

**International Stakeholder Dialogue  
Growth in Transition  
Sustainable Economic and Social Concepts**

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# BACKGROUND PAPER

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## 1 Preface

*"If we haven't specified where we want to go, it is hard to set our compass, to muster enthusiasm, or to measure progress. But vision is not only missing almost entirely from policy discussions; it is missing from our culture. We talk easily and endlessly about our frustrations, doubts, and complaints, but we speak only rarely, and sometimes with embarrassment, about our dreams and values."*

Donella Meadows, "Envisioning a Sustainable World", 1996.

Visions clearly need long-term thinking and clarity about (immaterial) values. If one asks people as individuals and in collectives the majority does neither have clarity about his/her/their values nor individual and collective long-term visions. A majority of decision-makers and policy-makers tends to focus on short-term thinking, because the systems these people are acting (or caught) in are wired that way.

Growth is a way of development. In our cultures the majority of people asked about growth understand that as economic growth, promising jobs, wealth, social security, entertainment, convenience and so on. Media and politics created and sustain this view on growth. On the other hand thinking of or even knowing the notion of sustainable development seems to be of concern only to a minority.

For a majority economic growth is an end in itself without limits and in all future. The obvious fact that infinite economic growth on a finite planet is obviously not possible is suppressed by the "prisoners of the system".

The "vision" of short-term thinking is to continue business as usual forever. To maintain that, increasing efficiency concerning the use of resources and/or yet unknown technological innovations are envisaged. The sister of efficiency, called sufficiency, is almost not part of considerations, because for a majority sufficiency is associated with sacrifice. Simplify your life and step by step get out of consumerism are not yet very popular.

Individual and collective development and growth are closely entangled. This requires new ways of co-operation between individuals, small collectives and decision-makers, between bottom-up and top-down.

The forms of capitals – nature capital, human capital, social capital, man-made capital and financial capital – offer a structure which can unburden a comprehensive long-term view on the complexity of the issue and the questions at hand.

Are there visions and practical solutions for something like sustainable growth, meaning a different kind of growth? And in case, what should grow then?

The primary goal of the economic system is to deliver to people goods and services which they demand and to aim for development toward an increase in individual and collective well-being. So, one might conclude, the main thing that should grow should be individual and collective well-being assisted by a flourishing economy. Is this a utopian dream or can we achieve that?

If we want to move into that direction we need change. Growth in transition is about change.

## 2 Growth in Transition (Wachstum im Wandel)

### 2.1 The Initiative in Austria

The Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (Ministry of Life)<sup>1</sup> in co-operation with SERI - Sustainable Europe Research Institute<sup>2</sup> in the year 2008 started a process dealing with the question, “which kind of growth is compatible with sustainable development?” The Initiative “Growth in Transition” (“Wachstum im Wandel”) constantly tries to involve as many institutions and persons as possible in a dialogue, how we can frame a process of transition towards sustainability.

From the beginning “Growth in Transition” in Austria was aiming at including all kinds of stakeholders, the whole range from innovative and critical toward business as usual to conservative and preserving business as usual. In the meantime “Growth in Transition” besides the Ministry of Life and SERI has 20 other partners actively participating in the process

(<http://www.growthintransition.eu/partners/>):

- Austrian Federal Chancellery
- Federal Ministry of Finance
- Federal Ministry of Labour, Social Affairs and Consumer Protection
- Federal Ministry of Economy, Family and Youth
- Federal Ministry of Science and Research
- State Lower-Austria
- State Styria
- State Vorarlberg
- City of Vienna
- Federal Institute of Agricultural Economics
- Bank Austria, Member of UniCredit
- B.A.U.M. - Austrian Network for Sustainable Leadership
- Austrian Chamber of Agriculture
- OeNB - Central Bank of the Republic of Austria
- Ecosocial Forum Austria
- REWE Group
- schülerInnen.gestalten.wandel (pupils.shape.changes)
- Federal Environment Agency - Austria
- Austrian Federal Economic Chamber
- Vienna University of Economics and Business

More information about the Austrian process can be found in <http://www.wachstumimwandel.at/> and <http://www.growthintransition.eu> respectively. The mission statement of the initiative is:

“Just now – in the light of the current financial and economic crisis and intensive efforts for achieving economic growth – the question emerges which kind of growth we want for the future and which goals are targeted with it.

The project “Growth in Transition” intends to trigger a dialogue among institutions and people about how we can shape this transformation process towards sustainability. It also aims at contributing to

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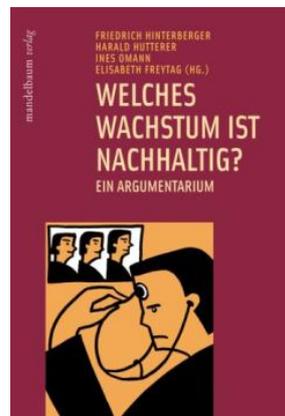
<sup>1</sup> <http://www.lebensministerium.at/en.html>

<sup>2</sup> <http://seri.at/en/>

current EU and international processes and at informing the Austrian public about them (e.g. the EU initiative “[Beyond GDP](#)”).”

## 2.2 The History of Wachstum im Wandel (WiW)

The process started in 2008 with the working out of a compilation of arguments for the question “What kind of growth is sustainable?” – an alternative growth which complies with sustainable development. This compilation of arguments became the core element of the book “Welches Wachstum ist nachhaltig?” which was published in spring 2009. Besides the compilation of arguments contributions of 13 selected experts were collected and form the rest of the book. A short version of the presentation of arguments in English can be found [here](#).



**Figure 1: The first book (in German)**

In 2011 a second book, this time in English, was published (see 2.9). It is not a translation of the first one, but was completely rewritten with international contributors.

