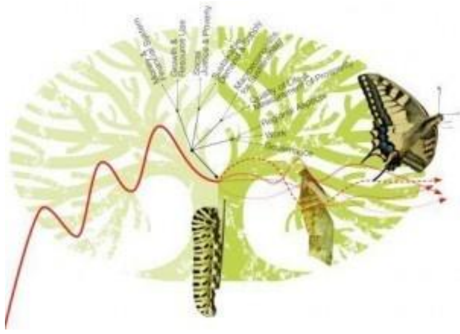
Caroline Haberfellner (Federal Ministry of Finance)



Parallel Session VI: Macroeconomics for Sustainability

Chair**: Thomas Wieser** (Federal Ministry of Finance)
Rapporteur: **Sigrid Stagl** (Vienna University of Economics and Business)

The session ***'Macroeconomics for Sustainability'*** aimed at discussing the framework conditions for an economy that is ecologically sustainable, socially just and capable of providing economic stability in the long run.

This central question was addressed to by three high-level speakers. First, **Daniel O'Neill** (CASSE, University of Leeds, UK) described in detail the underlying basic conflict between economic growth and environmental protection. As an alternative concept he proposed the concept of a steady state economy. A change from the present necessity to grow towards a steady state could be induced by limiting resource use, stabilising population, limiting inequality, reducing working hours, reforming the monetary system as well as changing the way we measure progress.

Peter Victor (York University, Canada) argued in the same direction. In his introduction he highlighted the fact that higher economic growth not necessarily brings more happiness. Given this fact and the well-known ecological limits to economic growth he presented his 'low-grow' model that he designed for Canada. Some factors that would be necessary to adjust to allow for low or no economic growth, besides those Daniel already pointed at, were: create more meaningful prices, introduce more generous anti-poverty programs, make products more durable, increase information advertisement, better screening of technology, etc. At the end he pointed at the crucial fact that it is a pre-requirement that citizens and all kinds of institutions adapt to such a new growth model.

Juliet Schor (Boston College, USA) took the twin crisis – referring to the economic crisis with high unemployment rates and the ecological crisis – as a starting point of her presentation. She suggests a radical change in how we think about consumer goods, values and ways to live. Besides the need to reduce consumption, increase productivity growth, enhance equality and reduce poverty, shift to a more green technology, reduce the sizes of companies and to increase ecological knowledge she highlighted very much the positive ecological as well as economic effect of reducing working hours. Reduced working hours, justified through productivity growth, would lead to a lower ecological impact because of less output growth, to more leisure time which could be used to create a new, green way of living and would also help to address the unemployment problem.

Daniel, Peter and Juliet could present in their talks very concrete ideas what we would need to address to in order to change existing arrangements that make our economy and society so dependent on economic growth.