

WELFARE, WEALTH AND WORK – A NEW GROWTH PATH FOR EUROPE

A European research consortium is working on the analytical foundations for a new socio-ecological growth model



RESULTS OF EXPERT OPINION SURVEY

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This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement No. 290647.

The research questions

- Are WWForEurope-results approved of?
 - sample of experts from different countries/fields of specialisation
- How much is approval/disapproval by experts or decision makers influenced by moral, political, ... worldviews?
 - political orientation, individualistic attitude, occupation, gender, age, ...
 - *Randazzo, Haidt (2015), Heinemann, Osterloh (2013), Kirchgässner (2005), Caplan (2002) ...*



- 3 building blocks
 1. Main challenges for Europe [4 questions]
 2. Trade-offs between and synergies of main goals [5 questions]
 3. Attitudes regarding policy recommendations from the WWForEurope project [10 questions]
- survey conducted between Sept. and Nov. 2015
 - internet based and personal interviews
- 588 questionnaires returned
 - academics from all over Europe (+ USA, ...)
 - Universities (19.7%), Think Tanks (19.6%), Government (22.9%), NGO (4.9%), private companies (11.4%), other/students (15.8%)
 - 57% of respondents are economists



Main challenges (1): Main result

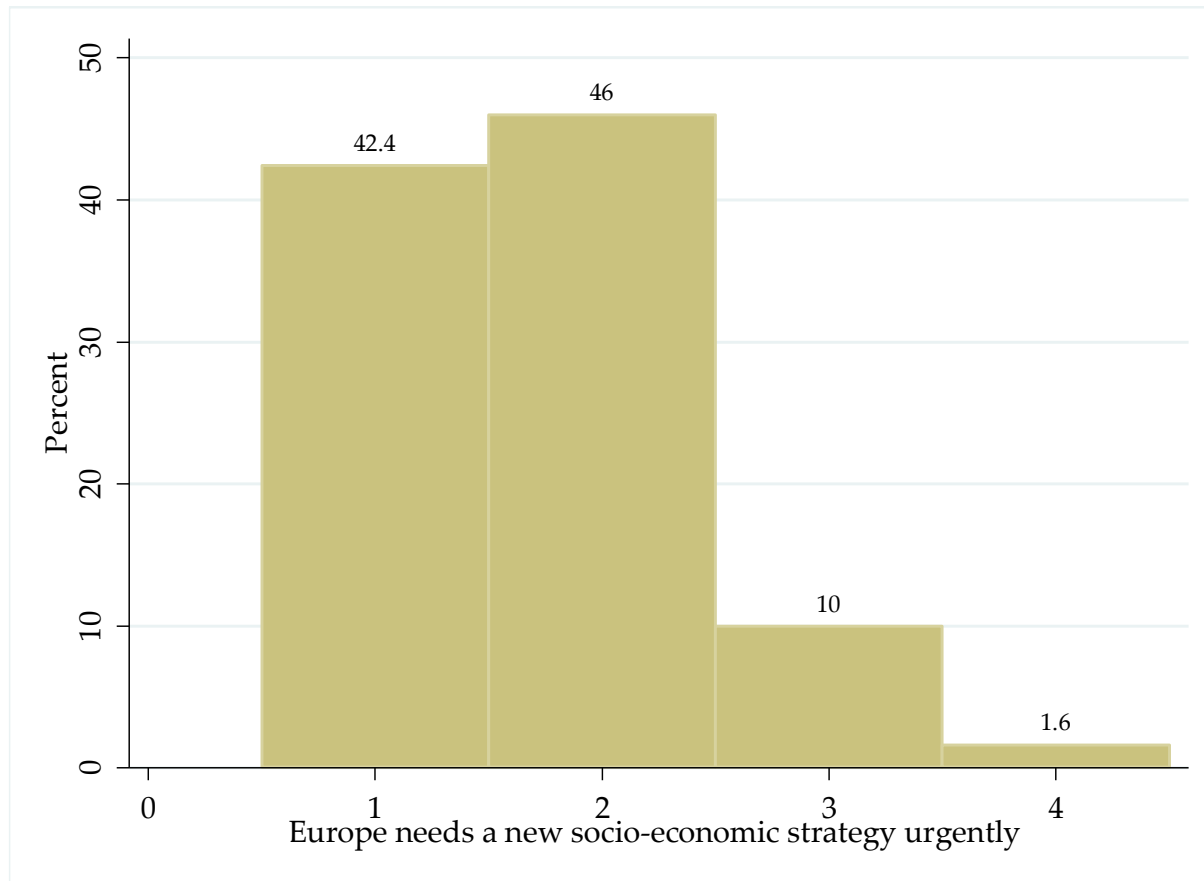
- very high overall support (~90%) that economic and political challenges from
 - reduced growth dynamics
 - social inequalities
 - climate changewarrant a new socio-economic strategy in Europe urgently
- some (minor) worldview differences remain



