

SUMMER SCHOOL

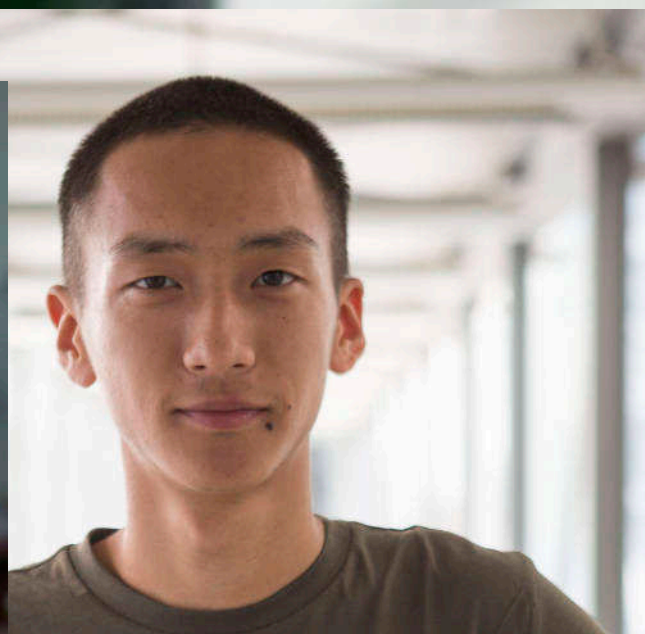
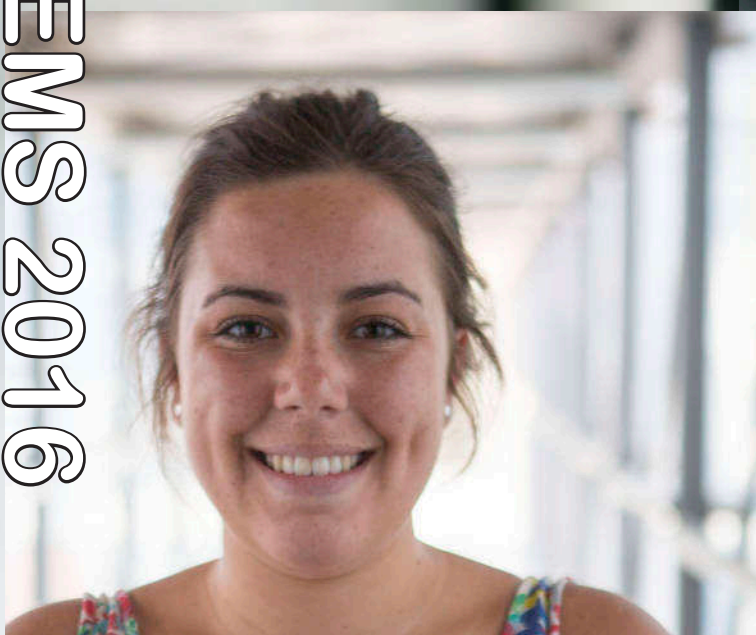
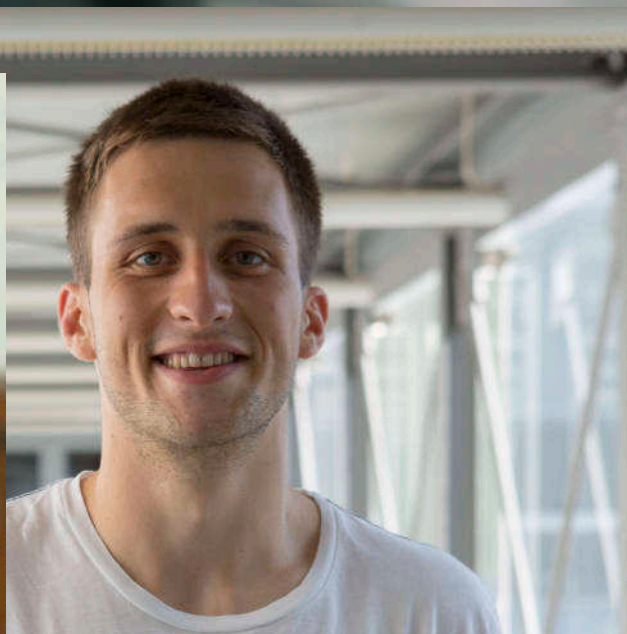
ALTERNATIVE ECONOMIC AND
MONETARY SYSTEMS

