

Summer School

Alternative Economic and Monetary Systems

The economy of the future

Vienna, August 4-16, 2014





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INTRODUCTION

Thirty-one students joined the first installment of the Summer School *Alternative Economic and Monetary Systems* – a new academic program that offers a (sadly) still unusual approach to economic sciences by considering natural boundaries and the human factor to be equal parts of the equation. The program is subtitled *The economy of the future*, this being a rather obvious hint regarding the intention of the organizers: To help solve some of societies' problems by presenting viable alternatives to a number of processes and developments that are currently putting enormous strains on economic, ecologic and social boundaries.

AEMS was created to enable critical thinking, to discuss ideas, to deconstruct concepts, and to move beyond certain limitations

of higher education – namely the prevailing lack of exchange between scientific disciplines. This is what we aimed for, and we'd like to thank all students, teachers and the whole team for making AEMS 2014 the success it has become. We all shared an unforgettable experience and, hopefully, made a lasting impact in each other's lives. AEMS will be back in 2015!

Best wishes,

- Günther Jedliczka (OeAD-Housing Office)
- Katharina Kronsteiner (ECG)
- Helga Kromp-Kolb (BOKU)
- Lisa Bohunovsky (BOKU)
- Ulrich Hoffrage (ECG)
- Volker Jäger (ECG)

Steering Committee AEMS



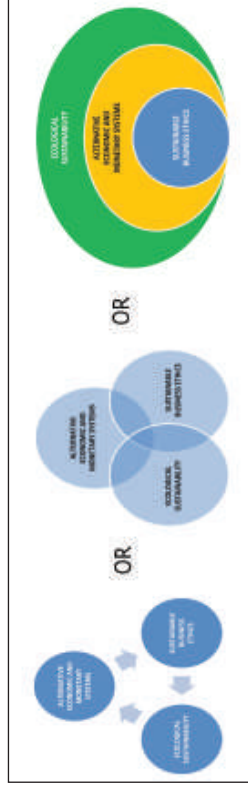
THE LEAD-UP

The Summer School was born out of chance: A conversation between the CEO of the *OeAD-Housing Office* and representatives of the *Economy for the Common Good* (ECG) about the current socioeconomic climate revealed a shared interest - a level-headed discussion of economic and monetary alternatives with consideration for the availability of resources and the effects of social inequality. A combined effort would allow for the organization of such an event in the academic context of a Summer School, while being open to students of all fields, using an interdisciplinary approach and, for added accessibility, be completely in English. The title of the new Summer School was determined to be *Alternative Economic and Monetary Systems - The economy of the future*.

Vienna seemed to be the natural choice as the location for such an event, being one of the largest centers of education in central Europe as well as the capital of energy efficient building. By the end of 2013, talks

with several possible partners had materialized into an academic concept, a program structure and a number of partnerships: The *University of Natural Resources and Life Sciences Vienna* had joined the project as well as the *Vienna University of Technology* and the *Burgenland University of Applied Sciences*. Substantial support came from the *Federal Ministry of Agriculture, Forestry, Environment and Water Management* and the *Ministry of Science, Research and Economy*, the initiative *Growth in Transition*, the *Commissioner of the City of Vienna for Science and Research* and the *Vienna Municipal Department for Cultural Affairs* (MA 7).

After eleven months of intense preparations, the first instalment of AEMS began officially on August 4, 2014 with the lecture *Limitations of current human resource use, planetary boundaries and climate change* by Professor Helga Kromp-Kolb, head of the Center for Global Change and Sustainability at BOKU Vienna.



