

WWWFOREUROPE Newsletter 3/2014

Europe at the Crossroads – The Feasibility of a European Vision

At this year's European Forum Alpbach, in line with the conference's general theme, WWWforEurope seeks to exhibit a series of strategies and best practices for a Europe "At the Crossroads": Some first results of the project WWWforEurope will be presented and summarised at a press conference.

Karl Aiginger, director of WIFO and co-ordinator of WWWforEurope, Franz Fischler, President of European Forum Alpbach, WWWforEurope Policy Board member, and Jeffrey D. Sachs, Director of The Earth Institute, Columbia University, WWWforEurope Scientific Board Member, will present ideas for the social, economical and ecological renewal after the crisis in Europe from the European and US-American perspective.

[Click here for details and our new midterm project information.](#)

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WWWforEurope Lectures on Video – Upcoming Fall Lectures

The most recent WWWforEurope Lecture by Anton Hemerijck, "[Social Investment and the European Monetary Union](#)" and the [WWWforEurope Youth Forum with a reading by Giacomo Corneo](#) from his book "A Better World – Is Capitalism Over?" can now be watched in their entirety [on our website](#).

The WWWforEurope Lecture Series will continue with these lectures

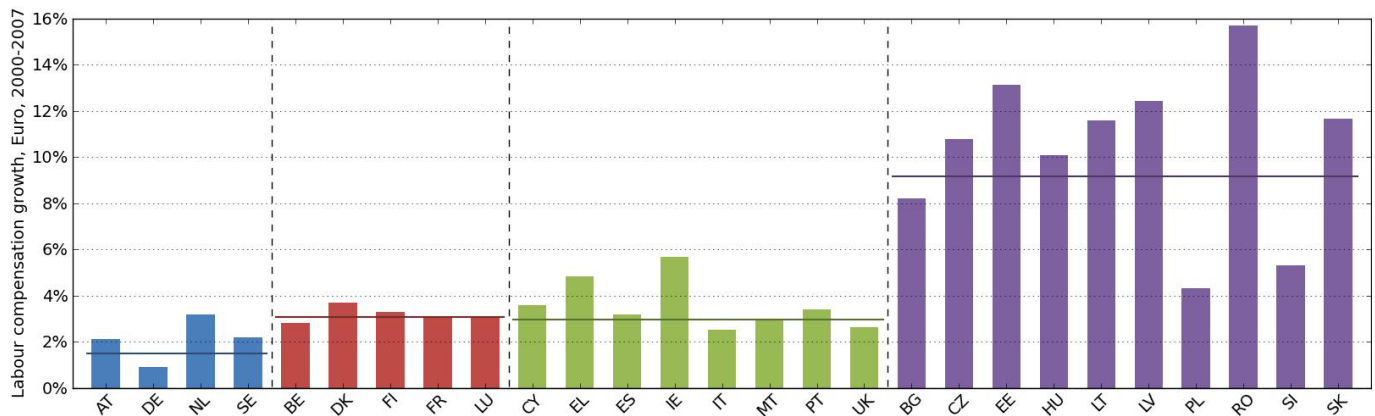
- Options to Finance the Welfare State in the Future – Dennis Meadows, September 9th, 2014
- Coherent Innovation and Industrial Policy Favouring Socio-Ecological Transition – Reinhilde Veugelers, September 24th, 2014
- Winning Strategies for a Sustainable Future – Armando Garcia Schmidt, October 15th, 2014
- Modelling Ecological Macroeconomics – Tim Jackson, October 17th, 2014

The 2014 OECD NERO Meeting in Paris

Under the overall theme of "International Macroeconomic Linkages", participants of the 2014 OECD NERO Meeting, an annual conference of the world's leading economic institutes members, tried to find answers to the question whether different strategies should be used for different countries or whether a (single) coordinated strategy is feasible on a world-wide scale. Karl Aiginger held a presentation on "Low Road and High Road to Reindustrialisation: Can Countries Go for Different Strategies?", discussing that low road strategies are based on low costs and energy prices, while high road strategies are based on skills, innovation, and energy efficiency. [Read more and download the presentation.](#)

In the face of the financial and economic crisis and long-term challenges from globalisation, demographic shifts, climate change, and new technologies, Europe needs to redefine its development strategy. The objective of [WWWforEurope – Welfare, Wealth and Work for Europe](#) is to strengthen the analytical foundation of this strategy. WWWforEurope is a four year research project within the 7th Framework Programme funded by the European Commission, coordinated by the Austrian Institute of Economic Research (WIFO) and brings together researchers from 34 scientific institutions in 12 European countries. For more information see www.foreurope.eu.