THE ECONOMY OF THE FUTURE

VIENNA, JULY 27- AUGUST 14, 2016

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INTRODUCTION

In all affairs it's a healthy thing now and then to hang a question mark on the things you have long taken for granted.

Bertrand Russell

2016 SAW the second installment of AEMS, the Viennese Summer School that offers a deep insight into our options for future economic development. 53 students from 33 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, a financial expert and professor at the University of Leuven, 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)

Karin Küblböck (ÖFSE)

Steering Committee AEMS

ALTERNATIVE ECONOMIC AND MONETARY SYSTEMS

THE ECONOMY OF THE FUTURE

→ SUMMER UNIVERSITY VIENNA
www.summer-university.net



ALTERNATIVE ECONOMIC AND MONETARY SYSTEMS

The significant problems we face cannot be solved at the same level of thinking we were at when we created them.

Albert Einstein

THE SUMMER school is the result of a cooperation between the OeAD-Housing Office, the University of Natural Resources and Life Sciences Vienna and representatives of the *Economy for the Common Good* (ECG): A combined effort to create an academic event that would enable students from all fields to learn more about the current socioeconomic climate by using a low-level approach to economic and monetary alternatives. The program introduces students with limited economic background knowledge to the main factors that lead to the current situation of economic instability, global environmental degradation and social inequality. Content-wise it covers the basics of current and future availability of key resources like water, food and energy and

presents economic concepts and theories that face these problems.

THE ABUNDANCE of available ideas for economic reform shows that there has been high demand for a new economic system for some time now; yet it renders the idea of a complete presentation of every available proposal impossible. Only a selection of the most promising concepts can be covered, ranging from small steps on the individual level to fundamental reforms of global structures and institutions.

THE MONETARY system has its own intricate feedback loop with the economy, making an emphasis on monetary reform a natural choice. With this in mind, a significant part of the program was set aside for the topic of monetary reform, featuring Professor Bernard Lietaer, a former central banker, fund manager, co-designer of the ECU and renowned advocate for monetary diversity, a system of competing currencies.



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 7,4 billion in 2016, 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.

Mahatma 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 inequality in OECD countries is at its highest level for the past half century. 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.