Main challenges (2)

“Europe needs a new socio-economic strategy urgently”

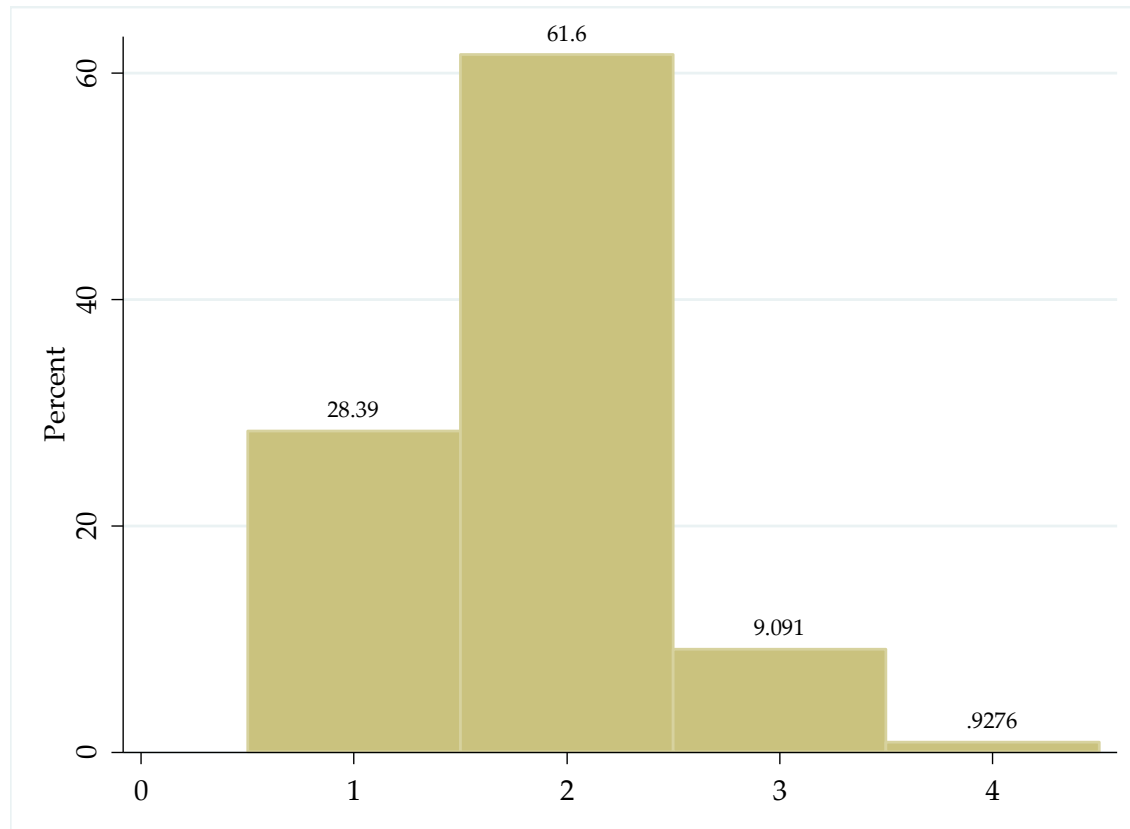
(1-4 Likert scale, 1=strongly agree 2= agree 3=disagree 4= strongly disagree)



Main challenges (3)

“Most industrialized countries will experience low growth rates over the next two decades”

