



**Growth and ...
from the National to the Local Level.
A European Perspective**

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Presentation @ Growth in Transition – a key to success
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**The Austrian science-policy stakeholder
dialogue on Growth in Transition**

**Regional Fairness in Times of „Growth in
Transition“: Some Food for Thought and
Discussion**







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Goals and vision of the Austrian science-policy stakeholder dialogue on Growth in Transition





- Long-term vision is an economy that is orientated on public welfare instead of economic growth
- More detailed work with the 10 topics of the 1st conference
- Discussion about a stabilization of the economic system
- Booklet for partners and interested people



Core questions

- How does economic growth affect ... ?
- How is economic growth affected by ... ?
- What could contribute to a new model of prosperity?
- What do we learn from it?


How does economic growth affect...

Quality of life:

- **Above a certain level of income economic growth does not contribute to more quality of life**
- Less economic growth does not lead to a lower quality of life

Public expenditure:

- Direct impact
- Indirect impact



How does economic growth affect...

Labor:

- **Little empirical evidence that economic growth leads to higher employment rates**

Agriculture & ecosystem-services

- Lower economic growth rates lead to a reduction of agricultural subsidies
- Two possible developments:
higher demand for cheap food
or
higher demand for an intensified food quality



How does economic growth affect...

Macroeconomic resilience:

- **Due to absolute planetary boundaries is economic growth limiting macroeconomic resilience**

Resilience of companies

- Crises influences the resilience of companies in a negative way
- Need for long-term strategies in order to extend the resilience of companies








How does economic growth affect...

Sustainable leadership:

- The limits of growth are already here and exceeded
- **Economic growth without boundaries leads to more damage than benefits**







How is economic growth affected by...


Quality of life:


- Immaterialism could lead to a higher quality of life
- **Less consumption could reduce economic growth**

Public expenditure:

- **No scientifically proven correlation between high public spending and long-term economic growth**
- Stimulating expenditures
- non-stimulating expenditures







How is economic growth affected by...

Labor:

- **Contributes to economic growth but its influence is not always clear**

Agriculture & ecosystem-services:

- High economic dependence on soils as a source of e.g. food, water, etc.
- **Ecosystem-services contribute positively to prosperity and quality of life**






How is economic growth affected by...

Macroeconomic resilience:

- **Trade-off between resilience and efficiency**




Resilience of companies:

- Wide range of capitals is associated to high resilience

Sustainable leadership:

- Focus on increasing prosperity and quality of life







What could contribute to a new model of prosperity?

Quality of life:

- Shared responsibility
- New political conditions
- Companies
- Research
- Consumers
- **Communication**

Public expenditure (I):

- Influential factors towards a sustainable spending practice


What could contribute to a new model of prosperity?

Public expenditure (II):

- **Suggestions: structural reforms, a small and dynamic public management, transparency, etc.**

Labor:

- Debate about the core question economic growth vs. higher quality of life and prosperity
- **Tax reform towards less labor taxes**
- Suggestions: eco-social tax-reform, information about sustainable life-styles, investment in education, research, etc., minimum wages, etc.



What could contribute to a new model of prosperity?

Agriculture & ecosystem-services:

- Suggestions: efficient use of CAP-subsidies (common agricultural policy), analyses about a changing subsidy-policy, reduced surface-consumption, eco-social tax-reform, subsidies for sustainable regions, etc.

Macroeconomic resilience:

- **Crisis precaution**

Resilience of companies:

- Knowledge – acquisition and utilization



What could contribute to a new model of prosperity?

Sustainable leadership:

- **Necessary change in politics and economy**
- Approaches: sustainable activities, increasing efficiency and quality, awareness raising towards responsibilities, innovations for green products and green jobs



What do we learn from it?

Quality of life:

- Less income is not equal to less quality of life
- Mutual support for each other
- **Enhanced focus towards distribution of welfare**

Public expenditures:

- **Need for action is a chance for more sustainability**



What do we learn from it?

Labor:

- Actions towards increasing prosperity and quality of life
- Dialogue with decision-makers

Agriculture and ecosystem-services:

- **Actions in sectors such as regional development**
- Awareness raising in the society



What do we learn from it?

Macroeconomic resilience:

- Economies facing a huge challenge in terms of macroeconomic resilience
- **Economies of the future are going to grow less, different or not at all**

Resilience of companies:

- Consideration of different types of capital is a chance towards a higher resilience



What do we learn from it?

Sustainable leadership:

- **Priority for political decision makers to reach sustainable development goals**







The future

- And: What to do, when the time of growth, as the “great narrative” is over?
We need a positive post-growth vision
- The initiative “growth in transition” will be continued (follow-up activities like events, book, studies)
- Link to Europe 2020-Strategy:
Greening the European Semester - target on resource use;






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Quality of Life

European Sustainable Development Strategy (2006):

focuses on well-being and quality of life

- in times of slow growth, **housing and food, but also neighbourhood and participation** become important
- this triggers demographic factors such as **migration and birth rates**
- **a chance** for local communities!



Work and Human Capital

In times of slow growth

Provide enough good and well-paid jobs

- for those **living in local communities**
- keep **competences and abilities** in the region

Especially young people **value leisure and the quality of their work**

- **a chance** for local communities!



Regional economies

Economic interlacing and share of products traded regionally

- a key factor for success
- Increases the availability, accessibility and diversity of opportunities for creating income

instead of “buy cheap/sell at high price”

- **a chance** for local communities!



Resources: natural capital

Reduce the dependence of expensive and increasingl scarce resources from global markets

- Links local sustainability with global responsibility
- **a chance** for local communities!



Visions and strategies are key

Develop a clear vision where to go

- Coping with uncertainties
- Derive pathways into a sustainable future

- **a chance** for local communities!



Monitoring is crucial

You can't manage what you can't measure

- Economic performance (regional **GDP**)
- Quality of **life**
- **Resource use**

Plus jobs, distribution, innovation, education

- **a chance** for local communities!



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A virtuous circle

Phase 1:
Definition of Problem(s)

Phase 2:
Creation of
Visions

Phase 3:
Assessment, Investigation,
Experimenting

Phase 4:
Learning and
Evaluation

Source: Paul M. Weaver, Billäger and Rotmans (Eds.)
Special Issue on Integrated Sustainability Assessment: Concept, Process and Tools
International Journal of Innovation and Sustainable Development 2008, Vol. 5, No. 1/2 (<http://bit.ly/1pXUSdy>)

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The future

- What to do, when the time of growth, as the “great narrative” is over?
We need a positive vision beyond growth
- The initiative “growth in transition” will be continued (follow-up activities like events, book, studies; conference in spring 2016, a possible COST action)
- Link to Europe 2020-Strategy:
Greening the European Semester - targets on resource use; quality of life and economic performance

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Thank you very much!

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