How to Mend the Shortcomings in European Governance



Imbalances will persist as long as there is no or too little wage growth in countries with growing current account surpluses: European countries are clustered according to their wealth and their current account development in the years 2000 to 2007. In Groups 1 to 3 (blue, red, green) countries' GDP per capita was larger than 80 percent of the European average, in Group 4 (purple) it was lower. Group 1 countries had growing current account surpluses, Group 2 still had surpluses, but declining ones, and Group 3 and 4 had current account deficits. It is evident from the figure that wage growth in Group 1 was below productivity growth while in all other groups, with increasing differences, labour compensation growth was well above productivity growth. Graph from Stefan Ederer and Peter Reschenhofer, *Macroeconomic Imbalances in the EU*, WWWforEurope Working Paper No. 42, September 2013, Source: AMECO and own calculations. The grey lines indicate group averages.

New WWWforEurope Working Papers on European governance have been published and their findings should provide much food for thought for the newly elected European Parliament and the new Commission. Europe is far away from being an optimal currency area and reforms in the last years have only exacerbated the situation. Member countries are not converging, business cycles are hugely dissimilar. Lessons could be learned from complex manufacturing systems and more mechanisms to enhance resilience in the system should be implemented. It is most important, however, to refrain from a TINA scenario: There is always an alternative, even if it can only be reached by small steps. [Read more and download the WWWforEurope Working Papers on European governance.](#)

Special Sessions and Conferences

In 2014 WWWforEurope has again had the opportunity to disseminate its research results in special sessions at a number of conferences, such as the ISEE Conference 2014 in Iceland or the Annual Meeting of the Austrian Economic Association in Vienna, where five papers dealing with well-being and intergenerational mobility were presented at the special session titled "Intergenerational Mobility and Economics of Well-Being". [Find a summary of the session on our website.](#)

At the European Forum Alpbach WWWforEurope will be represented by Karl Aiginger in the Breakout Session "A New Economic and Competition Model for Europe". Further special sessions are to be held at the 54th ERSA Congress in St. Petersburg, where the session will bear the title "The Role of Regions in Shaping Socio-Ecological Transition in the EU"; and at the Fourth International Conference on Degrowth for Ecologic Sustainability and Social Equity in Leipzig, where the session topic will be "European Policies beyond Growth?" [See our website for more information and detailed programmes.](#)

7th WIFO – Regional Economics Workshop

On the 1st and 2nd of September 2014, the 7th WIFO – Regional Economics Workshop with Geoffrey J.D. Hewings will be held at WIFO. This year's topic is "Sustainable Regional Growth and Cohesion". Over the past years an intensive discussion emerged focusing on the nexus between growth, regional disparities and sustainability. Do strategies promoting sustainable growth at the national level necessarily decrease regional inequalities or is it feasible to accomplish both sustainable growth and regional equity goals at the same time? This question has also been central to the research carried out within WWWforEurope. [For more information and the programme visit our website.](#)

Disseminating into Academia

Almost 70 papers have been published so far by WWWforEurope experts and their results find their way into economic journals and the scientific discussion. Miklos Antal and Jeroen van den Bergh have published their thoughts on meso- and macroeconomic strategies for a transition towards a more sustainable economic model in [Environmental Innovation and Societal Transitions](#).

A paper on longterm decoupling of economic development and energy was published by Dominik Wiedenhofer et al. in [Energy Procedia](#), while Jeroen van den Bergh discusses the role of investors in this process in another paper in the [Proceedings of the National Academy of Sciences in the USA](#).

Phoenix industries are small business clusters born out of the ashes of old industrial structures. Philip Amison and David Bailey, relying on WWWforEurope research, analyse their potential and impact in the [Cambridge Journal of Regions, Economy and Society](#), using a case study from the British Midlands.

WWWforEurope's extensive work on a Europe of regions was also published in international journals: Matthias Firgo and Peter Huber write about divergent and convergent processes in [Empirica](#), while Beatrice Camaioni et al. analyse adequate rural policies in [AgriRegioniEuropa](#). [See the full list here](#).

Call for Papers from Mendel University, Brno: What is the Eurozone's Future: Policy Commitment vs. Freeriding

A call for papers has been issued by the Mendel University in Brno, Czech Republic, for its 8th annual international economics conference on November 27th and 28th, 2014. The topics forming the focus of discussion will be the revival of growth, structural reforms and rising divergences between the Eurozone's "core" countries and its Mediterranean members, and indeed, the relationship between the logic of economics and the reality of politics in Europe. The conference aims to provide a vehicle for the exchange of ideas and the expansion of knowledge. Innovative albeit perhaps controversial ideas are welcome. The deadline for submitting abstracts is September 15th, 2014. [Click here for more information about this call](#).

Call for Papers: The 2nd WWWforEurope Best Paper Award

WWWforEurope is granting a second WWWforEurope Best Paper Award for research dealing with important, yet so far under researched topics relating to various economic and social consequences of a low-growth development path for Europe. The Best Paper Award – including a special prize for the best work of a young researcher – will be presented during the second WWWforEurope Feedback Conference in Vienna on the 5th and 6th of May 2015. Authors of excellent papers will be presented with the opportunity to publish their research work in the WWWforEurope working paper series. The deadline for the submission of papers is November 16th. [For the full call for papers please visit our website](#).

WWWforEurope

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