The key issues the first book is dealing with are:

- Money and the Financial System
- Growth and resource use
- Social justice and poverty
- Sustainable Production and Consumption
- Regional aspects
- Macroeconomics for Sustainability
- Quality of Life & Measurement of Prosperity
- Work
- Governance
- Sustainable Leadership

These key issues later on were the central topics of two conferences, of other events and of a series of policy papers.

From the beginning of the process finding and inviting partners and networking started and are continuing permanently.

## 2.3 Conferences

Besides permanent networking, conferences and creating policy papers in stakeholder dialogues represent the core elements of the process. Recent developments are described in chapter 2.7 of this paper.

### 2.3.1 First Conference 2010

The first international conference “Growth in Transition” took place at the Auditorium of Science in Vienna at the end of January 2010. Within the framework of the ten thematic issues mentioned above there were key-note speeches, discussions and ten partly parallel sessions. The conference was fully booked attracting more than 500 participants.

For the first conference a discussion paper was published (in English and German):  
[http://www.wachstumimwandel.at/wp-content/uploads/discussion\\_paper\\_GiT.pdf](http://www.wachstumimwandel.at/wp-content/uploads/discussion_paper_GiT.pdf)

[Here](#) details concerning this conference like the video archive, the conference programme, photos of the conference, the list of participants, key note speakers and parallel sessions including presentations given there can be found.

Key note speakers were:

- Paul SCHREYER – Acting Chief Statistician of OECD, France
- Saskia SASSEN – Robert S. Lynd Professor of Sociology, Department of Sociology and Committee on Global Thought, Columbia University, New York, USA
- Ashok KHOSLA – President of the Club of Rome, President of the International Union for Conservation of Nature (IUCN), Chairman Development Alternatives, India
- Elinor OSTROM (via Video) – Indiana University, Bloomington, USA, Nobel Laureate in Economic Sciences 2009 for her analysis of economic governance, especially the commons
- John HONTELEZ – Secretary General, European Environmental Bureau, Belgium; Spring Alliance, Belgium

The two-day conference was preceded by a SciBarCamp on the day before. Around 60 people participated in that pre-event and had presentations and discussions about 19 topics. The Scientific Workshop successfully brought together scientists from all over the world and offered them a platform to discuss the conference topic „Growth in Transition“ for one day at a scientific level and to look at it from different angles.

On the first day of the conference a world café took place, where two main questions were addressed: “What is finite?” and “What shall grow?” The following pictures show tag-clouds created from the results (in German).



The feedback of participants during and after the conference was very positive. Obviously the conference was able to deliver an effective contribution stimulate a wider public debate.

After the first conference a résumé of the state of the initiative at that time was published (in German): [http://www.wachstumimwandel.at/wp-content/uploads/Bisheriges\\_Resumee\\_WiW.pdf](http://www.wachstumimwandel.at/wp-content/uploads/Bisheriges_Resumee_WiW.pdf)

### 2.3.2 Second Conference 2012

The success of the first conference led to the decision to organize a second one two years later.

The second international conference “Growth in Transition” also took place at the Auditorium of Science in Vienna in October 2012. It asked as the main question: “How should we grow?” The number of participants increased to about 600 (an increase of around 90 people).

The participants were invited to ask themselves individually and collectively:

- Do we want things to be the way we arranged them for ourselves?
- What could an alternative development path look like? And how can it become reality?
- What kind of economic and financial system carries us towards this future?
- How can we measure the prosperity and the quality of life that we want?
- How do we deal with limits?
- And how can we shape a social process which delivers answers to the question what a good life beyond quantitative growth looks like?

The second conference had less key note speeches and was more focused on panel discussions and workshops. The key note speakers of this conference were:

- Helena NORBERG-HODGE - Alternative Nobel Prize winner, International Society for Ecology and Culture, Sweden
- Peter SENGE - Management Expert, Senior Lecturer, Leadership and Sustainability, MIT Boston, USA

In this conference the international experts mainly appeared in panel discussions and in workshops.

[Here](#) more details concerning this second conference can be found.

### 2.3.3 Outcomes of the Conferences

A comparison of the areas of society the participants of the conferences came from can be seen in the following table. It is interesting to see that the shares of participants from NGOs and from “citizens/students/pupils” increased. This shows that the second conference reached a broader public audience, which was intended and thus also a success.

Conference participants in %	2010	2012
NGOs, Associations	17,48	20,34
Enterprises/Economy	20,26	15,02
Politics	0,43	0,95
Public Administration / Ministries	33,69	25,67
Citizens / Students / Pupils	2,13	23,00
Science / Research	26,10	15,02

**Table 1: Conference participants, shares in percentages from different areas of society**

There was and is an ongoing discussion about dealing with a broad and global (process-oriented) view or going into depth in specific areas. So far the conferences tried to offer both approaches. The feedback of the participants – depending upon their personal views and interests – showed that both approaches have their individual preferences. This is an ongoing challenge for the process to create a balance of offering both the broad view and going into depth in specific fields in the most conducive manner.

One core feedback of participants of both conferences was that the first one spanned and focused topics, while the second more took care of process, participation and opening of spaces.

For going into depth in specific areas a process of creating policy papers in stakeholder dialogues for the different areas is under way (see chapter 2.8)

An important success of the second conference was the enormous increase of young participants (students and pupils). Many of the “older” ones regarded this as a very important achievement.

A main objective of the conferences (and the process as a whole) is to create and provide spaces for stakeholders to discuss topics, which are delicate or even loaded with potential for conflicts. This shall include stakeholders who “have no voice yet” as well as highly ranking decision-makers who partly face difficulties to scrutinise some of their positions. This needs spaces, where laymen, experts, decision-makers etc. have the freedom to discuss even delicate topics in an open atmosphere and without taboos. The conferences tried to do that with increasing success.

Another very important objective of the process is to build effective bridges to policy-makers and politicians. Usually high-ranking politicians give introductory key-note or welcome-speeches and immediately afterwards leave the event. Especially young participants, who had not experienced this before, did not expect that and criticized this behaviour of politicians.

