

BiophysEco

The Biophysical Economics Policy Center

Bringing Biophysical Economics to the policy arena:
opportunities and challenges

François-Xavier Chevallerau

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Introduction

- I am a business and public policy consultant, active and experienced in EU affairs, based in Brussels, Belgium.
- I am here to present a project to establish an international think tank aimed at promoting the emergence of biophysical economics in the policy arena.
- I am doing this because I believe that:
 - A 'biophysical' reading of the economy is required to understand and make sense of where we are, how we got here and where we might be heading.
 - 'Biophysical economics' however remains compartmentalized, loosely structured, and largely confined to the academic world.
 - There might now be an opportunity to change this and to bring biophysical economics to the policy arena.

Opportunities (1)

- The various economic policies conducted since the financial and economic crisis have largely failed to trigger a genuine, self-sustaining ‘recovery’.
- This causes significant disruption and generates major challenges as the assumption of – and need for – continuous and significant economic growth has become a key requirement for the world’s established economic, financial, political and social order to keep functioning and remain stable.
- A prolonged period of low growth would be likely to:
 - hamper the rise of living standards across the globe;
 - exacerbate income and wealth concentration and inequality;
 - increase financial instability, volatility and distress;
 - make it increasingly difficult to maintain fiscal sustainability;
 - increase social and political tensions;
 - increase the risk of political/geopolitical dislocation or fragmentation.
- To some extent, all of those things are already happening.

Opportunities (2)

- For policy makers, **there is no more crucial and pressing need than to understand the causes and consequences of the dearth of economic growth**, as well as the policy options that may – or may not – be available to address them.
- A number of ‘narratives’ have emerged in recent years to try to explain the progressive disappearance of economic growth at global level.
- These various narratives however focus on developments that are in fact *symptoms* of the world’s economic malaise rather its *root causes*.
- The erosion of global economic growth potential since (before) the financial crisis might result from biophysical factors even more fundamentally than from capital- and labour-related factors.
- Understanding the biophysical root causes of the economic growth slowdown is essential to diagnose the issues and challenges we are now facing, but also to design appropriate and realistic public policies in response.

Opportunities (3)

- Policy-makers worldwide increasingly struggle to understand the problems they have to address and fail to find convincing answers in mainstream economic theories.
- There seems to be increasing openness at policy-making level towards economic and scientific thinking that breaks away from mainstream theory.
- An opportunity might therefore exist for bringing biophysical economics to the policy arena.
- By triggering interest in policy-making circles, biophysical economics may over time acquire a say in the policy conversation, but also obtain increased public support and funding for the research that is still needed needed to advance and structure the 'discipline'.
- The time to act is now.
- Later, it might be too late...

Challenges

- Lack of universally accepted (and easily understandable/communicable) definition of 'biophysical economics' – including among biophysical economists.
- Lack of overall coherent body of knowledge accepted and promoted by all biophysical economists.
- Lack of consensus between biophysical economists on key policy issues – including on energy policy, but not only.
- Reluctance in some quarters of the biophysical economics 'community' to engage with policy-making.
- Association of some other quarters with ideologies and movements that are still perceived by a majority policy-makers (and of society) as 'radical'.
- Persistent reluctance of a majority of policy-makers – and of society at large – to listen to the kind of messages that biophysical economics conveys.
- Lack of corporate or other financial interest to back the promotion of biophysical economics in the policy arena.

The BiophysEco proposition (1)

- Creation of an international think tank acting as a catalyst for the emergence of biophysical economics in the policy arena – The Biophysical Economics Policy Center, or ‘BiophysEco’.
- Pursuit of two complementary objectives:
 1. Promote the emergence of biophysical economics in the public debate and the policy conversation, at global level.
 2. Secure public support for advancing theoretical and empirical foundations of biophysical economics and developing its instruments and methodologies.
- Adoption and promotion of a relatively wide definition of ‘biophysical economics’, understood as:

“The study of the ways and means by which societies procure and process energy and other biological and physical resources to produce, distribute, consume and exchange goods and services, while generating various types of waste and environmental impacts. These ways and means vary in time and space according to the internal structures of societies and economies, and according to the patterns of energy and resource use by their various components and constituents.”