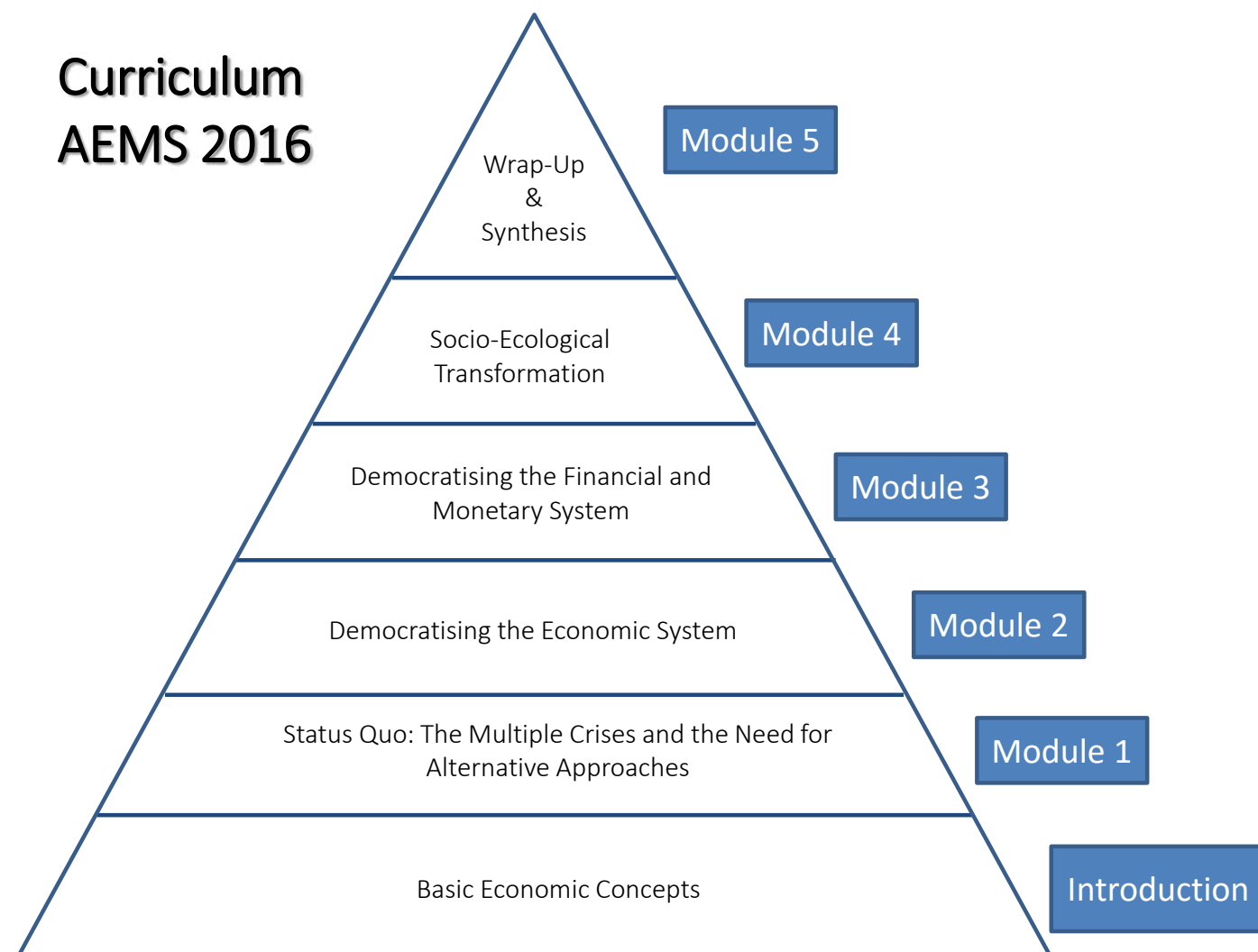
A NUMBER of proposals focus on social reform,

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.



Curriculum AEMS 2016



THE CURRICULUM



The AEMS' curriculum is divided into five modules and an introduction day for non-economic students.

On the **FIRST DAY** non-economic students are introduced to both mainstream economics and its deficiencies. Upon this basis the participants comparatively discuss different heterodox approaches.

Every **MODULE** starts with an introduction lecture to explain the status quo and the core elements of the thematic area. The subsequent lecturers get more into detail with practical examples of alternatives.

The **FIRST MODULE** gives an overview over mainstream neoclassical economics and heterodox approaches (Keynesianism, institutional economics, Marxism).

The **ECONOMIC SYSTEM**: Democracy is widely recognised as an important value of society. However, when the economic system is concerned, the importance of democracy seems to be widely neglected. The 2nd module is looking at how democratization of an economy could look like.

The design of a **FINANCIAL AND MONETARY SYSTEMS** is crucial for social and economic development. However in the last decades, deregulation and liberalisation of the financial system resulted in a situation where financial markets rather dominate than serve broader interests of society. In the 3rd module we focus on questions like: How could a new system look like? Is there really no alternative?

