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### Questions to Economists

F. Schmidt-Bleek, 1999

1. If the assumption is valid that the "carrier capacity" of the ecosphere is now surpassed due to technical disturbance of nature *in situ* as well as through technical resource extraction, use and disposal in altered form, would it then make economic sense to curb material and energy (gained by using natural materials) inputs into the economy,

provided that

wealth and wellnes can be generated in accordance with western standards with less natural resources, but possibly more work?

2. It is scientifically impossible to ever know the complete impact potential of technology-generated material fluxes - not even for a single substance like cadmium or CO<sub>2</sub> - once they get in contact with the (natural) environment. Would it therefore make sense to an economist to curb all disturbances of Nature *in situ* and also decrease the intake of natural resources into the economy as a general precautionary measure

provided that

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**D R A F T**

wealth and wellnes to western standards can be provided with less natural resources?

3. Are there principal objections from an economic point of view to finance governments with a different mix of taxation than is the case in EU Member states today?

If yes, what are the three most important reasons for leaving things the way they are?

If no, what is a conceivable other mix of revenues and what would be the expected barriers against their introduction?

How could these barriers be overcome?

4. Why is taxing labour the preferred revenue collecting method in the EU today from an economic point of view?

5. From a market economy point of view, what would be a defensible approximate size of total subsidies, measured in % of GDP, and in % of total public revenues, in an industrialized country (OECD Member state) ?

6. From an economic point of view, what are principal reasons for the well documented shyness of EU businesses (SME's) to engage pro-actively in the application of innovations (process and products), and what could be remedial actions to improve the situation?

7. If one accepts the notion that national governments are exercising less and less control over investments and money transfers accross national boundaries (while no increase in international control is being installed), what are the four most likely long term consequences - from an economic point of view - with respect to the wealth and wellness of the people within the jurisdiction of national governments?

8. If the observation is valid that traditional growth in terms of GDP no longer produces a commensurate increase in wealth of people in industrialized countries,

what are the three most important measures to be taken to bring them in into balance again - while not increasing the overall stress on the environment - from a market economy point of view?

9. If the observation is valid that human labour has been increasingly replaced by more and more intelligent machines, then it follows that un-employment has been subsidized by increasing inputs of natural resources and thus paid for by mounting ecological problems. What could be economically sensible solutions to this problem?

10. If the observation is valid that more and more income is accumulating among fewer and fewer people worldwide, what are the possible long term consequences of this trend from an economic point of view, and what are reasonable strategies to solve potential problems if there are any?

11. If the assumption is valid that some 20 % of the world population living in developing countries today will no longer be capable to generate sufficient food and shelter under acceptable living conditions due to growing environmental degradation (e.g. climatic changes, and non-availability of drinking water) within the next 25 years, what are realistic least cost economic scenarios for their avoidance?

12. From an economic point of view, what are the three most important reasons - in what order - that lead common people in the EU to make their purchasing choices, and how could one capitalize on them in order to bring end-users to favour dematerialized goods?

13. It is well documented that the trust/faith in politicians, governments, and business is declining among people in the EU. What are the three most prominent reasons for this development from an economic point of view?

14. GDP cannot measure the wealth of people and the extent of the ecological instability. What is a (what are) more realistic measure for human welfare and wellness from an economic point of view under the following conditions:

- 1. It should be simple, yet reflecting essential human benefits.
- 2. It should be culturally and scientifically sensible, albeit not necessarily complete from a scientific point of view;
- 3. It should reflect the ecological stress generated by the living conditions of the people;
- 4. The selected characteristics should be straightforwardly measurable or calculable, irrespective of geographic locations;
- 5. Obtaining results with such a measure should be cost-effective and timely;
- 6. It should always yield directionally safe answers;
- 7. It should allow the introduction of transparent socio-eco-economic improvement strategies;
- 8. It should have a bridge to economic models;
- 9. It should be politically and socially acceptable and applicable on all levels: locally, regionally and globally.

15. May one assume - from an economic point of view - that the EU countries would be economically sustainable in the long term if no ecological problems existed and no social upheavels were to be expected? If the answer is yes, what are major reasons for this believe? If the answer is no, what are reasons and possible remedial actions?

16. For what reasons is economic growth necessary?

Note: It is well documented that economic growth as constituted today in material terms cannot be expanded to 6 or 7 billion people because in this case at least two additional planets earth would need be available. In addition, the use of natural material resources – including fossil energy carriers – for creating material wealth is

causing fast increasing destruction of material stock through its influences upon ecological equilibria.

17. Do economists have models and theories for diminishing GDP?

18. Is unemployment an *economic* problem? Why?