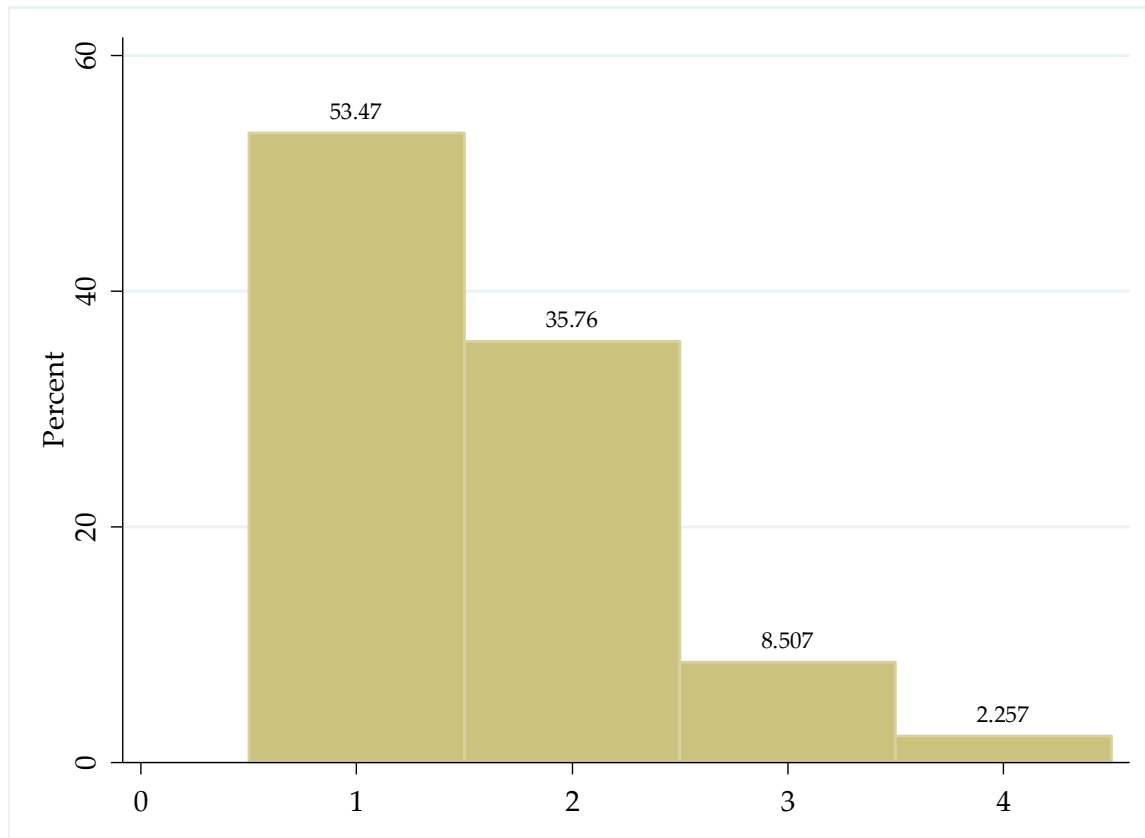
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Main challenges (4)

