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

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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
  - higher demand for an intensified food quality

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

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-stiles, 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 increasing 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!
A virtuous circle

Phase 1: Definition of Problem(s)

Phase 4: Learning and Evaluation

Phase 2: Creation of Visions

Phase 3: Assessment, Investigation, Experimenting

Source: Paul M. Weaver, Jill Jäger and Jan Rotmans (Eds.):
Special issue on Integrated Sustainability Assessment: Concept, Process and Tools

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
Thank you very much!

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