

SUMMER SCHOOL

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# ALTERNATIVE ECONOMIC AND MONETARY SYSTEMS

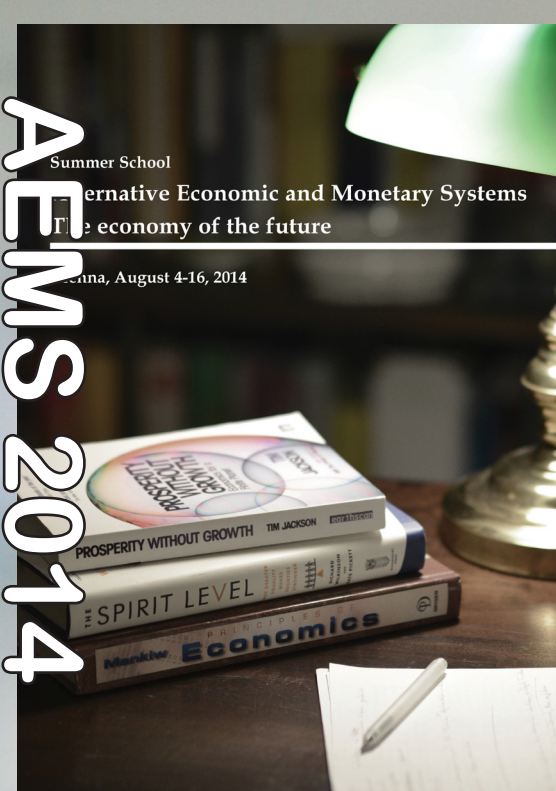
THE ECONOMY OF THE FUTURE

VIENNA, JULY 15-31, 2015

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## 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 University of Applied Sciences Vienna had joined the project as well as the Vienna University of Technology and the Burgundian 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 75). After eleven months of intense preparation, the first installment 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.



## THE PUBLIC PANELS

Part of the intention behind the creation of the Summer School was to increase the dissemination of content-related scientific data. 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 Gerni (deputy chairman at the Austrian Federal Environmental Agency) and Karen Compté (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 Lietaer (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 Prokert (University of Erfurt) spoke with Harald Bender (Academy on Solidarity Economy) in a full venue.



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# INTRODUCTION

*The fact that an opinion has been widely held is no evidence whatever that it is not utterly absurd.*  
Bertrand Russell

**2015 SAW** the second installment of AEMS, the new Viennese Summer School that offers a deep insight into our options for future economic development. 34 students from 20 nations joined the program this year to hear more about economic alternatives, planetary boundaries, technological remedies and limits posed by demographic growth and human nature.

**WHY AEMS?** Bernard Lietaer shows that the global economy experienced 425 systemic crises between 1970 and 2007; 145 were sector-wide banking crises. Does this mean that the economy is naturally inherently unstable and prone to crashes? Well, no. Research indicates that a number of identifiable factors create and amplify instability, and countless proposals for economic reform have been made over the years. Yet, actual regulations made during the last decades have mostly been of the deregulatory

kind or were short-termed remedies to immediate crises, underscoring the widespread belief that economic prosperity cannot be „created“, but must emerge spontaneously from within the market.

**AEMS WAS** created specifically to counter this idea of the economy as a system situated above everything else, untouched by the reality of resource depletion, habitat destruction on a planetary level and social disruption, and to further the exchange of information between scientific disciplines. We would like to thank all students, teachers and the whole team for making AEMS a continuing success.

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

*Steering Committee AEMS*







# CLIMATE AND RESOURCES

*One resists the invasion of armies; one does not resist the invasion of ideas.*

Victor Hugo

**THE GLOBAL** population has grown during the 20th century, from around 1 billion in 1800 to 2 billion in 1927 and 7 billion in 2011, with the strongest rise occurring in urban areas. UN Population Division projections for the year 2050 range between 8.3 and 10.9 billion, mainly in Asia and Africa, while the European population is expected to be stagnating or declining and ageing.