Growth in Transition wants to look for and create “spaces of tension”, where even confrontations and conflicts are welcome. It is important to foster stakeholder-dialogues in which uncomfortable questions are discussed like: “Where are we already suffering? How is our mental and physical health? What does not run properly? How can we create a culture dealing with mistakes and crises? What shall decrease?”

## 2.4 Dossiers

Stimulated and/or created by the process a number of dossiers was worked out. All except the last one on in the following list are in German. The last one is in English.

1. Dossier „Wirtschaften jenseits von Wachstum“ („Economic Activity Beyond Growth“): January 2010, by Hans Holzinger (Robert-Jungk-Bibliothek für Zukunftsfragen);  
[http://www.wachstumimwandel.at/wp-content/uploads/Wirtschaften-jenseits-Wachstum\\_korrektur\\_2.pdf](http://www.wachstumimwandel.at/wp-content/uploads/Wirtschaften-jenseits-Wachstum_korrektur_2.pdf)
2. Dossier „Zur Zukunft der Arbeit“ („The Future of Work“): July 2010, by Hans Holzinger;  
<http://www.wachstumimwandel.at/wp-content/uploads/zur-zukunft-der-arbeit.pdf>
3. Dossier „Alternative Wirtschafts- und Gesellschaftskonzepte“: October 2012, by Elke Pirgmaier;  
[http://www.wachstumimwandel.at/wp-content/uploads/WiW-Dossier\\_Alternative\\_Wirtschafts\\_und\\_Gesellschaftskonzepte\\_de.pdf](http://www.wachstumimwandel.at/wp-content/uploads/WiW-Dossier_Alternative_Wirtschafts_und_Gesellschaftskonzepte_de.pdf)
4. Dossier „Vom Wachstumsparadigma zur Beziehungskultur“ („From the Paradigm of Growth to a Culture of Connectedness“), Paper for Inspiration by C. Lechner, Oktober 2012;  
[http://www.wachstumimwandel.at/wp-content/uploads/Dossier\\_Vom\\_Wachstumsparadigma\\_zur\\_Beziehungskultur\\_web.pdf](http://www.wachstumimwandel.at/wp-content/uploads/Dossier_Vom_Wachstumsparadigma_zur_Beziehungskultur_web.pdf)
5. Future Dossier “Alternative Economic and Social Concepts”: Oktober 2012, by Elke Pirgmaier  
[http://www.growthintransition.eu/wp-content/uploads/WiW-Dossier\\_Alternative\\_Economic\\_and\\_Social\\_concepts\\_en.pdf](http://www.growthintransition.eu/wp-content/uploads/WiW-Dossier_Alternative_Economic_and_Social_concepts_en.pdf)

## 2.5 Corporate Identity

In early 2009 the initiative created a brand, in German “Wachstum im Wandel” (= “Growth in Transition”) and a logo.



INITIATIVE  
GROWTH<sub>E</sub>  
TRANSITION

**Figure 4: Current logo of Growth in Transition**

Besides that the conferences used additional graphic representations like the following one:



**Figure 5: Conference logo of the conference 2012**

Currently the corporate identity of “Wachstum im Wandel” (= “Growth in Transition”) is in a process of optimization. A working group of members of the process is taking care of that and of improving and intensifying communication of the initiative in general.

## 2.6 Events “under the umbrella” of Growth in Transition

A steadily growing number of events is and is happening under the umbrella of Growth in Transition. This also shows that the network is spreading.

Since the first conference and the publication of its outcomes many events organized by a variety of institutions took place using the brand of the initiative and its logo. In these cases the logo had the wording “AN EVENT IN THE FRAMEWORK OF” on top of the logo.

Some examples:

- Prosperity without growth - a workshop in the framework of “Growth in Transition” with Tim Jackson, 2010
- “Resources – A View of the Whole. Perspectives of Resource Use – National and International”, June 2013, Vienna
- Participation in Forum Alpbach 2010 – 2013 (<http://www.alpbach.org/en/>) e.g. Workshop „Working group 16: Alternative sustainable economic concepts“

## 2.7 Current and Future Activities of Growth in Transition

### 2.7.1 Folder of the initiative

Currently a folder describing the initiative is developed by a communication working group, which also includes people of partner institutions and PR-professionals.

### 2.7.2 Website and Newsletter

The website is currently restructured in co-operation with the communication working group<sup>3</sup>. There shall be a newsletter in a two months interval, starting at the turn of the year 2013/2014.

<sup>3</sup> As this is work in progress right now, some of the links in this paper might not work properly. We apologize for that.

### 2.7.3 WiW-Surveys

Starting in the year 2014 surveys shall be carried out aiming at:

- Raising the awareness of a wider public for the topic.
- Directly address people who deal with questions concerning growth.
- Provide content-oriented input for the activities of the initiative.
- Maintain and expand the existing community.
- Create contents useful for media relations, web, publications etc.

Every two to three months on the one hand the wider public (500 persons) and on the other hand an experts-panel (ca. 1,000 people) shall be asked questions concerning topics relevant to growth and sustainability.

### 2.7.4 WiW-Events

Currently four different formats are planned:

- Brownbag-movies
- Breakfast-conversations with special guests
- Conferences
- Presentations of books

## 2.8 Policy Papers

To go into depth in specific areas an ongoing process of creating policy papers for these topics has been started in 2011 and is still under way. The topics in all cases were titled "Growth and ..." These papers present the results of two stakeholder-dialogues each. Starting with an input paper the outcomes of the two stakeholder dialogues were and are included into the final policy paper. The papers reflect the respective area from a scientific point of view and suggest measures for policies and administration. So far more than one hundred stakeholders and experts have participated in these processes and completed eight policy papers.