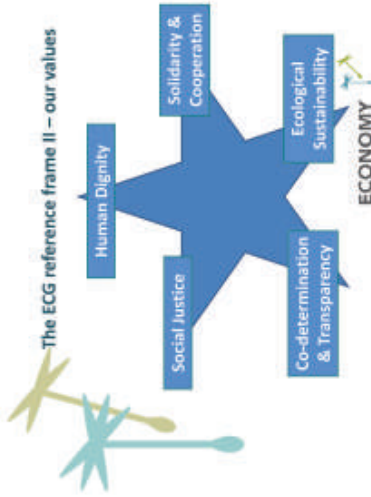
ALTERNATIVE ECONOMIC AND MONETARY SYSTEMS

Between 1970 and 2007, the world saw 425 systemic economic crises, among them 145 sector-wide banking crises. The main intention behind the creation of the Summer School was to use a positive approach to the field of economic alternatives, asking if this apparently inherent instability might be reduced or avoided, and show students the chances of reform.

A great amount of possible approaches to economic reform has been proposed over the years, showing that there is high demand for a new economic system, but making a presentation of all ideas impossible. However, a number of current and promising concepts were selected to be presented to the students, ranging all the way up to a fundamental reform of global structures

and institutions. Concepts include the creation of a new banking system, a re-definition of the aim of economic activity towards international solidarity and cooperation, tax reform, a change in consumer culture and the reduction of resource consumption, and the reform of financial markets.

Money is closely connected to the inner workings of the economic system, making an emphasis on monetary reform a natural choice. With this in mind, a number of lecturers focused on the topic of monetary reform, among them Bernard Lietaer and Joseph Huber - the former being an advocate of monetary diversity (a system of competing currencies), the latter being one of the most notable proponents for the transition from bank money to sovereign money.



Tax burden in Austria

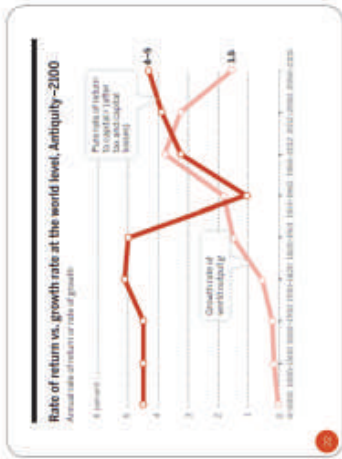
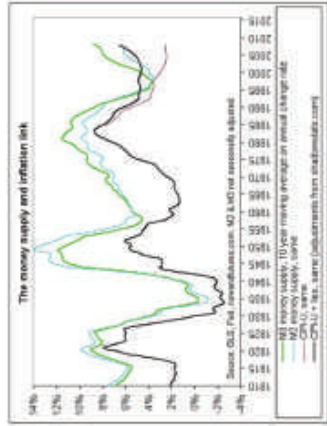
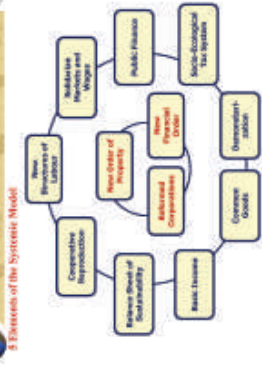


burden for the rich is not higher than for the poor

DenkwerkZUKUNFT



Lebensstile Zins und Währung - Analysis seit 1990 was by





CLIMATE AND RESOURCES

The global population has shown a sharp increase during the last century, growing from around 1 billion in 1800 to 2 billion in 1927 and reaching 7 billion in 2011, with an increasing number living in urban areas.

The strongest growth occurs in Asia and Africa, amplifying the already existing demands for higher consumption due to rising living standards. In Europe, the development has been that of a stagnating, but ageing demographic, which influences the labour force and leads to changing patterns in consumption of goods and services and changing demands regarding infrastructure as well as health and social services.

