



Press release

On the current economic crisis and government policies

Berlin, 08 December 2008 - In reaction to the current debate on government stimulus measures, the Chairman of the German Council for Sustainable Development, Dr. Volker Hauff, has made the following comments:

"The current economic crisis stems from the fact that the principles of sustainability were ignored. This is clearly shown by recent developments on the financial markets and in the automotive industry. As a result, right now our economy needs a political roadmap toward sustainable development. We need to ensure that accountability on the capital and money markets is oriented toward a culture of sustainability. Now that political opinion is focused on forging a new, global financial system, the time is ripe to reflect increasingly on how we will run the economy in the future. Hectic, symbolic political gestures are nonsense.

The economic crisis is also a crisis in the minds of those who rely on concepts based on antiquated economic standards from yesteryear, which are all obsolete today.

We must finally admit: Sustainability is not driving the crisis, but is actually part of the solution to the economic recession. This is being demonstrated by modern German companies. For example, Osram, Bosch, Henkel, BASF and tegut are showing us that it is possible to earn money with sustainability – and to sustainably earn money. But the companies that have come to this realization are in the minority. Politicians must learn from these examples and change the framework conditions for the economy. I recommend that German government helps transform successful individual cases into a “made in Germany” trademark. Concretely, this is about long-term approaches and accountability, about an innovative infrastructure, efficient use of resources, new sources of energy and social sustainability.

The American automobile industry created its own crisis because it ignored the trend toward sustainability. It is not a victim of the financial crisis. There is no other explanation for why the large car makers in Detroit are on the brink of ruin, while there is general agreement that environmentally-friendly cars fuel growth.

There are no magic formulas in this economic crisis, but we have seen many courses of action that are patently wrong. In addition to an ambitious and big environmental package, a sustainable economic policy must include a social component tailored to the needs of low-income individuals. An across-the-board tax cut or even sprinkling consumer checks across the country would not be a good idea."

The Council

The German Council for Sustainable Development makes proposals and submits recommendations for the sustainability strategy and policies of the German government. Dr. Volker Hauff is the Chairman and Prof. Dr. Klaus Töpfer is the Deputy Chairman of the Council. In May, 2007, German Chancellor Angela Merkel newly appointed them and 11 other Council members from various areas of society. Additional information: www.nachhaltigkeitsrat.de.

Sustainability

Sustainable development means giving equal weight to environmental goals alongside economic and social objectives. Sustainable business concepts mean that future generations are left with an intact economic, environmental and social setting.

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