In September 2012 there was a public presentation of the eight policy papers completed at that point in time.

These are the policy papers completed so far (all in German). Most of them can be downloaded at <http://wachstumimwandel.at/publikationen/policy-papers/>.

Policy Paper 1: **Growth and Quality of Life:** More quality of life through growth and consumption in transition.

Policy Paper 2: **Growth and National Expenditure:** Which rooms to move have policies of national expenditure in the circumstances of insecure growth forecasts and how can these policies contribute to more sustainability in economy and society?

Policy Paper 3: **Growth and Employment:** Which rooms to move have policies for employment in the circumstances of insecure growth forecasts and how can employment policies contribute to more sustainability in economy and society?

Policy Paper 4: **Growth and Agriculture:** Growth in transition and agriculture as suppliers and users of goods and services of ecosystems.

Policy Paper 5: **Growth and Macroeconomic Resilience:** Resilience in a less, not or differently growing global, European and Austrian economy.

Policy Paper 6: **Growth and Resilience on the Level of Enterprises:** Which structural conditions are needed enabling enterprises to respond to possible crises and weaknesses of the economy in future in terms of sustainability?

Policy Paper 7: **Growth and Leadership:** Sustainable Leadership: Which contributions can the economy deliver for sustainable growth?

Policy Paper 8: **Growth and Energy:** Sustainable energy system - chance for Austria.

Policy paper 9 dealing with “Growth and Distribution” is currently on its way. Further policy papers could be “Growth and the Health System”, “Growth and the Educational System”, “Growth and Environment and Resources”, “Growth and Demography”. These are in planning stages. Further policy papers might follow.

## 2.9 The Second Book

In 2011 a second book – this time in English - was published. It is not a translation of the first one, but a completely new one dealing with the topics at hand. The book includes 20 international contributions of e.g. Herman E. Daly, Tim Jackson, Jo Leinen, Juliet Schor, Yang Cuihong, Erik Assadourian, Gianfranco Bologna, Robin Miége and other highly qualified experts concerning growth and sustainability<sup>4</sup>.

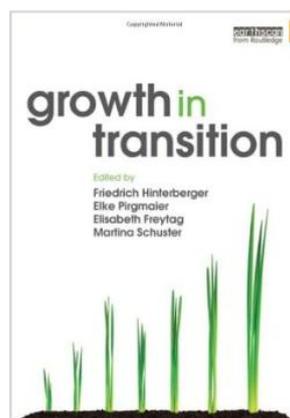


Figure 6: The second book (in English)

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<sup>4</sup> [http://www.amazon.de/Growth-Transition-Friedrich-Hinterberger/dp/1849713960/ref=sr\\_1\\_1\\_bnp\\_1\\_pap?ie=UTF8&qid=1382457640&sr=8-1&keywords=growth+in+transition](http://www.amazon.de/Growth-Transition-Friedrich-Hinterberger/dp/1849713960/ref=sr_1_1_bnp_1_pap?ie=UTF8&qid=1382457640&sr=8-1&keywords=growth+in+transition)

## 2.10 International Networking

**The process is very much alive in Austria and wants to increase international networking with institutions or initiatives dealing with the same issues.**

„Growth in Transition“ wants to inject itself more intensely into the European discourse. In some member states there are already different initiatives, with which Austrian institutions like SERI are already linked up (e.g. denkwert zukunft, the Deutsche Enquete-Kommission). On the level of the EU there are initiatives like “Beyond GDP” with strong content-related overlap concerning the topics at hand. EU-projects like RESPONDER or POLFREE could offer a platform to tie some of the topics worked on internationally and at the same time bring them into the European discourse.

It might also be an objective to encourage institutions in other member states to start similar processes. Maybe it is possible to establish the brand „Growth in Transition“ in such cases too. Finally a network using this brand could come into being.

**Growth in Transition Austria is looking for similar initiatives and wants to investigate effective ways of co-operation. What can we do together, from sharing good practices to increasing impact on decision-making in politics and economy on all levels?**

### 3 Sustainable Economic and Social Concepts

This chapter represents a condensed version of the Future Dossier N° 3 “Alternative Economic and Social Concepts” commissioned by the Austrian Federal Ministry of Agriculture, Forestry, Environment<sup>5</sup> and published in the framework of the “Wachstum im Wandel” (“Growth in Transition”) initiative. This Dossier was compiled by Elke Pirgmaier from SERI, the Sustainable Europe Research Institute, in September 2012. The entire paper can be downloaded [here](#).

#### 3.1 Preface

This Future Dossier provides interested readers with an overview and examples of the alternative economic and social concepts that already exist, to counter any suggestion that alternative visions are lacking. Many of these concepts and ideas for other ways of life and economic forms are either on the drawing board or already being tested in practice. They all demonstrate that other ways do exist. The following paragraphs illustrate how the spectrum of proposed alternatives show more or less utopian features - suggestions range from partial corrections of the current system to the abandonment of the capitalist system as a whole. Thus discussion focuses on themes from the greening of the economy to "post-growth" societies and solidarity and common welfare economies. Although the precursors and advocates of the approaches presented here may differ significantly from one another, all place emphasis on the importance of business figures, activists, researchers, individuals and collective associations all working today for a future that will sustain their descendants.

The material contained in this Dossier aims to provide orientation and inspiration for people to take an active role in this process of social transformation. Growth in Transition invites everyone to join the conversation!

#### 3.2 Summary

This Future Dossier describes various economic and social visions that all pursue one goal: to improve the quality of life and wellbeing of humankind while simultaneously remaining within the limits of the planet's carrying capacity. The following descriptions of alternative economic and social concepts are divided into three groups:

- New forms of economy and society, aiming for growth with new attributes
- New forms of economy and society, focusing on the problematics of growth and aiming to reduce growth dependency
- New forms of economy and society, placing central importance on human wellbeing

The final section of this Dossier provides an overview of new approaches to measuring wellbeing and progress.

