

Conference “Charting the Path to Sustainable Economic Development”

European Parliament, March 25, 2025

Summary:

Manuela Ripa opened by emphasizing the conference's focus on sustainable economic development, underlining the importance of prioritizing human well-being and ecological sustainability over traditional GDP growth metrics. She expressed hope that a productive discussion will emerge, enabling participants to explore strategies for shaping an economy that meets present needs while safeguarding the future. She conveyed enthusiasm for the opportunity to engage in inspiring exchanges of ideas that promote a sustainable path forward.

Tim Jackson stressed the importance of understanding ecological economics, which went beyond traditional profit and loss for businesses to encompass public debt and fiscal sustainability for nations. He highlighted the necessity of moving past the conventional growth paradigm, suggesting that we needed new narratives and frameworks that prioritized well-being and sustainability over mere economic expansion. He referenced research illustrating that GDP and growth measures were frequently discussed in media compared to alternative indicators, indicating a persistent belief in growth as a positive force. Tim pointed out that while new economic models were emerging globally, more collaboration and a unified narrative were essential. He advocated for a combined effort to create a sustainable economy that accounted for the ecological limits of our planet. Ultimately, Tim urged for integrated strategies that impacted policymaking and encouraged businesses to align their practices with sustainability goals, emphasizing the urgency of these discussions in light of present global challenges, including climate change.

First panel discussion:

Xiaoting Hou-Jones referenced the concept of donut economics, which advocated for a balanced approach to economic growth that considered both ecological limits and social foundations. The idea was to create an economy that met essential human needs without overshooting environmental boundaries. Xiaoting highlighted the importance of

recognizing various economic roles beyond market and state dynamics, such as households and commons. She argued that many essential services and care work, predominantly performed by women, were undervalued and overlooked in current economic models. She urged a broader view of the economy that considered the interconnectedness of various roles and relationships, advocating for policies that prioritized care and community values. Xiaoting shared examples of cities and municipalities that were successfully applying these ideas to reinvent their local economies in ways that enhanced well-being and sustainability. She stressed that these new economic frameworks and ways of thinking were not just theoretical but were actively being implemented in various contexts, and she encouraged exploration of national examples that illustrated the transition toward a well-being economy.

Victor Cannilla emphasized the importance of moving beyond theoretical discussions and focusing on actionable strategies that individuals and businesses could adopt to achieve sustainable well-being. He encouraged attendees to look into various communities and businesses that had successfully integrated sustainable practices, suggesting that learning from their experiences could provide valuable insights for others. He briefly mentioned his limited speaking time, indicating that he intended to provide concise yet impactful suggestions and reflections on the topic of sustainability and well-being. Victor situated his remarks within the larger conversation about charting a path toward sustainable economic development, reinforcing the notion that collective effort and shared learning were crucial for progress.

Rutger Hoekstra emphasized the necessity of converging on key economic concepts to create a consistent narrative that moves beyond traditional GDP metrics. He highlighted the historical context of national income measurements, indicating a dramatic increase in their use since the mid-20th century. Rutger advocated for a shift in focus from mere economic growth to metrics that encompass well-being and sustainability.

He stressed the need for collaboration in developing new economic models that prioritize inclusive and sustainable practices. Furthermore, he called for a re-evaluation of prevailing narratives that equate GDP growth with overall prosperity, urging the adoption of stronger, more compelling stories that support sustainable development.

Dirk Dembski noted that most companies were primarily designed to enhance the wealth of their investors and shareholders, which often conflicted with sustainability goals. He expressed his personal concern for future generations, particularly his children, underscoring his desire for a better world. His commitment to sustainability stemmed from a genuine wish to improve conditions for future inhabitants of the planet. Dirk discussed how many discussions around sustainability led to a moment of acknowledgment but often failed to translate into lasting action within companies. He called for a shift in perspective, emphasizing the need for industry leaders to engage more proactively in sustainability discussions. He recognized the value of

collaborations between politics, academia, and industry, advocating for a blend of knowledge and practical action in addressing sustainability challenges. Dirk concluded by highlighting the necessity for industry leaders to step up and actively participate in the sustainability conversation, rather than leaving it solely to politicians and academics.