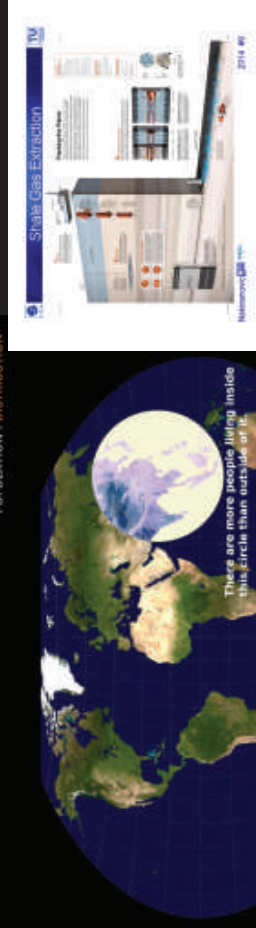
The rise in population numbers and living standards creates a sharp increase in resource consumption on a global level. Water and energy are the most prominent topics (3.5 million people die each year due to the lack of drinking water, let alone the problems posed by water demands for food and energy production), but there is also

an increased loss of agricultural land, with 30-50% of land surface already having been transformed by humans, and a growing problem of land and water grabbing in developing countries.

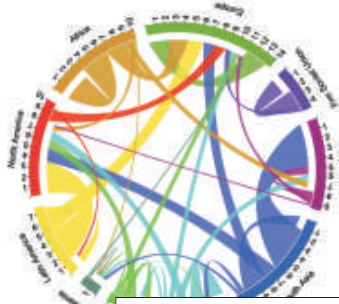
A re-invention of the concept of allocative efficiency and criticism of the practice of externalization, especially with regard to public goods, is at the center of a number of proposals for economic reform. Cultural approaches demand a shift in consumer behaviour; other ideas focus on intensification vs. intensification of agricultural production, the creation of food networks and community projects and the chances offered by the development of new technologies.

Monetary reform can also play a crucial role: Projects like the *Curitiba*, a Brazilian complementary currency, as well as other non-profit community currencies stabilize purchasing power, foster the community and promote regional cycles and a resource-efficient close-to-nature economy.

POPULATION : DISTRIBUTION

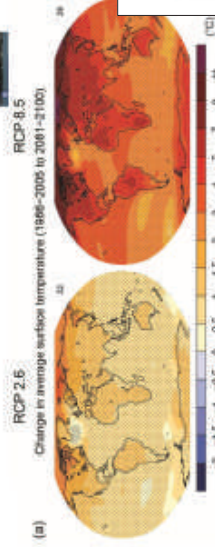


VISUALISING : MIGRATION FLOWS



Circular migration plot for world regions, 2005-10

Global Mean Surface Temperature

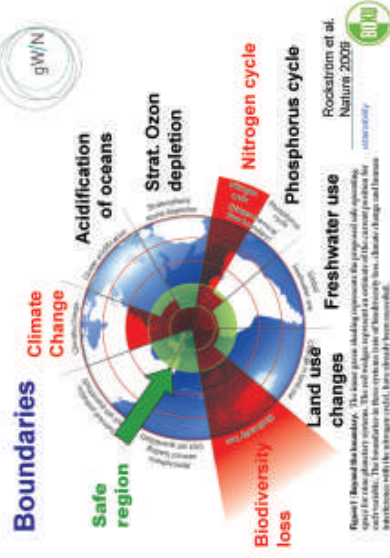
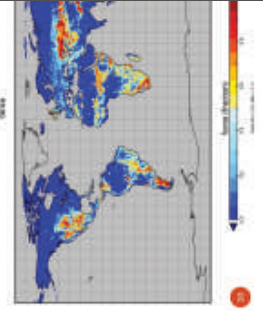