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<sup>5</sup> Proprietor and publisher: Federal Ministry for Agriculture, Forestry, Environment and Water Management (Lebensministerium), Section V, General Environmental Policy (Allgemeine Umweltpolitik), Department V/8 – EU Affairs – Environment (Director: Elisabeth Freytag), and Department V/2 – Environmental economics and energy (Director: Martina Schuster), Stubenbastei 5, 1010 Vienna

All opinions expressed in this Future Dossiers are those of the authors and do not necessarily represent those of the Federal Ministry of Agriculture, Forestry, Environment and Water Management.

### **3.3 New Forms of Economy and Society, Focusing on the Problematics of Growth and Aiming to Reduce Growth Dependency**

What happens if Plan A - in other words the decoupling of economic growth and resource use - fails to work? Those who advocate approaches that are critical of growth respond with the argument that high GDP growth rates in the developed economics today are neither possible nor desirable for moral, ecological, social and economic reasons. The precautionary principle makes a debate about how an economy could still function well - or even better - in the absence of growth absolutely necessary.

Critics of growth make the high level of material consumption ("over-consumption") that is required for an economy tailored to growth responsible for a range of social and ecological problems. Growth is no longer seen as a part of the solution for environmental problems and combating poverty, but as part of the problem. Representatives of post-growth, steady state or degrowth concepts call for the abandonment of pointless consumption that is wasteful of resources and promote the advantages of a lifestyle based on sufficiency. Proponents hope that this approach will provide a double dividend: on the one hand, improving the quality of life and human wellbeing through less consumption and reduced working hours, and on the other hand, cushioning negative environmental impacts. Since the dynamics inherent in growth under existing conditions mean that lower consumption leads to huge economic problems, for example unemployment or public debt, growth critics are working to develop alternative models that would allow for a good quality of life even in an economy with little or no growth.

Discussions that are critical of growth are rarely taken seriously by "mainstream" economists, politicians and business people and are often dismissed as academic, intellectual discussions among the green middle classes, seen as neither credible nor able to garner majority support. The post-materialists in their ivory tower are said to be naive for thinking that it is possible to halt or restrict growth and for failing to think through the international consequences of the strategies they put forward adequately or in enough detail. Furthermore, their critics suggest that there is no evidence for stabilising effects of an economy without growth, which would justify social experimentation on such a huge scale. It might lead to an uncontrollable downward spiral, which should be avoided at all costs. Overall, it is seen as too early for a post-growth society. The paradigm shift involved in "beyond growth" concepts is not seen as an option, because the scenarios put forward so far evoke a host of critical questions.

### **3.4 New Forms of Economy and Society, Placing Central Importance on Human Wellbeing**

Central to all these approaches is a return to human values and needs. In line with the motto "the economy is there to serve the people", different paths are explored - often deliberately excluding the market and the state - that can provide benefits to those involved. Profit motives and competition give way to community-oriented economics and cooperation. The multiplicity of different characteristics and forms is broad, because people negotiate in a collective setting to identify a chosen form for their community-based economy. Examples range from cooperatively organised associations to regional direct marketing, complementary currencies, common welfare economies and the South American debate about what constitutes the good life. These approaches are often underpinned by the critical judgement that broad swathes of life have become commercialised and lead to activities

that are devoid of meaning. Alternative economic "islands of resistance" often set themselves in opposition to dominant economic and power structures and/or an assumed failure of political decision makers to take effective action. In contrast, these approaches aim to strengthen community and to consume and produce at mostly local or regional level in the framework of collective action, as well as to enjoy participating in meaningful working cooperation.

### **Criticism of local bottom-up approaches**

As flowery and progressive as these descriptions may be, they nonetheless face criticism. Critics of bottom-up approaches often point out, for example, that such projects often lack structure, which can lead to highly inefficient and impractical economic practices. In addition, advances and transformations are often impossible to measure or compare with one another, something that would help to popularise alternative economic forms on a broad basis. Given this, it is doubtful whether these perspectives can emerge from their respective niches and win a mandate to shape political strategy. The frequently proclaimed local economic cycles are regularly decried as regressive and anti-globalisation tendencies, that by reducing the division of labour and creating a more inefficient economy would lead to goods and services becoming more expensive. As such, they are seen as neither desirable nor capable of winning majority support. In addition, it is claimed that the vision being painted of a happy subsistence economy is an illusion, because only very few local alternative economies can function to fulfil their needs without the involvement of global patterns of supply.

### **3.5 New Forms of Measuring Wellbeing and Progress**

Following the descriptions of alternative economic and social concepts, the final section of this Dossier presents a guide to the current debate concerning how progress and wellbeing can be measured more comprehensively. For a long time, GDP has been used as the primary indicator for wellbeing and for economic and societal progress. Today there is a consensus in scientific, political and civil society spheres that GDP has clear limits as the key indicator for identifying progress in societies. Increasing growth rates no longer necessarily entail an improvement in quality of life. There are many factors that are not reflected in GDP but that play a central role in determining the quality of life, e.g. security, leisure time, income distribution, or an intact environment.

The current measurement debate focuses on questions such as: how do economic growth, prosperity, quality of life and wellbeing hang together? What are the key factors determining quality of life? Is our living situation actually continuing to improve? What are the prospects regarding the potential for creating and maintaining prosperity into the future? Is our prosperity sustainable? How can a long-term perspective be integrated within surveys and consultations? A range of initiatives has addressed these and other similar questions in order to find out how social progress and prosperity can be measured in a more comprehensive fashion than is possible using GDP. The measurement debate has also reached UN circles. The concluding document of the Rio+20 world conference, which took place in June 2012, tackles this discussion in Article 38 and provides the statistical apparatus of the UN with a clear working mandate to participate in the more comprehensive measurement of prosperity and progress.