**THE RISE** in population numbers and living standards increases 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 the problem of land and water grabbing in developing countries.

**A NUMBER** of proposals for economic reform focus on new technologies, a re-invention of allocative efficiency or criticism of the practice of externalization, especially with regard to public goods. Other approaches like the Degrowth Movement demand a shift in consumer behaviour, arguing that history has shown over and over again that every reduction of resource usage made possible through technological progress has been undone through changing behaviour surrounding that very technology, the so-called *rebound effect*. Other ideas focus on extensification vs. intensification of agricultural production, the creation of food networks and community projects.

**MONETARY REFORM** can also play a crucial role: Projects like the *Curitiba*, a Brazilian complementary currency, can help to stabilize purchasing power, foster the community and promote regional cycles and a resource-efficient close-to-nature economy.







# THE HUMAN FACTOR

*We must be the change that we would like to see in the world.*

Mohandas Karamchand Gandhi

**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 stress, fatigue and monotony.

**ALSO 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. This also

lowers intergenerational mobility.

**A NUMBER** of proposals focus on social reform, with some 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 said assigned monetary value which 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.

**A FUNDAMENTAL** question remains that of how and why decisions are made, especially the notion of *good* people doing *evil* things, sometimes even without realizing that what they do has a harmful effect for others or 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

*Do what you can, with what you have, where you are.*

Theodore Roosevelt

**IN ORDER** to complete the Summer School, students were required to attend all classes and participate actively during lectures and exercises. The activities also included a group exercise: Between four and six students with different disciplinary backgrounds formed a total of seven groups. Each group worked on a pre-defined project during their time in Vienna,:

*BOKU Currency 1*

*BOKU Currency 2*

*Consumption of Sustainable Products*

*Ecological Footprint Currency*

*Employment/Education/Happiness Triangle*

*Equality and Wellbeing*

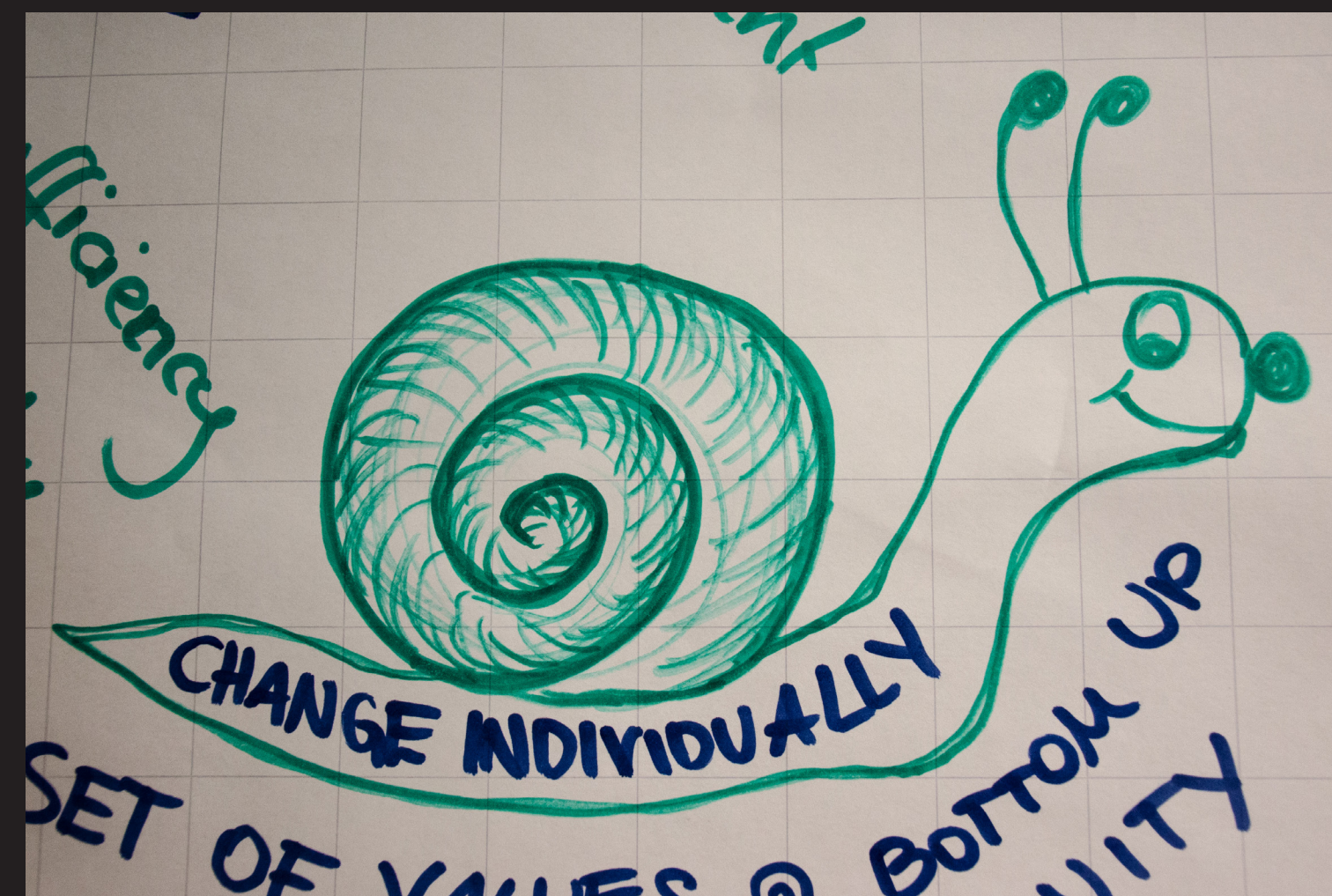
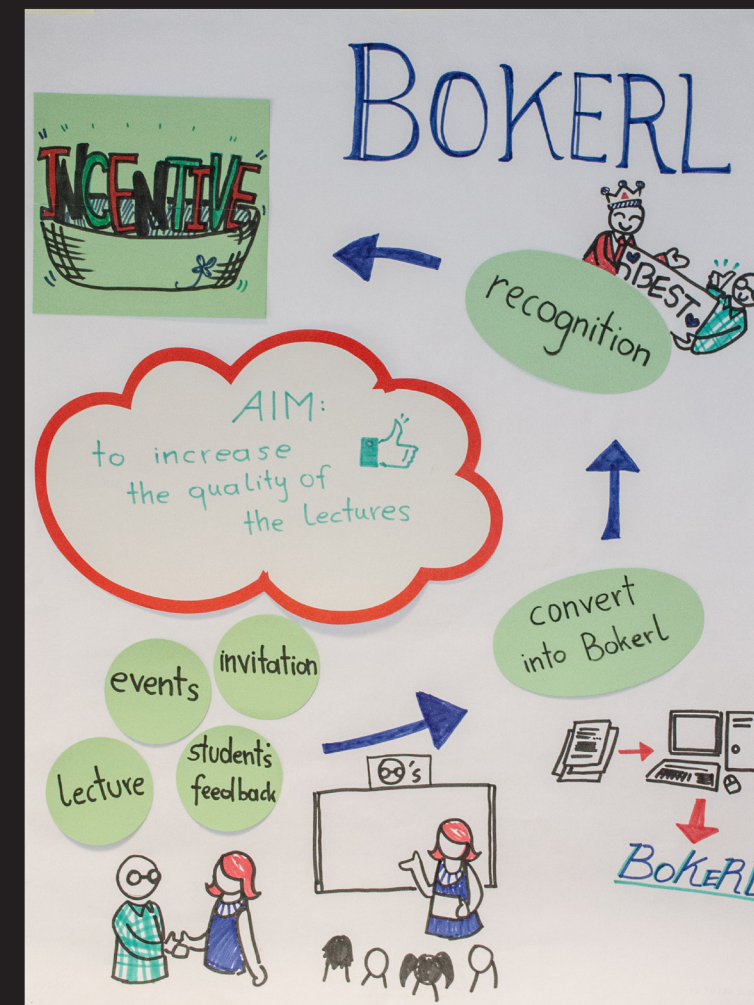
*Traiskirchen Currency*

