



THEME WORK

SUB-THEME:

FINANCIAL CRISIS, DEBT AND ALTERNATIVES

TITLE OF WORKSHOP

**WS 24. Degrowth alternative economics and
accounting**



PROPONENT

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Ecological Economics**

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Entropy Efficiency Accounting

An Imaginary Database for any well-defined “Degrowth Policy”

By Anthony Friend

ABSTRACT

“Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist.” So begins a significant new report by the New Economics Foundation in the U.K., quoting economist Kenneth Boulding. “The most pressing problem facing humanity now,” says the report, The Great Transition, “is how to share scarce planetary resources in ways that are just, sustainable and support the well-being of us all.”

The Entropy Law itself emerges as the most economic of all natural laws. It is in the primary science of matter that the fundamental non mechanistic nature of the economic process fully reveals itself. Georgescu-Roegen, the Entropy Law and the Economic Process 1971.

This Workshop is designed for participants to think about what we really mean by ‘economic degrowth’ not in the sense of linear reduction of the rate of material consumption of goods and services produced in the economy, (i.e., GDP) but “Great Transition” from its observed quantitative physical states to its qualitative abstract states of the same set of objects and functions.

The G-R Flow-Fund Model (FFM) is distinguished from the standard I/O Model insofar as it expresses the transformation process in terms of nonlinear capital

Functions (i.e., inputs \neq outputs). Thus, FFM applies complex adaptive systems (CAS) modelling of observed of quantitative to qualitative change in the topological domain space (TDS) of the Ecosphere, Sociosphere, and

Ecosphere. This Workshop explores valuation methods, and draws policy conclusions from, the economy described by the FFM and conserved values of the entropy efficiencies of the GLEF. The template for the discussion is

(S)ystem of (A)ccounts for (G)lobal (E)ntropy (P)roduction or SAGE-P .



Assessing sustainability on a degrowth perspective TEIXEIRA, Inês Cosme

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ABSTRACT

It is not new that humanity has limits to its economic expansion. However, what to do if we already surpassed the ecological limits of the environmental systems? It is a great challenge to solve the environmental problems without compromising the social dimension. Degrowth is a strive for downscaling society's throughput in a fair and sustainable way. The essential questions that will be discussed are: what does the sustainable degrowth perspective entail? Are the existent sustainability assessment metrics able to capture the degrowth-related concerns?

Degrowth policy goals were first categorized and then contrasted with existing sustainability assessment indicators, being them aggregated measures and sets of indicators. The main results achieved in the author's research were that neither existing aggregated metrics nor sets of indicators were able to capture all degrowth-related concerns. In spite of that fact, there are some metrics that can be very useful to assess some policy goals. Also, the goals that are less addressed open doors to new studies and new creation of metrics. It is discussed that the metrics that showed more

connection points to degrowth goals were the more complete sets of indicators, since they are able to capture the different dimensions of sustainability assessment.

Key words: Degrowth; Indicators; Sustainability assessment; Policy goals; Policy instruments.



TACKLED ISSUES

Anthony Friend introduces general framework of WS “ Entropy efficiency accounting” an imaginary database from which account of sustainability for well defined “ Degrowth Policies” (Starting from SNA and GDP) feasibility of SET of ENTROPY EFFICIENCY ACCOUNT OF PRODUCTION, CONSUMPTION AND CAPITAL ACCUMULATION, → See flow-fund model and SAGE-P.

Ines Come TEXEIRA presented the importance of degrowth viewpoint in today and tomorrow’s society, for her the economic crisis is an opportunity. She supports a “diagnosis” state from degrowth goals to read a sustainable policy strategy, from sustainable assessment indicators

UNANSWERED QUESTIONS

Consumption and production reduce stock? Can’t production create new stocks?

What can be done about de-growth in a country (Italy) where the prime minister for environment supports a big industrial centre as ILV which produce cancer?

COMMENTS AND MESSAGES

Proposal: build a simple agenda of things to do and to communicate to our politicians to try to implement this analysis and then understand the issue