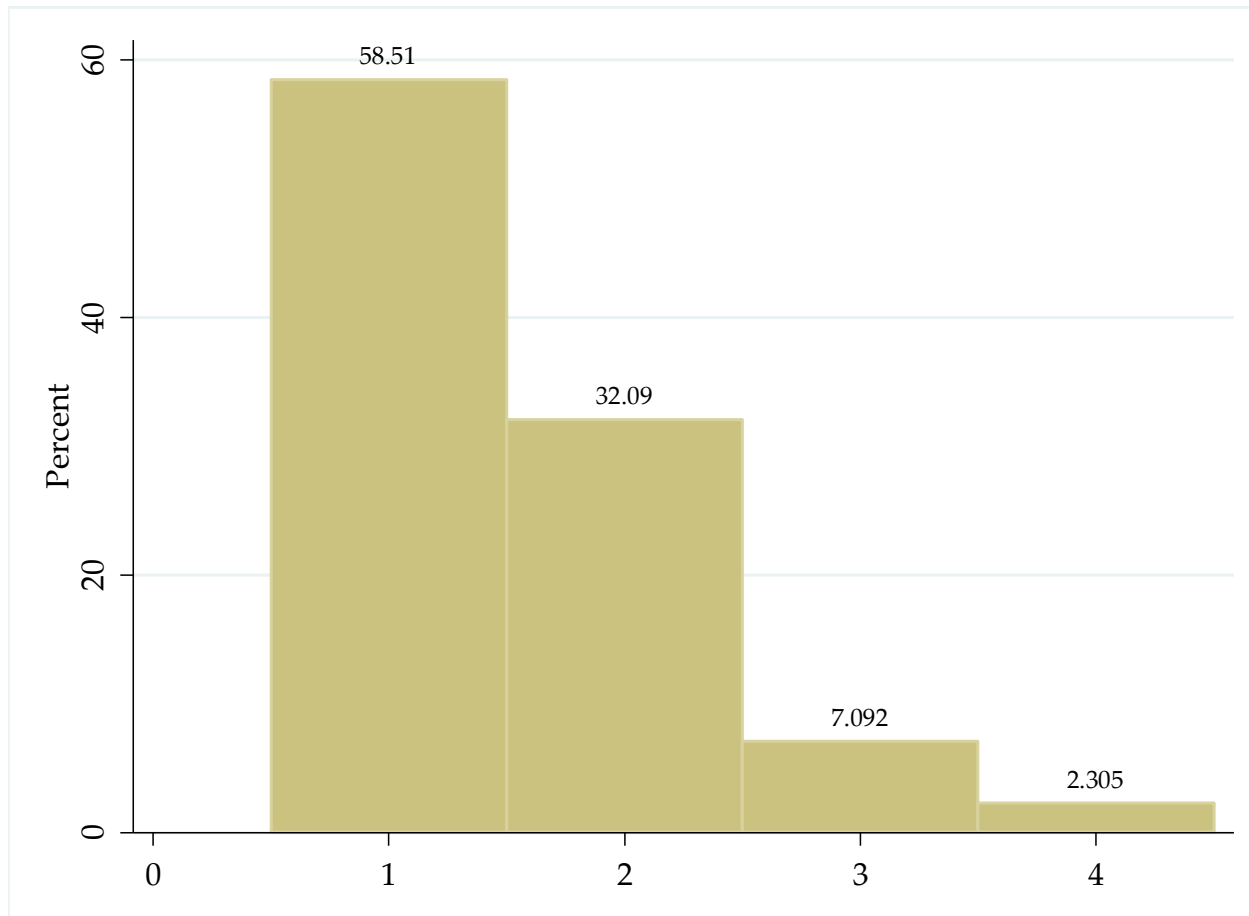
“Social inequalities are a major challenge for European societies”

(1-4 Likert scale, 1=strongly agree 2= agree 3=disagree 4= strongly disagree)



Main challenges (5)

“It is urgent to limit a further rise of global temperature”
(1-4 Likert scale, 1=strongly agree 2= agree 3=disagree 4= strongly disagree)



How does agreement differ between respondents with different world views?

- individualistic attitude vs. non-individualistic attitude
 - left political orientation vs. center-right orientation
 - economists vs. non-economists



Main challenges (6): Micro evidence from Ordered Probit estimates

Main challenge	Individualistic attitude	Political left orientation	Economist	Agreement rate [further remarks]
<i>New socio-economic strategy</i>	0	agree	disagree	88.4%
<i>Lack of growth dynamics</i>	disagree	0	0	90.0% [university, private sector higher agreement]
<i>Social inequalities</i>	disagree	agree	disagree	89.3%
<i>Global temperature rise</i>	0	agree	0	90.6%

agree/disagree: only highly significant results are reported (99% confidence level)



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Trade-offs and synergies (1)

- “Ambitious climate policies are detrimental to economic growth”
- “Climate change is a long-run challenge. In the short run, politics should address short-run growth first.”
- “Economic growth is a prerequisite to reduce both unemployment and social exclusion”
- “Economic policies to reduce social inequalities would boost economic growth in Europe”
- “Economic policy should address social and environmental goals without considering what this means for economic growth”



How does agreement differ
between respondents
with different world views?