**ON THE** last day of AEMS, each group had to present their results to the class.

**MOST GROUPS** focused on the topic of money

and the challenges posed by the creation of new currencies. The questions that needed to be considered are quite numerous: Why do you want to create a new currency, and what are the goals you're hoping to achieve? On which level is the new currency supposed to circulate? Who will issue the currency, and what physical form, if any, will it have? What are the structures that will be needed to surround and support the new currency? Will the system require a banking system? Does the government have a role? Who will make policy decisions? Will the new currency be able to deal with issues of inflation and deflation, speculation and hoarding? Will the currency be designed to interact with other, already existing currencies, and if yes, how will exchange rates be determined?

**AMONG OTHER** things, actual projects tackled the task of creating advanced currency systems that are designed to enhance the experience of working in an educational field by connecting teachers and students through a system of institutional rewards for engaging lessons.







## PUBLIC EVENTS

*The saddest aspect of life right now is that science gathers knowledge faster than society gathers wisdom.*

Isaac Asimov

**PART OF** the intention behind the creation of the Summer School was the dissemination of content-related scientific information to the public. In order to reach a wider audience, a total of three public events were added to the regular program. Facilities were provided by the *Federal Ministry of Science, Research and Economy* at Palais Ferstel and Harrach in the first district of Vienna.

**JULY 16:** Rethinking the fundamentals of economics. Values, goals and democracy. This was the

AEMS 2015 opening reception with a keynote by Christian Felber.

**JULY 23:** Money and Sustainability. This year's public panel discussion covered one of the main topics of AEMS. Bernard Lietaer, Klaus Karwat, Federico Fernandez and Uwe Burka discussed current problems and possible solutions. The event was hosted by Ulrich Hoffrage.

**JULY 28:** World Climate Project Negotiation Simulation. The World Climate Exercise is a role-playing negotiation simulation that allows to reflect on global politics and personal assumptions. It was originally developed by *Climate Interactive* and the *MIT*. Participants of this „mock-UN“ event simulate international climate talks and test their leadership skills.