The **SOCIO AND ECOLOGICAL TRANSFORMATION**: There is overwhelming evidence that the current economic model based on everlasting economic growth is destroying the ecosystem of our planet and therefore the basis for the existence of humanity. In this module we discuss different sustainable de-growth models and how an ecological economy could look like.

The **WRAP-UP AND SYNTHESIS**: The final module gives students an opportunity to reflect on and synthesize the many issues and concepts they have heard about in the previous two weeks.

I: Status Quo: The Multiple Crises and the Need for Alternative Approaches

Approaches

- What's wrong with current economics?
- Mainstream neoclassical economics vs. heterodox approaches (Keynesianism, Institutional Economics, Marxism)

II: Democratizing the Economic System

- The role of money
- Credit unions, development banks, cooperative banks, bank for the common good
- Full reserve money, 100% money, local currencies, local exchange trading systems

III: Democratizing the Financial and Monetary System

- Cooperatives, credit unions & Co. private enterprises with collective forms of ownership
- Participatory economy, solidarity economy
- The economy of the common good

IV: Socio-Ecological Transformation

- Sustainable development, greening the economy, de-growth
- Sustainable agriculture
- Resource usage and scarcity
- Sustainable energy
- Working-time reduction, care economy, share economy

V: Wrap-Up & Synthesis

- Discussion with an economic politician
- Cases of Spain and Greece during the financial crisis

GROUP PROJECTS



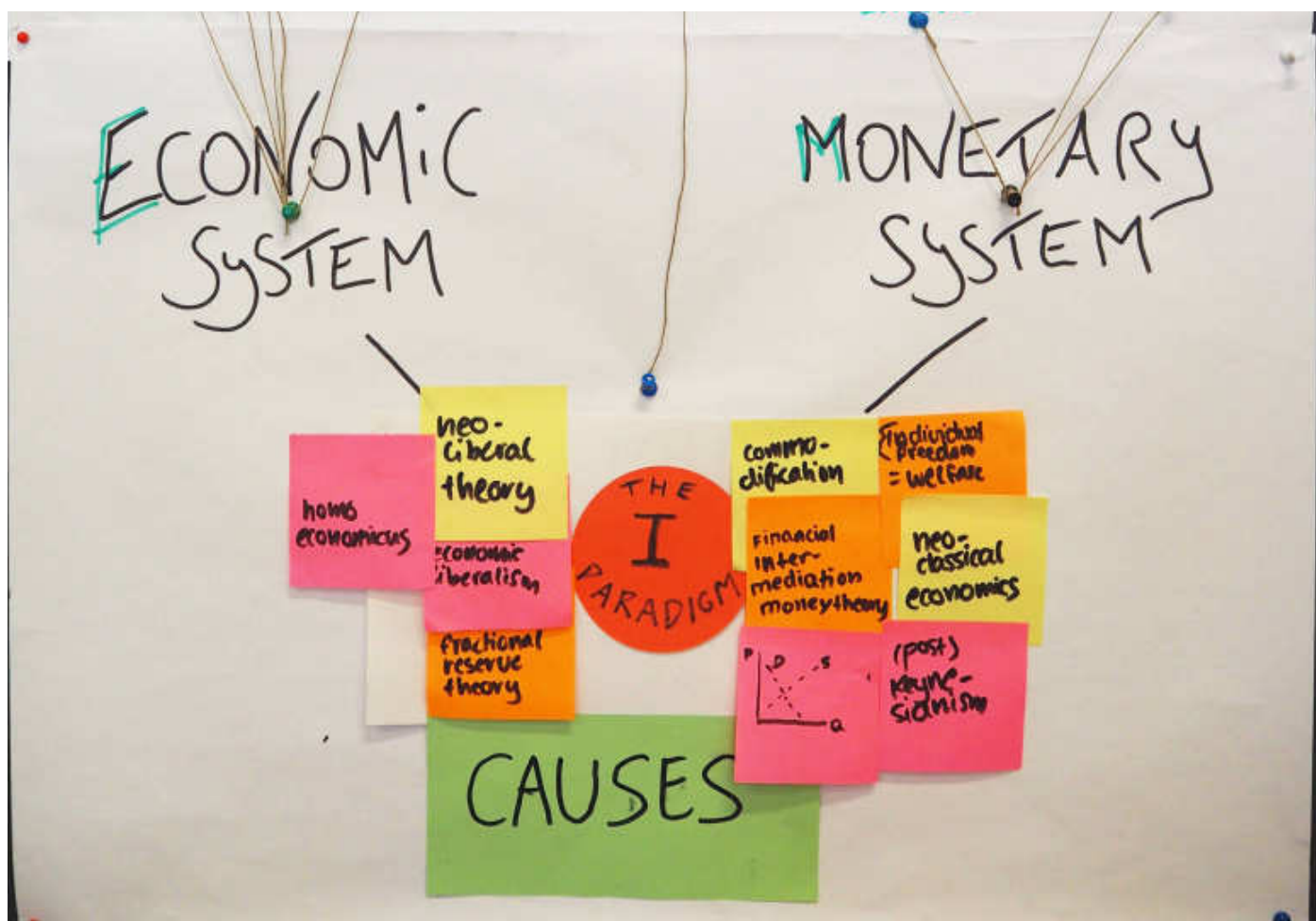
Do what you can, with what you have, where you are.
Theodore Roosevelt