Second Panel Discussion:

In her introduction to the panel discussion, **Sirpa Pietikäinen** addressed several critical points concerning environmental policies and the transition towards sustainable economic practices in the EU. Sirpa highlighted the existence of the Green Deal and the industrial plan, outlining objectives related to the circular economy and energy transition. However, she expressed concern that while these initiatives were well-intentioned, their implementation had been slow and often counterproductive. She pointed out that various actions within the EU were moving in the opposite direction, undermining efforts to simplify and strengthen environmental regulations. This included potential relaxations of existing reporting schemes and discussions regarding emission limits and forestry regulations. Sirpa stressed the importance of aligning investment strategies with sustainability goals. She critiqued the current allocation of capital, suggesting that the real issue lay not in a lack of funds but in misdirected investments that did not prioritize ecological and social benefits. She insisted that the economy must be incentivized towards sustainable practices, arguing that businesses would follow profitable paths if the right incentives were set. Sirpa signaled the need to delve deeper into how to effectively incentivize sustainable practices within the economy, emphasizing that the fundamental principle of adjusting financial incentives to achieve environmental goals was essential.

Benoît Lallemand addressed the fundamental question of how to achieve sustainable prosperity, suggesting that discussions could either take a technical or political approach. He emphasized the importance of incorporating macroeconomic perspectives into the sustainability dialogue, asserting that effective policy must start with scientific evidence and sound economic models. Benoît advocated for the integration of scientific findings into policy decisions as a foundational element for any effective economic framework, noting that the current systems often overlooked essential environmental considerations. He encouraged attendees to engage with detailed analysis and policy recommendations from experts to better understand the intricacies of sustainable finance and public finance. Benoît argued for a systemic transformation in how economies function to balance economic growth with environmental and social equity. He stressed that a paradigm shift was necessary to address the ongoing conflicts between economic activities and ecological integrity.

Hans Stegeman critiqued existing economic frameworks for being inadequate in addressing ecological and social challenges, asserting that they tended to prioritize

short-term profits over long-term sustainability. He emphasized the importance of moving beyond traditional metrics like GDP, which often overlooked essential factors such as environmental health and social well-being. Hans advocated for a broader understanding of progress that included these dimensions. He underscored the need for interdisciplinary collaboration among various stakeholders, including governments, businesses, and civil societies. Hans urged policymakers to take bold actions that promoted sustainable practices and encouraged responsible behavior among consumers and businesses, reinforcing the need for accountability and transparency in economic decision-making. He discussed the significance of developing reliable indicators and metrics that reflected both economic performance and ecological impact, advocating for changes in how success was defined in business and politics.

Sara Livazovic emphasized the importance of embedding sustainability into decision-making processes at all levels of governance, advocating for policies that supported long-term ecological and social objectives. She called for a reevaluation of current economic models that predominantly measured success through traditional metrics like GDP, arguing that these models failed to account for the ecological and social dimensions essential for sustainable development. Sara highlighted the need for cooperation between public and private sectors, as well as civil society, to create a cohesive approach to sustainability. She advocated for building partnerships that could drive meaningful change across various domains. She underlined the importance of ensuring that the transition towards sustainable economies was equitable and inclusive, making sure that all voices were heard and considered in the policymaking process. Sara suggested that there needed to be a cultural shift in how societies valued sustainability, encouraging a mindset that prioritized the long-term health of the planet and communities over short-term economic gains.

Frank Vanaerschot stressed that public funding and loans, particularly from institutions like the European Investment Bank, played a critical role in driving investment for sustainable projects. He emphasized that the government's ability to influence private banking through regulation and public trust was paramount. He underscored the urgency of massive and rapid investments necessary to achieve sustainability goals, reflecting on the current difficult climate and the challenge of public concern about living standards as climate actions were pursued. Frank argued for a democratic approach where taxpayers had a legitimate say in how public funds were allocated, pointing out that the financial power of banks derived from public trust and the government's regulatory framework. He highlighted the expectation that climate action must align with social considerations, ensuring that transitions to green practices did not negatively impact people's livelihoods. This necessitated a careful balance between environmental goals and economic stability. Frank advocated for greater accountability in public financial systems, urging that they be designed to

promote sustainable outcomes and to support investments in initiatives that aligned with ecological sustainability.

Third Panel Discussion:

Janez Potocnik laid out his multifaceted background, indicating his experience as both a former president of the Club of Rome and a member of various scientific and advisory councils in Europe. This established his authority on the topic of sustainability and economic policy. He mentioned that the panel would delve into how the EU was making decisions regarding the interplay between the economy and nature, particularly emphasizing the need for a thorough transformation of existing systems to address environmental challenges. Janez acknowledged that despite previous recommendations for change in 2020, there had been limited progress, highlighting that many negative indicators related to environmental degradation still persisted. He expressed support for the EU's Green Deal but stressed the necessity for stronger follow-up actions and policies to ensure the transformation needed for a sustainable future. Janez emphasized the critical role of engaging with conventional economies and educating the public about sustainability issues, suggesting that without this understanding, achieving environmental goals would be difficult.

