

Sustainable development within the limits of the environment

Limits of the natural durability.

- Social
- Economics
- Ecology

Key Facts:

Sustainable economics is in development. It develops from the economics and the Sustainable Science (especially. the ecological economics). It is defined from as the “economical theory of the sustainable development under consideration of the transdisciplinary fundamentals”. On the basis of the following core messages, we want to reform the traditional economy:

1. A strong sustainability:

The current development of humanity is unsustainable. Therefore, the Sustainable Economics recognize the importance of a new concept and confesses itself to a strong sustainability position. Hence, the economic system is perceived as a sub-system of nature and natural resources are mainly distinguished to be irreplaceable. The environmental absolute boundaries are recognized. The empirical and theoretical debate is based on the permanent maintenance and not the optimal usage of natural resources.

2. A pluralistic approach, differentiation by the acceptance of individual aspects of the neoclassical environmental economics:

Sustainable Economics committed itself to a methodological pluralism. As a result, we accept some of the acknowledgements from the traditional and environmental economics (e.g. the socio-economical explanation approaches for the overuse of the natural resources and the resulting debate about the necessity of political and legal instruments).

3. Advancement of the traditional economy and the ecological economy for a sustainable economy:

The Sustainable Economics differentiates itself from various statements of the neoclassical economics and proclaims a fundamental reformation of its teaching contents: starting with its basic principles and assumptions, its statements about economic politics and its requests for a global fair world society.

With regard to the environmental economics and environmental politics the following concepts should be inter alia questioned: the consumer sovereignty, the discounting of future costs and returns for environmental safety measures, the arbitrarily substantiality of all resources (including natural resources) and the weak sustainability position. In contrast, the aspect of justice should be taken more into account. The core statements of the Sustainable Economics are based on the findings of sustainable science. In the centre of analysis stands the question: how adequate high economical, socio-cultural and ecological standards can be achieved within the natural capacity, to enforce intra- and intergenerational justice.

4. Controversies of a sustainable economy:

Sustainable Economics is not a static theory. However, it faces the necessity for a further discussion process. Hereby exists a series of controversies, which still has to be professed. A central debate copes with the question: how the ever-present economic growth paradigm can be replaced with a sustainable paradigm because exponential economic growth aligned with the increasing demands of natural resources is impossible and unsustainable over centuries. However, over the medium-term arrangement there are different positions (steady-state approach with a constant GDP versus selective growth theory, which reduces despite economic development the absolute usage of natural resource).

5. A sustainable economy is based on ethical principles and therefore also for demand after personal responsibility and dealing:

Fundamental values of intra- and intergenerational justice and responsibility are the base. In addition, the acceptance of further principles is essential: inter alia the principal of precaution, the principle of the durability and appropriateness plus a participating and soldiery democracy. From those, the necessity of a social discourse and participation process as well as the acceptance of gender specific aspects is deduced. Consequently, the traditional image of the homo oeconomicus, which has been determined through game theory and brain research as unrealistic, has to be critical reflected. It could be replaced or improved by an image, which takes the co-operative potential of humans (homo heterogenus) more into consideration.

6. Inter- and trans disciplinary approach:

Sustainable Economics wants to overcome a simple economic contemplation and aims to analyse economic processes with regard to its socio-ecological context and implication. In this context, a close cooperation with other social science as well as with nature- and engineering sciences are of significant importance.

7. The necessity for change of the framework requirements:

With political and legal instruments the framework should be transformed that for consumers and producers sustainable behaviour is more beneficial than conventional patterns. Inter alia instruments are merit goods and the standard-price-approach.

8. The necessity of the operationalization of the sustainable definition and new measuring systems.

A meaningless of the term sustainability should be prevented through the definition of principles, management rules and measuring systems (to measure the degree of sustainability and life quality). In contrast to the traditional economic theory, which equals the quality of life with economic wealth (measured with the GDP per inhabitant), the Sustainable Economics claims the need for sustainable economic target-and indicator systems.

9. Global responsibility:

As central requirements for sustainable development, inter alia the following aspects are established: implementation of a regulation framework (regulation of financial markets with a capital transfer-/Tobin tax, levies on global environmental goods, socio-ecological minimum standards and much more), decrease of the resource consumption of industrialised countries (about 80-90 % until 2050) and the decline of the population growth in developing countries. Industrialised countries, due to their development stage and capacity, have to take major responsibility for the intragenerational justice, global sustainability and global faire trade relationships.

10.Sustainable (socio-ecological) market-or composite economy:

Advocates of the Sustainable Economics are against a capitalistic market economy as well as a centralized administrative economy. They are persuaded that just a market economic system combined with sustainable legal framework will be future oriented. Subsequently, politics have to intervene to secure sustainable development and to prevent consequences of market failure. Therefore, a sustainable target system and a future alteration of the global economy will be proclaimed. Furthermore, institutional and ownership right changes will be reminded and discussed. Some of the Sustainable Economics representatives claim to strengthen cooperatives, communal companies and corporation law to minimise the growth pressure and the win maximisation principle.

Action fields.

To boost the transformation process from an industry society into a sustainable economy, some exemplary action fields are chosen like sustainable energy, mobility, land-economics, resource protection, product design and usage politics as well as sustainable management. Here the transformation process is triggered with the help of efficiency, consistency and sufficiency strategies. The requisite for reforms of the money- and currency systems will be discussed.

Cooperation focuses

The creation of high economical, ecological and socio-cultural standards in the limits of the natural durability to get the intra- and inter generative world wide justice principle through.

Office and Co-ordination:

Professor Dr. Holger Rogall

Berlin School of Economics and Law
Badensche Str. 50, 10825 Berlin
Tel.: (030) 857 891 84
Mail: rogall@hwr-berlin.de