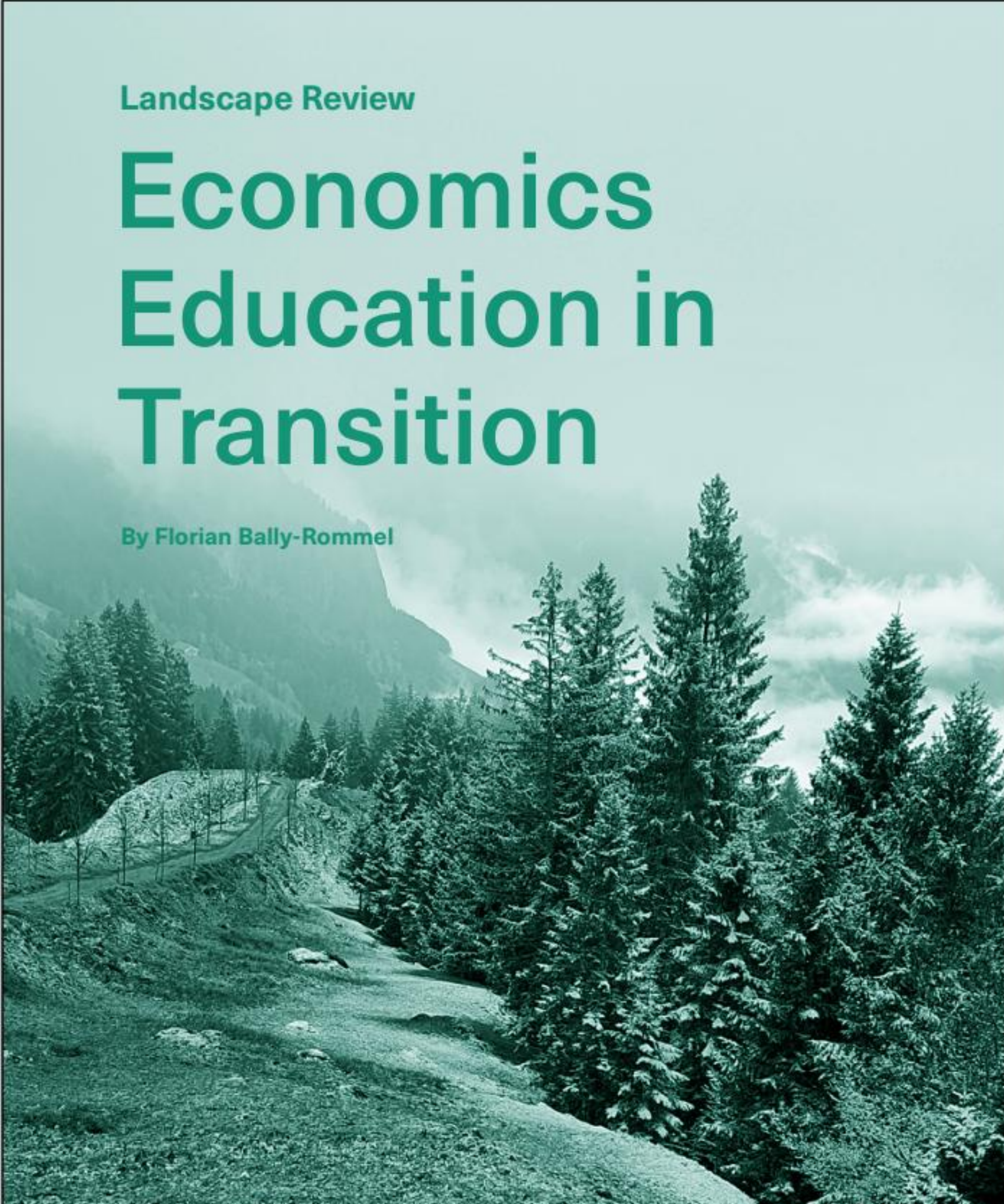
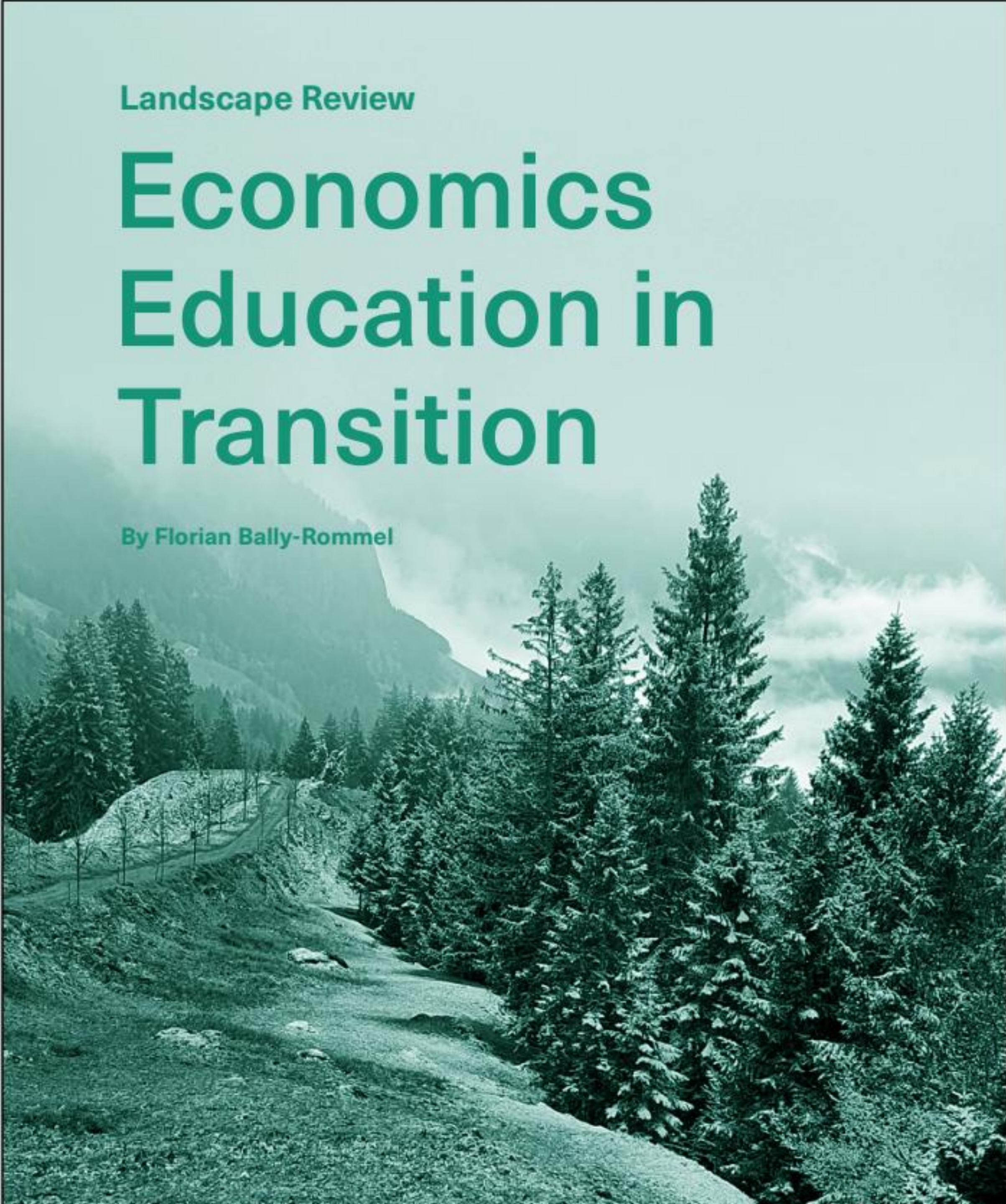