Table 2 provides an overview of the alternative economic and social concepts that are described in the paper.

	<b>Aim/Vision</b>	<b>Representatives</b>	<b>Perspective</b>	<b>Approach</b>
<b>Green Economy</b>	A green restructuring of the economy, leading to sustainable development	UNEP, OECD	national and international	political
<b>Europe 2020</b>	The EU shall become a smart, sustainable and inclusive economy.	European Commission, European Council	European Union	political
<b>Study Commission on Growth, Wellbeing and Quality of Life</b>	Concrete political recommendations to create higher wellbeing and quality of life in Germany	17 members of German parliament; 17 external experts	Germany in an international context	parliamentary debate
<b>Blue Economy</b>	The innovative use of waste and resources, leading to a flourishing zero emissions economy	Gunter Pauli, Blue Economy Institute, Blue Economy Alliance	international	scientific and business-oriented
<b>Cradle to Cradle</b>	Material closed-loop cycles enable "intelligent waste"	Michael Braungart, William McDonough	international	scientific and business-oriented
<b>Factor X</b>	Higher prosperity derived from less nature, through increase in resource productivity by a factor X	Friedrich Schmidt-Bleek, Ernst Ulrich von Weizsäcker, Factor 10 Institute	at the level of products, services, businesses, national	scientific, business, political
<b>Steady State Economy</b>	Economic development with an optimal physical scale	Herman E. Daly	global	scientific
<b>Degrowth</b>	Economic degrowth for more social justice, ecological sustainability and wellbeing	numerous activists and scientists	local to global	scientific and civil society
<b>Post-growth society</b>	An economy that even without growth can produce higher quality of life within ecological limits	Tim Jackson, Niko Paech, Peter Victor	national	scientific and civil society
<b>Buen Vivir</b>	Development model, leading to the good life	Alberto Costa, Eduardo Gudynas	South America, esp. Ecuador and Bolivia	scientific, political, civil society
<b>Common Welfare Economy</b>	An economy based on common welfare principles	Christian Felber, 500 pioneer companies	national	civil society and business
<b>Solidarity Economy</b>	Multiplicity of basic democracy and needs-oriented economic forms	multiple actors	mostly local	civil society, self-organised
<b>Transition Movement</b>	Cooperatively developed resilient and self-sufficient local communities	Rob Hopkins, Naresh Giangrande, Louise Rooney	local, regional	civil society

**Table 2: Overview sustainable economic and social concepts covered in the paper**

## 3.6 New Forms of Economy and Society, Aiming for Growth with New Attributes

### 3.6.1 Green Growth, Green Economy, Green New Deal – The Way Out of the Crisis is Green

#### Profile

Green restructuring of the economy should lead to a win-win situation: reducing poverty, strengthening economic growth, securing employment and ecological sustainability.

Representatives: UNEP, OECD

Perspective: National and international

Approach: Political

<http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/language/en-US/>

<http://www.oecd.org/greengrowth/towardsgreengrowth.htm>

### 3.6.2 Europe 2020 – The European Growth Strategy

#### Profile

As the European Union's most important political strategy, Europe 2020 aims at becoming a smart, sustainable and inclusive economy.

Representatives: European Commission, European Council

Perspective: European Union

Approach: Political

[http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>

[http://ec.europa.eu/eu2020/pdf/council\\_conclusion\\_17\\_june\\_en.pdf](http://ec.europa.eu/eu2020/pdf/council_conclusion_17_june_en.pdf)

### 3.6.3 Study Commission on Growth, Wellbeing and Quality of Life – The Debate about Social Progress in the German Bundestag

#### Profile

The Study Commission aims to identify ways in which wellbeing and societal progress, according to a modern understanding of the terms, can be secured and implemented in a social market economy.

Representatives: 17 members of the German Parliament and 17 external experts

Perspective: Germany

Approach: Parliamentary debate

<http://www.bundestag.de/bundestag/gremien/enquete/wachstum/>

<http://www.bpb.de/shop/zeitschriften/apuz/139104/wohlstand-ohne-wachstum>

### 3.6.4 The Blue Economy – 100 Innovations Inspired by Nature

#### Profile

The Blue Economy is a business model that – inspired by nature – makes innovative use of resources and waste products, to create 100 million jobs by 2020, to generate additional revenue for businesses and to achieve a zero emission world by 2050.

Representatives: Gunter Pauli, Blue Economy Institute, Blue Economy Alliance

Perspective: International

Approach: International network of businesses, investors and researchers

[http://www.unep.org/pdf/OP\\_Feb/EN/OP-2010-02-EN-ARTICLE7.pdf](http://www.unep.org/pdf/OP_Feb/EN/OP-2010-02-EN-ARTICLE7.pdf)

[http://www.youtube.com/watch?v=OWauj7\\_hyWU](http://www.youtube.com/watch?v=OWauj7_hyWU)

### 3.6.5 Cradle to Cradle – Intelligent Waste

#### Profile

Cradle to Cradle is a business model, in which materials circulate in closed-loop cycles, with their quality either maintained or improved in order to develop and market safe and healthy products.

Representatives: Michael Braungart, William McDonough

Perspective: International

Approach: Scientific and commercial

[http://www.c2cn.eu/sites/default/files/C2C\\_theor\\_framework.pdf](http://www.c2cn.eu/sites/default/files/C2C_theor_framework.pdf)

<http://www.epea.com/en/content/cradle-cradle%C2%AE>

### 3.6.6 Factor X – The absolute reduction of resource consumption by a factor X.

#### Profile

The Factor X concept provides answers to the question of how environmental consumption can be measured and substantially reduced.