Source: IPCC WGII, 2013

2014 #3



Geographical extension of grassland (global) - 2007



Rockström et al. Nature 2009



THE HUMAN FACTOR

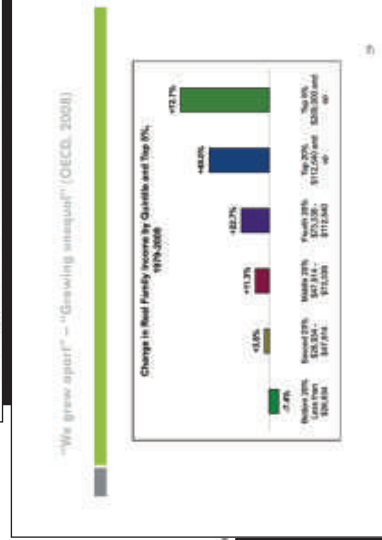
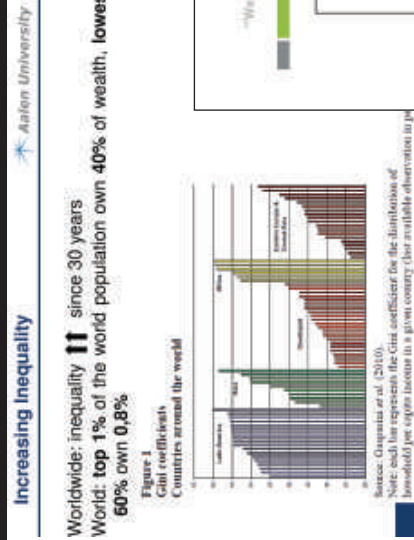
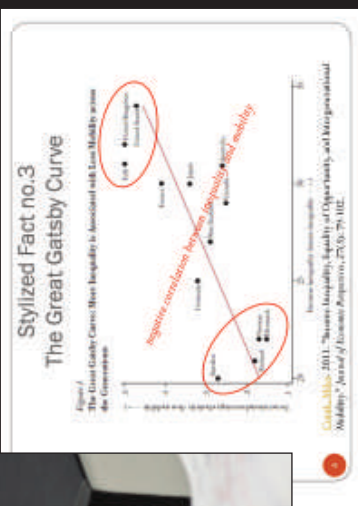
The last decades brought about an intensification of cross-border business activities. The subsequent worldwide competition for investment influences labour standards and increases instabilities in the labour market; this concerns wages and working time as well as job security itself. Occupational psychology increasingly focuses on work-related diseases, caused by strain and stress, fatigue and monotony.

At the same time, some patterns are shifting: The 500 biggest enterprises control 52% of the global GDP, but employ only 1,8% of the global workforce. Income and wealth inequalities have been (and still are) growing in nearly all OECD countries during the last four years. Historic evidence shows that inequality fuels economic instability and creates imbalances in political influence and control, giving players with economic power inflated bargaining strength - and lowering intergenerational mobility.

A number of reform proposals focus on social aspects that are influenced by the economy, with

some of them criticizing that the monetary valuation of all goods creates a loss of information by collapsing all sorts of different values down to one single dimension, namely an assigned monetary value - which in turn is unsuitable to depict nuances. Approaches like the Economy for the Common Good and the Solidarity Economy seek a re-valorization of other aspects than the monetary valuation, emphasizing human dignity, social justice, solidarity and cooperation, co-determination, transparency and ecological sustainability.

At the same time, a fundamental question is that of how and why bad decisions happen, especially the notion of *good* people doing *evil* things, sometimes even without realizing that what they do has a harmful effect to others or to society as a whole. One possible answer lies in the concept of Ethical Blindness: It describes the unconscious, context-bound and temporary deviation from someone's own values and principles while making a decision.





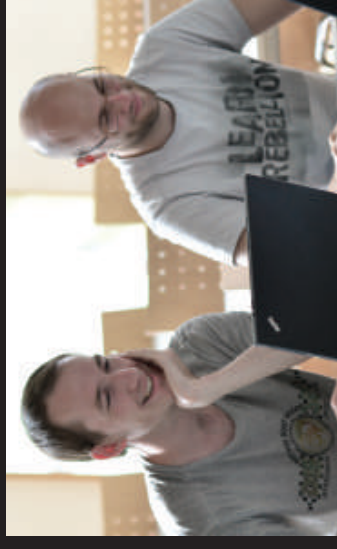
GROUP PROJECTS

In order to complete the Summer School, students were required to attend classes, pay attention during lectures and participate actively in exercises. The activities also included the participation in a group exercise: Between three and seven students with different disciplinary backgrounds formed a total of seven groups. With the support of assigned tutors, each group had to prepare a research question based on an economic, social, environmental or practical problem related to the contents of the Summer School. Group work included a short presentation of the selected problem, the proposition of at least two possible solutions to the defined issue (covering economical, ecological and ethical aspects) with reference to lecturers and literature, and the creation and presentation of a poster (size A1).

