

Motion

tabled by the CDU/CSU, SPD, FDP and Alliance 90/The Greens parliamentary groups

Setting up of a Study Commission on “Growth, Wellbeing and Quality of Life – Paths to Sustainable Economic Activity and Social Progress in the Social Market Economy”

The Bundestag is requested to adopt the following motion:

The German Bundestag is setting up a Study Commission on “Growth, Wellbeing and Quality of Life – Paths to Sustainable Economic Activity and Social Progress in the Social Market Economy.”

I. Background

We face major challenges: uncertainties about developments in the economy, the labour market, the financial markets, demographic changes and growing levels of public debt are causing people anxiety, as are the dangers of climate change, the loss of biodiversity, the lack of intergenerational equity and social inequality at both global and national level. All this has triggered a fundamental debate about social prosperity, individual wellbeing and sustainable economic activity. Both in Germany and in other industrialised countries there is a discussion about whether growth of gross domestic product (GDP) alone is an adequate gauge of wellbeing, quality of life and social progress.

As long ago as 1972 the Club of Rome was talking about the limits to growth and decoupling economic growth from resource use. In light of the current challenges of increasing shortages of resources and climate necessities this debate is more topical than ever. At the same time resource efficiency is becoming an increasingly central competitive factor.

Over recent decades German industry has made significant progress in increasing energy and material efficiency. Efficiency gains, however, have in part been offset by increased resource consumption in other areas (rebound effects), partly as a result of cultural factors and individual lifestyle choices. The questions now on the agenda, therefore, include how to boost the material cycles which ensure the ability of natural systems to regenerate themselves and how to achieve the sustainable use of vital natural resources and raw materials with the aim of decoupling growth from resource use.

There is no disputing the fact that GDP does not adequately represent social and ecological aspects. Environmental disasters actually increase GDP on account of costly countermeasures. The international academic community is also at odds over the extent to which, above a certain level, improving economic performance influences people’s life satisfaction. The question is therefore whether growth of GDP can be the most important indicator of a successful economic policy and what possibilities there are of developing an additional, more comprehensive indicator of wellbeing.

The institutions of the social state are hit particularly rapidly and hard by phases of stagnation or recession. Moreover, the effects of demographic change mean that the debts accrued today restrict political and social options in the future. The question that needs to be asked is whether stable development is also possible without growth or with only low growth and how it might be possible to achieve a generationally fair finance policy and to stabilise social security in the long term on the basis of European social state models.

Sustainability demands an economic order in which competitiveness secures jobs and wellbeing and avoids plundering natural resources at the expense of future generations. Sustainable economic development requires close interaction between politics and industry, companies, consumers and the administration without respective responsibilities becoming blurred.

Sustainable economic activity also has a compelling European and, beyond that, international dimension. We face questions about how to achieve a reliable framework of international competition and how long-term wellbeing can be achieved on a global scale through sustainable economic development.

II. Mandate

The German Bundestag charges the Study Commission in particular with examining the following key issues – independent of and in addition to current legislative processes:

1. Importance attached to growth in the economy and society

The Study Commission is tasked with driving forward the programmatic discourse on the prospects for Germany's wellbeing in the coming decades, our understanding of wellbeing and the principles to be applied with respect to meeting economic, social and ecological challenges. Economic efficiency, equitable life chances and the conservation of vital natural resources must all be brought into harmony with each other. Our economic system is geared to growth. Lack of economic growth leads to a series of social and economic challenges. Against this background the Study Commission is called on to

- contribute to the public discourse on the importance of growth to the economy and society and the interaction between growth and sustainable economic development;
- investigate whether and, as appropriate, how the German economic and social state model can respond to ecological, social, demographic and fiscal challenges even with low growth rates and what growth constraints stand in the way;
- examine and evaluate employment policy, social policy and income distribution;
- examine what contribution public services can make to a sustainable economy;

- examine how the principles of a sustainable enterprise culture, oriented to the model of sustainable economic development, can be implemented more effectively than hitherto;
- analyse the link between financial market rules, return-on-investment targets and sustainable economic development;
- examine how the demands of sustainable economic development affect the competitive position of German companies on world markets and what effects sustainable cooperation projects can have in this context.

2. Development of a holistic indicator of wellbeing and progress

In order to establish a suitable means of evaluating political decisions on the basis of economic, ecological and social criteria, there is a need to examine how the factors which influence quality of life and social progress can be adequately taken into account and consolidated in a common indicator. The following aspects in particular need to be examined:

- material standard of living;
- access to and quality of work;
- social distribution of prosperity, social inclusion and cohesion;
- intact environment and availability of limited natural resources;
 - educational opportunities and levels of education;
- health and life expectancy;
- quality of essential public services, social security and political participation;
- people's subjectively experienced quality of life and satisfaction.