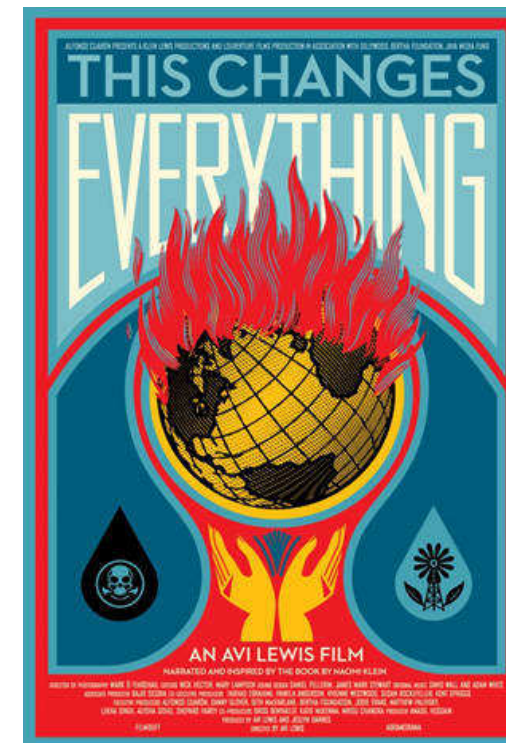
IN ORDER to profit as much as possible from the expertise, knowledge and energy of the lecturers and the other AEMS students during the Summer School, every participant was asked to prepare a case study. Before their arrival in Vienna the participants informed themselves about a cooperative, a project, an initiative, a movement or the like that contributes to a sustainable economic and / or social development in their home countries. On one to two pages they elaborated on

- What is the cooperative / the project about?
- How is it organized?
- What fascinates me about the example?
- Which further details do my colleagues need to know?

Besides THAT the AEMS students summarized the main aspects on a PowerPoint slide. These slides were exhibited during the Summer School and every student had the possibility to add their own ideas, suggestions or concerns on the project during the 2,5 weeks. At the end the students formed groups and conducted SWOT analyses of the different projects. They presented the outcome of the analyses in a two-minute elevator pitch to lecturers and the other students.

In the SAME groups they also prepared questions and stringent arguments for a serious discussion with Ferdinand Lacina, a former Minister of Finance of Austria.





©This changes every everything.



© Tomorrow .

PUBLIC EVENTS

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

IN ORDER to spread the information about alternatives to the current economic and monetary system AEMS organizes public events every year. Admission is free and the events are open to all interested guests. This year we had three remarkable speeches and two movie nights.