Stientje van Veldhoven argued that current economic models often prioritized growth, specifically GDP, as an indicator of success. She pointed out that this approach was flawed and failed to account for ecological limits and well-being. She emphasized that economic constructs, such as our perceptions of money and growth, were social agreements that could be redefined and changed. This perspective highlighted the possibility of shifting towards more sustainable economic models that prioritized well-being. Stientje warned that while we could create money, we could not create more natural resources or a larger planet. She advocated for a sustainable approach to consumption and resource use, stressing the need to balance economic activities with environmental health. She called for educating communities and facilitating dialogue on sustainability, arguing that public discussions were essential for shaping a desirable future. This engagement was crucial for building a collective understanding and commitment to sustainability goals. Stientje concluded with a call to adopt well-being indicators that accurately reflected societal health and environmental sustainability, emphasizing the importance of aligning economic measures with ecological and social realities.

Sandrine Dixson-Declève reflected on the long-standing issue of not valuing what was truly important, quoting Bob Kennedy's 1968 critique regarding the inadequacy of GDP as a measure of societal success. She noted that the conversation around growth and its consequences had evolved since the "Limits to Growth" discussions in the 1970s.

She highlighted the significant disparity in growth, pointing out that CEO salaries had exponentially increased while the benefits of economic growth had not been equitably distributed. This raised the question of "growth for whom?"

Sandrine stressed the importance of understanding who held the power to maintain or change the existing economic systems. She argued that there was a need to build a positive narrative emphasizing well-being and sustainability over profit and power.

She pointed out that while GDP might indicate economic activity, it failed to reflect broader well-being or environmental health. Sandrine emphasized the negative impacts of prioritizing GDP on societal well-being and climate change.

Sandrine underscored the necessity of creating compelling narratives around sustainable practices and well-being, advocating for grassroots movements that could influence governance and policy changes towards a well-being economy.

She encouraged collective efforts to shift away from detrimental economic practices and to embrace systems that prioritized well-being and environmental sustainability, highlighting successful examples where alternative measures were already in use.

Anders Wijkman underscored the necessity of addressing material consumption, particularly in high-income countries, arguing that the relentless increase in demand for natural resources was unsustainable.

He advocated for the continuation and enhancement of the European Green Deal, emphasizing its importance in promoting environmental sustainability. Anders argued that policies should not regress but rather reinforce efforts towards climate action and ecological preservation.

Anders highlighted the critical role of educating the public about sustainability issues and engaging communities in discussions about the future. He believed that grassroots dialogue was essential to foster understanding and commitment to sustainability goals.

He expressed disappointment regarding the lack of proactive involvement from conventional economists in sustainability debates. Wijkman noted that many economic models were "nature blind," failing to account for the role of natural resources and ecosystems in economic planning.

Anders called for significant reforms in economic models to integrate environmental considerations, suggesting that outdated frameworks must evolve to reflect the realities of a crowded and resource-constrained planet.

Lars de Nul emphasized that the mission of the European Union extended beyond merely fostering economic prosperity; it should enhance the overall well-being of its citizens. He advocated for measuring success through well-being indicators rather than just economic growth.

He discussed efforts to establish a sustainable well-being framework within the EU, collaborating with various partners, including the Joint Research Centre (JRC). This framework aimed to integrate well-being and inclusion into policymaking processes.

Lars highlighted the role of research and innovation in moving beyond GDP. He noted that various projects funded by the EU, such as Horizon Europe, were aimed at promoting sustainable and inclusive well-being.

He called for a better balance between economic growth, environmental protection, and social equity, suggesting that a holistic approach was necessary to address the significant challenges society faced.

Lars mentioned specific initiatives being taken at the micro level, indicating that efforts were underway to align industrial advancements, such as Industry 5.0, with sustainable practices.

David Wagner reflected on his early exposure to the concept of "Limits to Growth" during his academic career, emphasizing its significance in shaping his understanding of sustainable development. He indicated that this framework had influenced his perspectives on economic growth and environmental constraints.

He critiqued traditional notions of unbounded economic growth, highlighting the need to critically assess how growth impacted ecological and societal well-being. David acknowledged the historical discussions that had centered on the negative implications of prioritizing growth without considering its limits.

David advocated for integrating environmental considerations into economic models. He urged that the complexities of climate change and ecological degradation necessitated a more interdisciplinary approach to economic policy and theory.

He emphasized the importance of developing new narratives around sustainability that went beyond mere economic metrics. This involved fostering discussions that encompassed ecological health and social welfare as fundamental components of prosperity.

David encouraged active participation in shaping policies that prioritized sustainability and equity. He recognized the critical role of research and academia in framing the discourse around economic sustainability.