The BiophysEco proposition (2)

- A non-profit, independent and non-partisan organization that works to inform public policy making by providing realistic and objective policy analysis and advice rooted in a biophysical reading of the economic process.
- An organization that does not advocate or promote ideologies aimed at framing an overall, global and all-encompassing understanding of – or response to – the world's 'growth problem'.
- An organization that aims to shed light on concrete policy issues and challenges facing societies and policy makers, and to formulate and appraise possible responses and options for action.
- An organization that focuses on policy areas where the relevance of biophysical economics can be most easily demonstrated to policy makers and other stakeholders.
- An organization that is open to dialogue and engagement with economists and scientists who may not pertain or be directly related to the biophysical economics line of thought, but who could be brought into a constructive and fruitful dialogue with it.

The BiophysEco proposition (3)

- BiophysEco will carry out the following activities:
 - Monitoring and analysis of economic and political developments relevant to the field of biophysical economics.
 - Production of policy analysis and advice based on biophysical economics research.
 - Collection and maintenance of data and information relevant to the the production of policy analysis and advice rooted in biophysical economics.
 - Provision of networking tools and platforms for biophysical economics researchers and research organisations.
 - Communication, outreach and advocacy towards policy makers and other stakeholders.

The BiophysEco proposition (4)

- BiophysEco will deliver the following products and services:
 - Online presence through a website and social media.
 - Online blog.
 - Newsletter.
 - Policy briefs, i.e. short documents focusing on specific policy issues.
 - Policy reports, i.e. detailed documents investigating overarching policy challenges.
 - Organisation of – and participation in – meetings, conferences and other events.
 - Collection, conservation and maintenance of key economic, social and scientific data of value to the biophysical economics community, and provision of data access, extraction and analysis services to researchers as well as to interested public and private organisations.
 - Provision of consulting services to interested public and private organisations, e.g. production of on-demand (i.e. solicited), non-public, policy analysis and advice.
 - Other products and services that may be in line with the organisation's goals and/or that may be required or helpful to reach its mission.

The BiophysEco proposition (5)

