS TO INNOVATION**

Abundance does not come with more government intervention in the economy; abundance comes by unleashing innovation, especially technological innovation, which is the greatest single source of productivity gains and economic growth. This is the case in sector after sector:

- *Transportation:* Drones, autonomous vehicles, and electric vertical takeoff and landing aircraft can make transportation safer, greener, and more affordable. However, the industry will require a clearer regulatory path before there is any mass deployment.

- *Energy*: Fusion energy has the potential to deliver an almost limitless source of clean energy, not only addressing climate change but boosting productivity through lower overall energy costs.
- *Artificial Intelligence*: This emerging general-purpose technology can help transform health-care, finance, and other industries through its ability to automate tasks, analyze data, and streamline decision-making processes.
- *Housing*: The scarcity and high housing cost are largely attributable to restrictive zoning laws. To increase the supply of housing and make it more affordable, the government must loosen its grip on the type of housing that can be built.

## ABUNDANCE IS MORE THAN GOODS AND SERVICES, IT SOLVES BIG PROBLEMS

For many Americans, progress is no longer about economic growth but about getting by with less, dividing wealth more equitably, and learning to be environmentally friendly. This mindset presents a real challenge to the abundance agenda. Abundance is not just about increasing material wealth, important as that may be, but about building a society rich in opportunity, social mobility, and human flourishing.

Abundance will allow more Americans to pursue their professional and personal goals and realize their potential. Such possibilities are especially important

for those in the bottom half of the income distribution, including young people at the outset of their careers and individuals trapped in intergenerational cycles of poverty.

Properly understood, abundance also has the potential to do one more thing: at a time of social and political dysfunction and a slowing economy, its virtuous cycle and positive-sum agenda just might bring left and right together around a renewed consensus about the need for growth.

### FURTHER READING

Will Rinehart, “We Need an Abundance Agenda,” *Discourse*, December 7, 2022.

Veronique de Rugy, “The Greatness of Growth,” *Discourse*, January 3, 2023.

Richard Morrison and Joshua Bandoch, “A Successful Abundance Agenda Must Address Americans’ Anxieties,” *Discourse*, January 13, 2023.

Salim Furth, “Why We Need to Achieve Housing Abundance,” *Discourse*, February 9, 2023.

David Masci and Eileen Norcross, “Abundance Is About More Than Stuff,” *Discourse*, March 1, 2023.

#### ABOUT THE AUTHOR

Veronique de Rugy is the George Gibbs Chair in Political Economy and a senior research fellow at the Mercatus Center at George Mason University.

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