Representatives: Friedrich Schmidt-Bleek, Ernst Ulrich von Weizsäcker, Factor 10 Institute

Perspective: At the level of products and services, corporate or national

Approach: Scientific, commercial, political

<http://www.factor10-institute.org/about.html>

### 3.7 New Forms of Economy and Society, Focusing on the Problematics of Growth and Aiming to Reduce Growth Dependency

#### 3.7.1 Steady State Economy – The optimal size of an economy

##### Profile

The Steady State Economy is a vision of an economy that at an optimal level no longer grows in physical terms but instead develops further at the level of sustainable consumption with a stable population. Concrete macro-economic policies are suggested for a transition to and implementation of a Steady State Economy.

Representatives: Herman E. Daly, CASSE – Centre for the Advancement of the Steady State Economy

Perspective: International

Approach: Scientific

<http://steadystate.org/>

<http://www.thesolutionsjournal.com/node/556>

#### 3.7.2 Degrowth – Downsizing as a way out of the crisis

##### Profile

Degrowth means reducing consumption and production as a route towards more social justice, ecological sustainability and wellbeing.

Representatives: Numerous activists and researchers, particularly in France (e.g. Serge Latouche), Spain (e.g. Joan Martinez-Alier, Giorgio Kallis) and Italy

Perspective: Local to global

Approach: Scientific and civil society

<http://www.degrowth.org/>

[http://blogs.worldwatch.org/sustainableprosperity/wp-content/uploads/2012/04/SOW12\\_chap\\_2.pdf](http://blogs.worldwatch.org/sustainableprosperity/wp-content/uploads/2012/04/SOW12_chap_2.pdf)

#### 3.7.3 Post-growth society – The renaissance of growth critique

##### Profile

Post-growth society denotes the vision of an economy that is no longer dependent on economic growth and precisely because of this contributes to a better quality of life and longer-term stability within ecological carrying capacity.

Representatives: Tim Jackson, Niko Paech, Peter Victor, Irmi Seidl, Angelika Zahrnt

Perspective: Developed countries, predominantly in Europe

Approach: Scientific

<http://postgrowth.org/>

<http://blog.postwachstum.de/>

## 3.8 New Forms of Economy and Society, Placing Central Importance upon Human Wellbeing

### 3.8.1 Buen Vivir – Spirit of change in the Andes

#### Profile

The South American concept of the "good life" aims for balance with nature, the reduction of social inequality, an economy based on solidarity and a pluralistic democracy with new opportunities for civil society participation.

Representatives: Alberto Costa (Ecuador) and Eduardo Gudynas (Uruguay)

Perspective: Starting points are Ecuador and Bolivia, with a view to global relevance

Approach: Political, scientific, civil society

[http://www.attac-netzwerk.de/fileadmin/user\\_upload/AGs/Lateinamerika/Buen\\_Vivir/Catherine%20Walsh%20-%20Development%20as%20Buen%20Vivir%20%28english%29.pdf](http://www.attac-netzwerk.de/fileadmin/user_upload/AGs/Lateinamerika/Buen_Vivir/Catherine%20Walsh%20-%20Development%20as%20Buen%20Vivir%20%28english%29.pdf)

<http://www.palgrave-journals.com/development/journal/v54/n4/full/dev201186a.html>

<http://vivirbien.mediavirus.org/>

### 3.8.2 Common Welfare Economy – A growing democratic alternative

#### Profile

The Common Welfare Economy offers a vision of an alternative economic system, built upon values that support common welfare, such as cooperation and solidarity. It aspires to be an open-ended and participatory process of development.

Representatives: Christian Felber, currently approx. [More than] 500 pioneer companies

Perspective: National

Approach: Civil society

<http://www.gemeinwohl-oekonomie.org/en>

[http://en.wikipedia.org/wiki/Economy\\_for\\_the\\_Common\\_Good](http://en.wikipedia.org/wiki/Economy_for_the_Common_Good)

### 3.8.3 The Solidarity Economy – Putting people at the centre

#### Profile

Solidarity economies are often local alternative forms of economic system in which people take economic matters into their own hands with the help of basic democracy and a needs-oriented approach.

Representatives: Numerous actors

Perspective: Local to global

Approach: Predominantly self-organised

<http://www.solidarische-oekonomie.de/>

### 3.8.4 Transition movement – Moving into the post-oil era

#### Profile

The transition movement comprises groups of committed citizens who join together in cities and smaller communities to respond to climate change and Peak Oil by minimising their carbon footprint and increase their resilience to supply deficits triggered by oil shortages.

Representatives: Rob Hopkins, Naresh Giangrande, Louise Rooney

Perspective: Local, regional

Approach: Civil society

<http://www.transitionnetwork.org/>

[http://www.ted.com/talks/rob\\_hopkins\\_transition\\_to\\_a\\_world\\_without\\_oil.html](http://www.ted.com/talks/rob_hopkins_transition_to_a_world_without_oil.html)

### 3.9 New Forms of Measuring Wellbeing and Progress

#### Profile

How do economic growth, prosperity, quality of life and wellbeing fit together? Is our living situation actually continuing to improve? A range of initiatives have addressed these and other similar questions in order to find out how societal progress and prosperity can be measured in a more comprehensive fashion than is possible using GDP.

Representatives: EC, OECD, statistical authorities

Perspective: National, EU, international

Approach: Political and scientific

The following examples show exemplary political initiatives that share a common objective to record and measure prosperity and progress in a more comprehensive fashion and to use this as a basis for policy recommendations.

#### **Beyond GDP**

The aim of this initiative developed by the European Commission is to identify which indicators are best suited to measure progress and how these can be integrated into decision-making processes and public debate.

[http://ec.europa.eu/environment/beyond\\_gdp/index\\_en.html](http://ec.europa.eu/environment/beyond_gdp/index_en.html)

#### **Measuring the Progress of Societies**

The global project entitled “Measuring the Progress of Societies” was launched in 2008 to support the development of economic, social and environmental indicators with the aim of obtaining a more comprehensive picture of social progress. The project is hosted by the OECD and is primarily aimed at supporting the use of indicator sets as the foundation for evidence-based decision making.