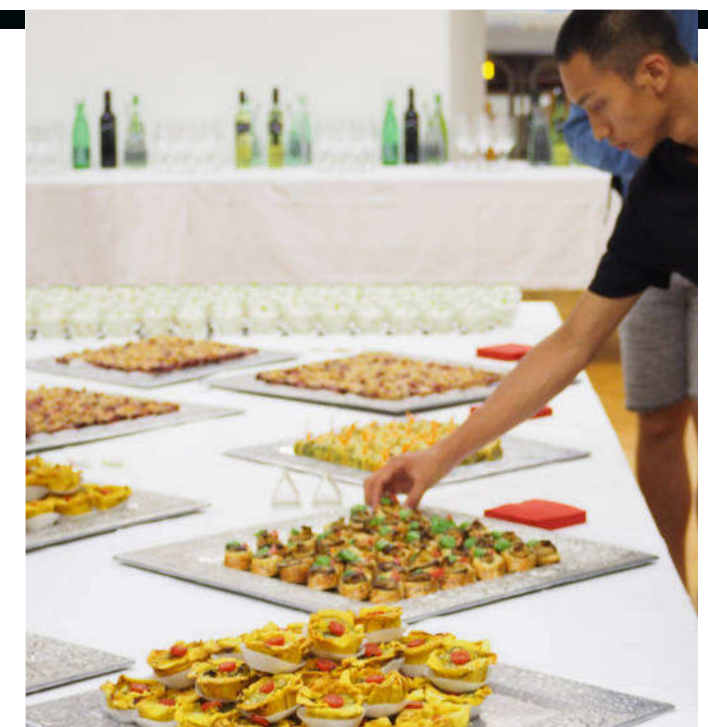
July 28: The AEMS opening reception with a keynote by Christian Kreiß (professor for finance at Aalen University) "Bubbles, busts and crashes – Why rising inequality is economically unsustainable."

August 2: "A new ethical approach – the solar energy revolution and the green economy." by Franz Alt (journalist, TV moderator and book author)

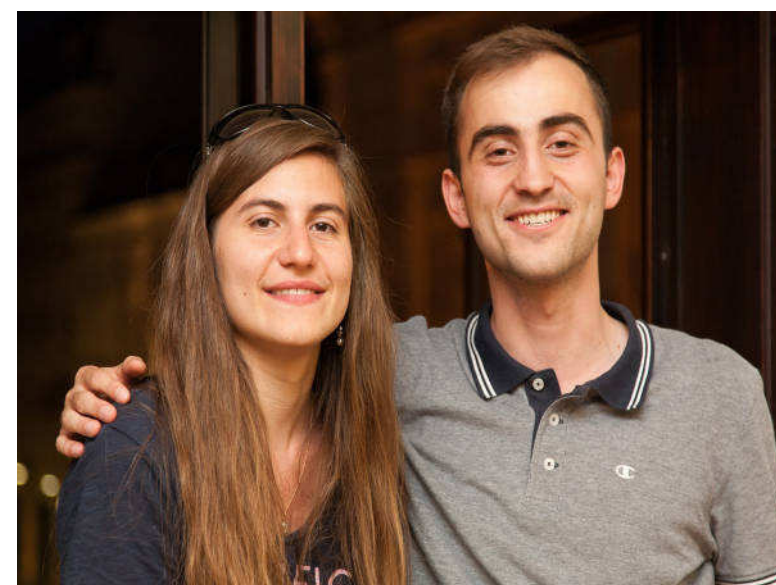
August 4: "This changes everything." Directed by Avi Lewis, and inspired by Naomi Klein's international non-fiction bestseller.

August 8: "Economy of the common good and sovereign democracy" by Christian Felber (initiator of the ECG and the Bank for the Common Good)

August 9: "Tomorrow" Directed by Cyril Dion and Mélanie Laurent



AEMS 2016





SOCIAL EVENTS

Whatever you do in life, surround yourself with smart people who'll argue with you.

