



Eco-Social Forum,
WU – Vienna University of Economics and Business
and
SPRU – Science and Technology Policy Research, University of Sussex
with financial support from the Austrian Federal Ministry of Science and Research

Towards an Ecological Macroeconomics

Friday, 11 December 2009, 9am-5pm
WU – Vienna University of Economics and Business
Departments of Social Sciences and Economics
Seminarraum A 407 im UZA 4
Nordbergstraße 15, 4. Stock Kern A, 1090 Vienna, Austria

Recent estimates from IPCC scientists in *The Copenhagen Diagnosis* show that per-capita emissions in developed nations must be reduced by 80-95% by 2050 if global warming is to be limited to 2 °C above pre-industrial values. The challenge of staying within such biophysical limits conflicts with existing patterns of economic growth, which are dependent on the increased use of energy and other resources. While relative decoupling of GDP and energy use has been achieved, absolute decoupling has not.

Modern economies are structurally dependent upon continued economic growth and orthodox macroeconomics assumes that economies will grow indefinitely. Ecological economists have focused on developing alternative macroeconomic indicators, but have made little progress in either incorporating macroeconomic theory into their thinking or developing an alternative 'macroeconomics of the steady state'.

The **aim of this workshop** is to make a first step towards building an ecological macroeconomics. More specifically, it will explore and discuss the following questions:

1. What role does energy play in driving productivity improvements and economic growth? How can this better be reflected in macroeconomic models?
2. Under what conditions is sustainable development compatible with full employment? How important is a reduction of working hours in the transition to a sustainable economy and how may this be achieved? What are the distributional implications?
3. What role does the monetary system play in making economies dependent upon continued growth? In what ways could it change to facilitate the transition to a sustainable economy?
4. Macroeconomic models measure success by a set of indicators of which GDP is most important. How would success be measured in ecological macroeconomics?

Programme

- from 8:30 Tea / coffee
- 9:00-9:30 Introductions
- 9:30-11:00 **Peter Victor: Managing without growth (40' / 50')**
- 11:00-11:15 Tea / coffee
- 11:15-11:30 Participant Presentation 1: Fritz Hinterberger
- 11:30-12:30 **Richard Douthwaite: Why the money system makes the economy depend on growth (30' / 30')**
- 12:30-13:00 General Discussion
- 13:00-13:30 Lunch (buffet style; Room B4.24)
- 13:30-13:45 Participant Presentation 2: Armon Rezai
- 13:45-14:45 **Paul Ekins: Reconciling Economic Growth and Environmental Sustainability: the Role of Green Fiscal Reform (preliminary title) (30' / 30')**
- 14:45-15:00 Tea / coffee
- 15:00-15:15 Participant Presentation 3: Andrew Mearman
- 15:15-16:15 **Steve Sorrell: Energy, growth and sustainability – five propositions (30' / 30')**
- 16:15-17:00 General Discussion and next steps
- 18:00 Dinner at Restaurant Dreiklang (Wasagasse 28, 1090 Vienna)

Participants

Ulrich Brand, Department of Political Sciences, University of Vienna
Richard Douthwaite, Feasta – Foundation for the Economics of Sustainability, Ireland
Paul Ekins, UCL Energy Institute, University College London & Director of Green Fiscal Commission, London, UK
Michaela Hickersberger, Eco–Social Forum, Vienna
Friedrich Hinterberger, Sustainable Europe Research Institute, Vienna
Ulla Hlawatsch, Austrian Federal Ministry of Agriculture and the Environment
Kurt Kratena, WIFO – Austrian Economic Research Institute, Vienna
Andrew Mearman, Bristol Business School, UK
Reinhard Mechler, IIASA and WU – Vienna University of Economics and Business, Vienna
Özlem Onaran, WU – Vienna University of Economics and Business
Christine Polzin, SERI – Sustainable Europe Research Institute, Vienna
Armon Rezai, WU and University of California at Berkeley, U.S.
Gerhard Reitschuler, Federal Environment Agency, Austria
Klemens Riegler, Eco–Social Forum, Vienna
Eva-Maria Schmitzer, Austrian Federal Ministry of Science and Research
Michal Sedlacko, RIMAS - Research Institute for Managing Sustainability, WU
Steve Sorrell, SPRU – Science and Technology Policy Research, University of Sussex, UK
Sigrid Stagl, WU – Vienna University of Economics and Business
Rita Trattinig, Austrian Federal Ministry of Agriculture and the Environment
Peter Victor, University of York, Toronto, Canada
Martin Wagner, IHS – Institute for Advanced Studies, Vienna

For administrative questions, please contact Ms Barbara Gaal: barbara.gaal@wu.ac.at or 0043-1-31336-4848

Emergency phone number: 0043-676-82135790