[http://www.wikiprogress.org/index.php/Main\\_Page](http://www.wikiprogress.org/index.php/Main_Page)

### **OECD Better Life Initiative**

The Better Life Initiative is the OECD's own contribution to the initiative "Measuring the Progress of Societies".

<http://www.oecdbetterlifeindex.org/>

### **Stiglitz-Sen-Fitoussi Commission**

In 2008, then French President Nicolas Sarkozy set up a high-level Commission on the Measurement of Economic Performance and Social Progress, led by Nobel Prize recipients Joseph Stiglitz and Amartya Sen together with Jean-Paul Fitoussi. In the framework of three working groups, questions regarding classical measurement of GDP, quality of life and sustainability were addressed. The Commission's key result, a report on the current status of research in these three areas of measurement, was presented in September 2009 and 12 policy recommendations were made.

<http://www.stiglitz-sen-fitoussi.fr/en/>

### **Measuring Subjective Wellbeing in Great Britain**

At the end of 2010, the British Prime Minister David Cameron commissioned the Office of National Statistics (ONS) to undertake the measurement of subjective wellbeing in Great Britain. Preliminary results regarding subjective wellbeing analysis were published in July 2012. Eventually, the results over time should show whether people's lives are improving and also contribute to the design of policy measures capable of increasing wellbeing.

<http://www.ons.gov.uk/ons/rel/wellbeing/measuring-subjective-wellbeing-in-the-uk/first-annual-ons-experimental-subjective-well-being-results/index.html>

### **Indicator: an Indicator Set for Social Progress**

Indicator is a joint project of the Finnish Prime Minister's Office together with Statistics Finland. Current data, graphs, tables and analyses relating to approx. 100 indicators for social progress are presented and continually updated in online form.

<http://www.findikaattori.fi/en>

### **Measuring Gross National Happiness in Bhutan**

In 1972, the 4<sup>th</sup> King of Bhutan declared Gross National Happiness (GNH) to be the key consideration for national politics. In 2008, GNH was accorded constitutional status. GNH is a multidimensional concept that not only comprehends subjective wellbeing and happiness but also, for example, concerns regarding fellow human beings and nature. Progress towards a greater level of gross national happiness is measured using the GNH Index.

<http://www.grossnationalhappiness.com/>

## **3.10 Synthesis**

The Italian philosopher Antonio Gramsci once noted: "The crisis consists precisely in the fact that the old is dying and the new cannot be born."

With this in mind, one could characterise the alternatives presented here as building blocks for the transition from an economic system that is beginning to disintegrate as its limits and limitations become ever more apparent, for example in monetary (e.g. the debt crisis) or in environmental policy

(e.g. climate crisis) terms. When the myth that we are able to live beyond our means indefinitely is exposed as such, the question as to what might replace it arises. This is the question to which alternative concepts of economy and society, such as those described here, attempt to provide an answer.

Although experience shows that we as human beings share a tendency to adhere to what is tried and tested, we must recognise that today the potential for failure is also inherent in every familiar step taken. In this sense, we need to roll up our sleeves and join the many courageous actors and creators helping to produce strategies of co-existence and common economic visions for the future. We do not need to wait for a grand plan to emerge. Many small pieces of the puzzle are already in place and are helping to facilitate the transition.

## 4 Remarkable Quotes of Speakers and Participants at the Conference 2012

“What touched me most was the number of participants. There is obviously a certain desire for change.”

*Unknown*

“The change of our economic and social system towards growing quality of life will only happen, if the citizens become visible in society, if people see benefits for their lives and if policy succeeds to advance the [...] framework conditions in step with scientific knowledge.”

*Elisabeth Freytag*

„Growth is not the target, but the result of sustainable change.“

*Elisabeth Freytag*

“If I look into hall and see that this is really such an inter-institutional network, meeting for the second time at an international conference, then this is exactly the interchange that policy needs.”

*Gabriele Heinisch-Hosek*

“Move away from „TINA – there is no alternative“ towards „TAMA – there are many alternatives“.

*Karin Küblböck*

“On this planet there has never been a generation, who needed so much, so much too much for an often deeply unsatisfied life. This should provide ample food for thought. With the highest consumption of resources quality of life is decreasing, so to say.”

*Josef Ober*

"Talking in complex systems' terms, we might be at the take-off point to a new socio-metabolic regime - all of a sudden, things could start moving much faster"

*Marina Fischer Kowalski*

“If we have a different understanding of welfare we will also have a different understanding of growth.”

*Ulrich Brand*

The small units, {...communities on all continents] are the landing sites of Sustainability. This means: for the big concepts we need landing sites so that we do not produce high fliers in these big concepts. It has to come straight to the point and come to life somewhere.

*Günther Humer*

“If mankind does not respect the limits, the economy (thus the society) will "overshoot and collapse" in the long run. [...] The aim is to "soften" as much as possible a hard landing.”

*Georg Rebernig*

„My impression is that Austria could really play a leading role in this debate in Europe. That the ministry has supported this is very very important. It feels like that there is a lot of energy and a lot of intelligence and that you (in Austria) still have a relatively healthy economy which gives you that bit of space to discuss the need to change directions. I am feeling very encouraged and impressed.”

*Helena Norberg-Hodge*

“I could imagine within a few years, a dozen of these conferences occurring around the world. Because I think once it starts, it can keep moving. I will be in China now for the next couple of weeks, and you can be sure that I will talk about this conference in China.”

*Peter Senge*

“A radicalism has to arise. Not a destructive, but a constructive radicalism.”

*Pupil*

„If you slow down you gain a lot of things!“

*Tom Sedlacek*

“The most important thing for me being here is the conviction and the extraordinary courage to organize a conference around these very deep issues.”

*Peter Senge*