John Wooden

At the AEMS there are many ways to meet fellow students and enjoy some free time with them.

All STUDENTS lived in the same dormitory, in the OeAD- passive house Molkereistraße. This centrally located guesthouse was a good starting point for sightseeing tours in Vienna. It was also the common meeting point for the many organized cultural and leisure activities.

We had two SUSTAINABLE Vienna Walks, where we visited Karls Garten, an urban gardening project and the co-housing project Sargfabrik.

For the SPORTS lovers among our students we organized several sports activities, where the students played football, volleyball, basketball, tennis

or went swimming in the old Danube lake. For the once who prefer watching, we went to a Viennese football derby at the Ernst Happel Stadium as well.

We KNOW that our students love to eat good food! That is why we organized a visit to the restaurant "Heuriger Feuerwehr Wagner", where we got typical Austrian food, like Schnitzel or Apfelstrudel and could feel the atmosphere of a real Austrian restaurant.

At the AEMS International Potluck we enjoyed dishes from all over the world made by the students themselves. This year we had dishes from Armenia, Netherlands, different regions of Germany, Netherlands, Egypt, Israel, USA, Austria etc.

ON TOP of all these events we had a lot of parties, festivities and fun.





THE SPIRIT OF AEMS

In order to carry a positive action we must develop here a positive vision.

Dalai Lama

next year. So, there is a lot going on! Join our AEMS community!

AEMS 2016 is over but the students keep connected. There is a Facebook alumni group, where we exchange information about interesting projects. A former AEMS student is about to publish a newsletter in which alumni students tell about their projects and about how AEMS changed their lives.

We WILL also compile a list of projects and initiatives from different countries that contribute to sustainable economic and social development, so you can get involved in your country of residence. And, we also plan to organize an alumni meeting

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OUR GRATITUDE

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

Neil deGrasse Tyson

We WOULD Like to thank all partners and sponsors who made this event possible.

We WOULD Like to thank all AEMS 2016 lecturers: Franz Alt, Kurt Bayer, Harald Bender, Raimund Dietz, Stefan Ederer, Brian Faith, Christian Felber, Wolfgang Fellner, Simone Gingrich, Marianne Gugler, Reinhard Haas, Ronald Hechenberger, Lukas Holzer, Michael Kofranek, Christian Kreiß, Ferdinand Lacina, Zoe Lefkofridi, Friedrich Leitgeb, Heidi Leonhardt,

Bernard Lietaer, Markus Luger, Lukas Oberndorfer, Elke Pirgmaier, Stephan Pühringer, Miriam Rehm, Roland Schatz, Sirin Spindler, Bernd Villhauer, Richard Werner.

OUR SPECIAL thanks go to Martin Gerzabek, Claus Walter, Evi Frei, Margarete Kerschbaumer, Hubert Christian Ehalt, Peter Mooslechner, Friedrich Karrer and Eva Regel.

AEMS will be back!
July 26 – August 12, 2017





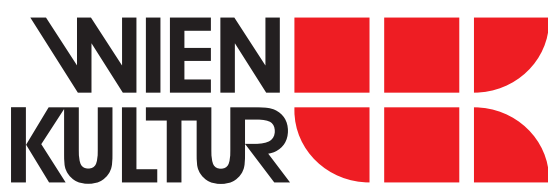
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AEMS 2016 Steering Committee: Günther Jedliczka, Katharina Kronsteiner, Helga Kromp-Kolb, Lisa Bohunovsky, Karin Küblböck. **AEMS 2016 Organizational Team:** Carina Kamptner, Moritz Töllner, Werner Fulterer. **Tutors:** Florian Carl, Harald Hummer.

We'd like to thank all sponsors and partners:



AEMS will be back in 2017.

Find us online at www.summer-university.net!

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