On this basis the Study Commission is called on, to the extent possible, to develop a new indicator which retains the elements of objective measurability and comparability and supplements GDP. The Study Commission will identify existing information gaps in this respect and prepare the compilation of statistical expertise in these areas, making use of experiences with existing alternative wellbeing indicators.

3. Growth, resource use and technological progress – possibilities and limits with respect to decoupling

There are limits to material resources and to the resilience of nature and the environment. Nature's assets are finite. Technological progress, moreover, is helping to push out the limits to growth. The Study Commission is therefore tasked with examining whether and how the growth of GDP can be decoupled permanently from the growth in the consumption of resources, environmental capital, biocapital and climate change emissions. In addition the Study Commission will identify future fields of technological progress which have the potential to cut resource use. In this context the Study Commission is called on, *inter alia*, to

- collate the most important empirical data and scenarios on the availability and consumption of resources and the reduction of greenhouse gas emissions on a global scale and prepare them for parliamentary decisions;
- develop strategies to avoid rebound effects;

- work out what ecological guidelines need to be established in terms of decoupling, climate policy and protecting biodiversity;
- examine whether and to what extent growth is driven by and the limits to growth are pushed out by technological progress.

4. Economic governance shaped by sustainability

The Study Commission is called on to examine what regulatory framework is needed in order for the goals of sustainable economic activity to be met within the social market economy. Ideally the regulatory system will ensure that it is in the economic self-interest of businesses and citizens to save resources and practise sustainable development. The Study Commission is to examine how a sustainable system of economic governance

- will place more emphasis on the “polluter-pays” principle, i.e. can refrain from externalising costs, strengthen the liability of responsible parties, take into account risks to sustainability and prepare the economy for future shortages;
- can react to failures of the market or government in the event of undesirable ecological developments and crises on markets;
- can curtail short-term, purely speculative financial transactions;
- can strengthen responsible citizens and consumers who, under suitable conditions, make decisions on the basis of their own intelligence and responsibility;
- can establish the right framework and resource-saving objectives to enable competition to act as a driver of innovation, a cost-cutter and as a process for the invention of new technologies;
- can give a more qualitative dimension to the concept of growth which has so far been understood predominantly in quantitative terms and recognise the advantage it brings to Germany in terms of international competition and in maintaining and increasing wellbeing.

5. The world of work, patterns of consumption and lifestyles

The Study Commission is tasked with examining the influence of the world of work, patterns of consumption and lifestyles on the possibilities of sustainable economic development and developing, as appropriate, recommendations for action to bring about change directed at citizens and consumers who take responsibility for their own actions. To this purpose it will

- examine whether sustainable economic development requires fundamental social changes and changes to individual lifestyles;
- examine how the social threshold for sustainable lifestyles can be lowered and corresponding changes of behaviour encouraged by political and legal conditions;
- identify ways of encouraging sustainable consumer demand which are compatible with democracy and the market;
- analyse the effects of sustainable economic development on the working world and, as appropriate, help to devise a viable definition of work for the future;
- examine how fields of work and work organisation can be shaped to enhance quality of life;
- examine how increasingly diverse job histories can be better taken into account in this process.

III. Development of specific recommendations for political action to create an economically, ecologically and socially sustainable economic system

The Study Commission will use the knowledge gained from this process to develop concrete recommendations for action. It will identify ways of comprehensively and consistently strengthening approaches to sustainable economic development in the social market economy, highlight ways to achieve sustainable wellbeing and social progress and define steps towards sustainable economic development which place more emphasis on reconciling economic, ecological and social goals.

IV. Composition

The Study Commission will comprise seventeen Members of the German Bundestag and seventeen experts. The CDU/CSU parliamentary group will appoint six members, the SPD parliamentary group four, the FDP parliamentary group three, and the Left Party and Alliance 90/The Greens parliamentary groups two members each. A substitute may be nominated for each Member of the German Bundestag. The experts will be nominated by the parliamentary groups by agreement. If no agreement can be established, the parliamentary groups will appoint them on the basis of the above formula.

V. Timetable

The Study Commission is to be constituted without delay. It shall report its working results to the German Bundestag before the end of the electoral term. Its report will be made available in an appropriate form to the general public.

Berlin, 23 November 2010

Volker Kauder, Dr Hans-Peter Friedrich and parliamentary group

Dr Frank-Walter Steinmeier and parliamentary group

Birgit Homburger and parliamentary group

Renate Künast, Jürgen Trittin and parliamentary group