Trade-offs and synergies (2): Micro evidence from Ordered Probit estimates

Trade-off/ synergy	Individualistic attitude	Political left orientation	Economist	Agreement rate [further remarks]
<i>Climate policies are detrimental to economic growth</i>	0	0	0	34.8% [no single variable significant!]
<i>Time dimension: Address short- run growth first</i>	agree	disagree	0	26.4% [younger people disagree!]

agree/disagree: only highly significant results are reported (99% confidence level)



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Trade-offs and synergies (3): Micro evidence from Ordered Probit estimates

Trade-off/synergy	Individualistic attitude	Political left orientation	Economist	Agreement rate [further remarks]
<i>Growth required to reduce unemployment and social exclusion</i>	agree	disagree	agree	66.3% [younger people disagree!]
<i>Reducing inequalities would boost growth</i>	(disagree)	agree	0	65.3%
<i>Address social and environmental goals w/o considering its growth effects</i>	0	agree	disagree	33.8%

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Trade-offs and synergies (4): Main results

- less consensus, world views matter!
 - not really surprising, we asked for trade-offs!
- strong majority of respondents believe that (some sort of) economic growth is necessary to deal with social exclusion problems
 - synergies with respect to reducing social inequalities and climate policies
- Going for growth not a single dominating goal: economic policy should focus (also) on objectives like employment, distribution and climate change
 - but not regardless of what this implies for GDP growth
 - 1/3 of respondents proponents of an “A-growth”-strategy



Policy recommendations (1)

- assessment of 6 out of 10 policy recommendations derived from the project with agreement rate > 80%
 - “The EU should be a front runner in energy efficiency and renewables” (95.8%)
 - “Governments should limit financial speculation and tax fraud more effectively” (93.5%)
 - “Subsidies for fossil energy should be eliminated quickly” (89.1%)
 - “Taxes in Europe should be shifted from labour to energy and resource use and consumption of public bads” (87.7%)
 - “Europe needs a skill-oriented immigration policy” (80.7%)
 - “Social policy should rather focus on providing equal opportunities than on ex-post redistribution” (80.5%)



Policy recommendations (2)

- assessment of 4 policy recommendations more controversial
 - “Economic policies should give lower priority on increasing labour productivity and higher emphasis on social innovations” (57.8%)
 - “Restarting growth in Europe requires deregulation of product and labour markets and entrepreneurship liberalisation” (57,0%)
 - “Europe needs more centralised economic governance” (52.5%)
 - “A reduction of (daily, weekly) individual working hours is needed to reduce unemployment” (41.8%)



Policy recommendations (3)

Micro evidence from Ordered Probit estimates

Policy recommendation	Individualistic attitude	Political left orientation	Economist	Agreement rate [further remarks]
<i>Front runner energy efficiency</i>	0	agree	0	95.8% [younger people support]
<i>Financial speculation & tax fraud</i>	disagree	agree	disagree	93.5%
<i>Eliminate fossil fuel subsidies</i>	0	0	0	89.1%
<i>Tax shift from labour to eco-taxes</i>	0	0	0	87.7%
<i>Skill-oriented immigration</i>	agree	(disagree)	0	80.9% [strong support private companies]

Policy recommendations (4)

Micro evidence from Ordered Probit estimates

Policy re-commendation	Individualistic attitude	Political left orientation	Economist	Agreement rate
<i>Opportunities rather than redistribution</i>	agree	0	0	80.5% [female support]
<i>Social innovation instead of labour productivity</i>	0	agree	disagree	57.8%
<i>Product and labour market liberalisation</i>	agree	disagree	agree	57.0% [private company support]
<i>Centralised EU governance</i>	0	0	0	52.5% [university and government disagree]
<i>Working hours reduction</i>	disagree	agree	disagree	41.8% [older respondents disagree]

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Policy recommendations (5): Main results

- Uncontroversial recommendations: Only weak ideological differences
 - almost consensus of economists and non-economists
 - even if they are of ‘different couleur’
- Controversial policy recommendations
 - often caused by different worldviews
 - opinions on future governance structure for Europe are not divided along ‘the usual suspect cleavages’



Thank you for your attention!