The results were presented on the last day of the Summer School. One group chose a different approach to the exercise and used

a method of open discussion to explore their own and each others ideas and expectations regarding possible agents of change. The other groups worked on the following topics:

- *How can we challenge people to think about alternative economics?*
- *What alternative financial/monetary systems are available and what are their implications - not just for the economy, but also for the field of energy?*
- *How can companies be lead towards the diversification of goals (away from profit maximization as ultimate goal), given the current social and ecological changes?*
- *Food security management as the base of global development.*
- *How can the Economy for the Common Good be implemented?*
- *How can a company improve its economic, social and environmental profile in a sustainable way?*



THE PUBLIC PANELS

Part of the intention behind the creation of the Summer School was to increase the dissemination of content-related scientific data. In order to reach a wider audience, a total of three public panel discussions were organized in addition to the regular program, with most panellists also being lecturers during the Summer School. The Federal Ministry of Science, Research and Economy generously provided facilities at the historical *Palais Harrach* in the first district of Vienna.

The first event was held on the evening of August 7, titled *Die Möglichkeiten und Grenzen der Verantwortung von Unternehmen. Uner gesetzlich verankerte Arbeitsstandards und Corporate Social Responsibility* (this was the only event to be conducted in German). About forty spectators saw *Günther Jedliczka*, CEO of the OeAD-Housing Office, and *Alexander Redlmeir*, Professor at the Vienna University of Technology, discuss the effects of CSR and workplace strategies in practice. The event

was presented by *Lisa Bohunovsky* (BOKU Vienna).

The second event took place on the evening of August 11: *Natural resources - our future. The management of resources and the outlook on alternative approaches in economy and society*. An audience of about 90 people attended the discussion between *Helga Kromp-Kolb* (BOKU Vienna), *Karl Kienzl* (deputy chairman at the Austrian Federal Environmental Agency) and *Kevin Comptoi* (Global 2000). The discussion was presented by *Ulrich Hoffrage* (University of Lausanne).

The last event took place on August 15: *The future of money*. *Bernard Liether* (University of Leuven and author of *Money and Sustainability - the Missing Link*), *Joseph Huber* (Martin Luther University of Halle and one of the most influential authors on the topic of monetary reform) and *Helge Peukert* (University of Erfurt) spoke with *Harald Bender* (Academy on Solidarity Economy) in a full venue.









OUR GRATITUDE

We'd like to thank all partners and sponsors who made this event possible.

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mann, Heinz Hafner, Anja Haider-Wallner, Gisela Heindl, Udo Herrmannstorfer, Ulrich Hoffrage, Joseph Huber, Manfred Kofranek, Christian Kreiß, Helga Kromp-Kolb, Katharina Kronsteiner, Friedrich Leitgeb, Bernard Lietar, Doris Lutz, Lisa Muhr, Nebojsa Nakicenovic, Helge Peukert, Elke Pirgmaier, Alexander Redlein, Franz Ryznar, Ulrich Thielemann, Karsten Schulz, Veronika Spielbichler, Peter Weish.

AEMS will be back in July of 2015.





Universität für Bodenkultur Wien
University of Natural Resources
and Life Sciences, Vienna



ECONOMY 
FOR THE COMMON GOOD
An economic model for the future



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We'd like to thank all sponsors and media partners:



AEMS 2014 Steering Committee: Günther Jedliczka, Katharina Kronsteiner, Helga-Kromp-Kolb, Lisa Bohunovsky, Ulrich Hoffrage, Volker Jäger. **AEMS 2014 Organizational Team:** Werner Fulterer, Moritz Töllner. Assistents: Martha Ecker, Leila Schuh, Nikola Wochele.

AEMS will be back in 2015.
Find us online at www.summer-university.net!

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