

Definition of Steady State Economy

Summary

A steady state economy is an economy of stable or mildly fluctuating size. The term typically refers to a national economy, but it can also be applied to a local, regional, or global economy. An economy can reach a steady state after a period of growth or degrowth. To be sustainable, a [steady state economy](#) may not exceed ecological limits.

A steady state economy entails stabilized population and per capita consumption. Birth rates equal death rates, and production rates equal depreciation rates. Minimizing waste allows for a steady state economy at higher levels of production and consumption.

All else equal, the steady state economy is indicated by stabilized (or mildly fluctuating) gross domestic product (GDP). GDP is not a good indicator of well-being, but is a solid indicator of economic activity and environmental impact.

From: <https://steadystate.org/discover/definition-of-steady-state-economy/>