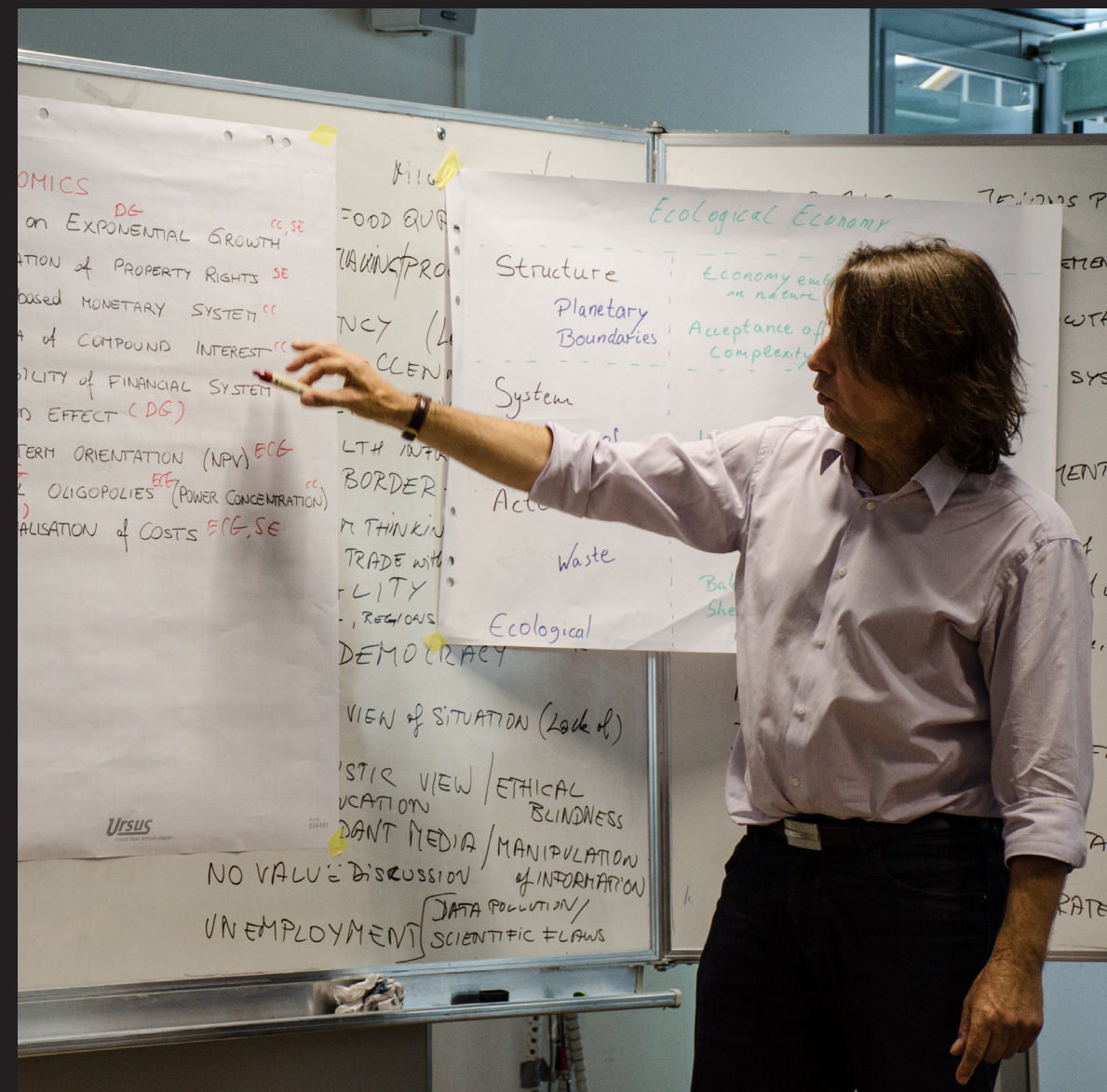


# WORLD CLIMATE PROJECT





AEMS 2015





# OUR GRATITUDE

*The good thing about science is that it's true whether or not you believe in it.*

Neil deGrasse Tyson

**WE'D LIKE** to thank all partners and sponsors who made this event possible.

**WE'D LIKE** to thank all AEMS 2015 lecturers: Ramon Bauer, Harald Bender, Lisa Bohunovsky, Uwe Burka, Martin Dolinsky, Christian Felber, Claudia Gutmann, Heinz Hafner, Susanne Hagspiel, Gisela

Heindl, Ulrich Hoffrage, Klaus Karwat, Christian Kreiss, Helga Kromp-Kolb, Katharina Kronsteiner, Zoe Lefkofridi, Friedrich Leitgeb, Bernard Lietaer, David McCollum, Elke Pirgmaier, Franz Ryznar, Helene Schubert, Magdalena Senn, Regina Sörgel, Veronika Spielbichler and Bernd Villhauer.

**SPECIAL THANKS** go to Martin Gerzabek, Claus Walter, Evi Frei, Margarete Kerschbaumer and Hubert Christian Ehalt.

**AEMS WILL** be back in July 2016.







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



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**AEMS 2015 Steering Committee:** Günther Jedliczka, Katharina Kronsteiner, Helga Kromp-Kolb, Lisa Bohunovsky, Ulrich Hoffrage, Volker Jäger. **AEMS 2015 Organizational Team:** Werner Fulterer, Moritz Töllner. **Tutors:** Martha Ecker, Lena Müßener, Harald Hummer.

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



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**AEMS will be back in 2016.**

**Find us online at [www.summer-university.net!](http://www.summer-university.net!)**

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