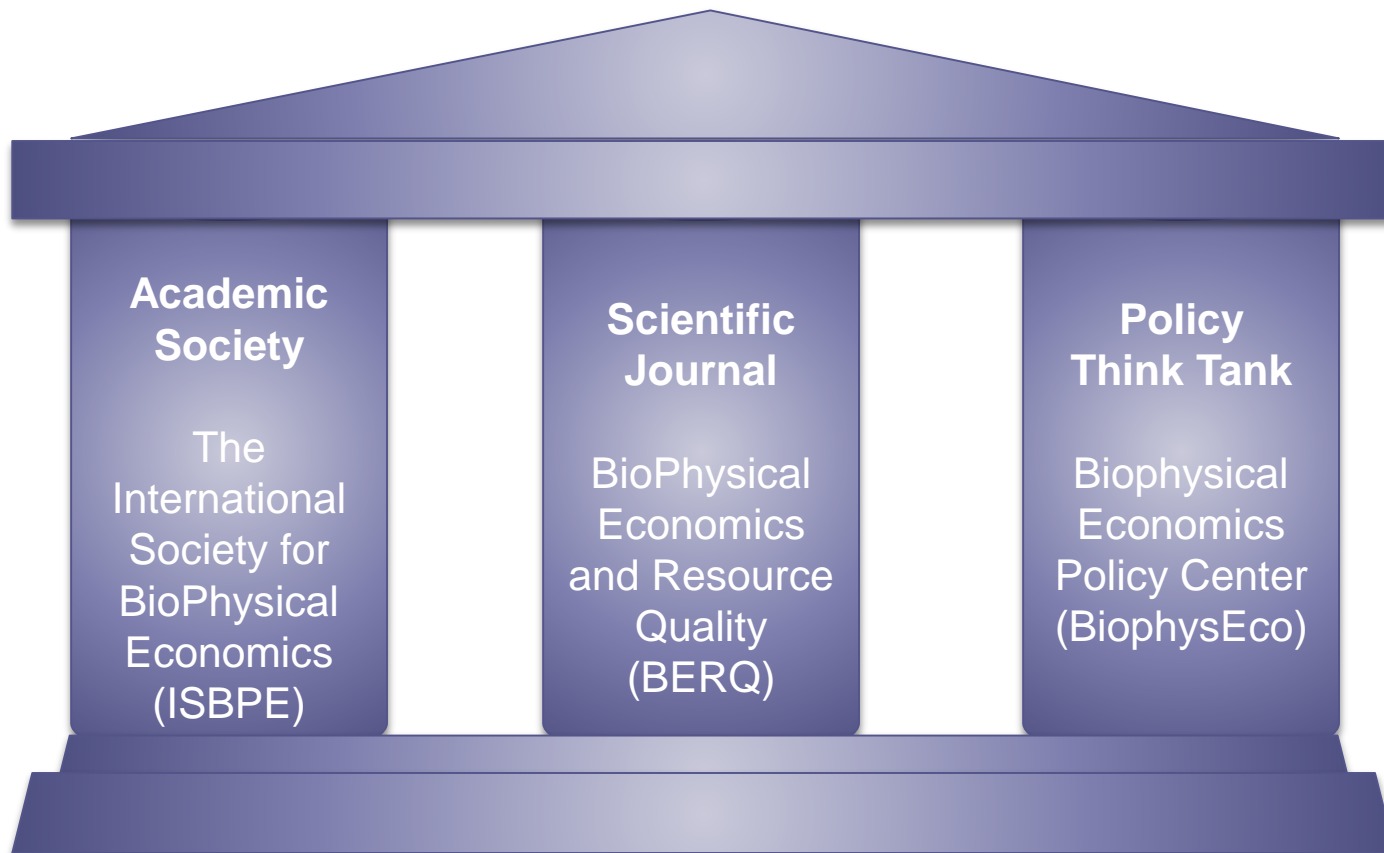
- BiophysEco will be a non-profit organisation. Over time it will be able to derive revenues from four main sources:
 - Membership fees paid by individual or corporate members.
 - Donations from individuals, foundations, corporations and other organisations (general or project-based).
 - Data access and export fees for corporate and institutional users.
 - Consulting services to public and private organisations (e.g. local or regional authorities, development agencies, trade federations, etc.).

The BiophysEco proposition (6)

- The intended geographical scope of BiophysEco is global.
- However, BiophysEco is initially established in Brussels and will, in a first phase, target the EU policy-making level, before expanding its reach to European national authorities and then the rest of the world.
- This choice reflects the fact that:
 - Policy-makers might be more receptive to the biophysical economics line of thought in Europe than in the U.S.
 - Policy-makers at EU level are less subject to short-term electoral concerns and pressure than their counterparts in European nation states.
 - Policy-makers at EU level are also those in charge of overseeing and managing the most relevant funding programmes that could help support the advancement of biophysical economics.

The BiophysEco proposition (7)

- The third pillar of biophysical economics' expansion



The BiophysEco proposition (8)

- Overall timeline:
 - May 2016: Concept Paper, constitution of Scientific Advisory Board, constitution of initial team of contributors.
 - 26-29 June 2016: presentation to the 7th BioPhysical Economics meeting 2016
 - July 2016: detailed Business Plan, including implementation plan, outreach and communication plan, and financial plan.
 - September 2016: launch of Website and newsletter, first Scientific Advisory Board meeting.
 - October 2016: first policy brief.
 - November/December 2016: first flagship report.
 - December 2016/early 2017: launch event in Brussels.
 - 2017-2018: Development of activities and global expansion.

Conclusion

- There might be an opportunity to bring biophysical economics to the policy arena, and the time to act is now.
- The only way to know whether it will be 'successful' is to try to do it.
- It can only be done if there is enough support among the biophysical economics 'community' to support the initiative and contribute to its realisation.
- The project is still in its early stages and there are still possibilities for interested members of the biophysical economics community to help shape it and influence its realisation.
- I therefore encourage all those interested to get in touch and discuss ways to help make it happen: fxchevallerau@biophyseco.org
- Thank you for your attention.