Landscape Review

Economics Education in Transition

By Florian Bally-Rommel



A scenic landscape photograph of a mountain valley. In the foreground, a dirt road winds through a grassy slope. A dense forest of evergreen trees covers the middle ground. In the background, a steep mountain rises, partially shrouded in mist or low clouds. The overall color palette is muted, with greens, greys, and soft blues.

Landscape Review

Economics Education in Transition

By Florian Bally-Rommel

"I thought of economics as an elaborate hoax ... aimed at justifying the world and keeping it exactly as it was; using simple mathematics to describe some very rudimentary version of it, and 'proving' that any attempt to intervene against the smooth functions of the market would wreak havoc."⁹



“I thought of economics as an elaborate hoax ... aimed at justifying the world and keeping it exactly as it was; using simple mathematics to describe some very rudimentary version of it, and ‘proving’ that any attempt to intervene against the smooth functions of the market would wreak havoc.”⁹

⁹ Duflo, E. (2020) American Economic Review Vol. 110, No. 7, p.1952



Economics is fragmented. + flourishing transforming.

- More empirical/ Design oriented/
Increasing Model Portfolio
- Climate-related research is increasing

Open Access Article

Climate Change and Economics 101: Teaching the Greatest Market Failure

by John Chung-En Liu^{1,*} , Yoram Bauman² and Yating Chuang^{3,4}

Economics is fragmented.
Nourishing transforming

Why does the economics of climate change matter so much, and why has the engagement of economists been so weak?

Andrew J. Oswald

University of Warwick

Nicholas Stern

London School of Economics

September 2019

Increasing Model Portfolio

What Climate Change Requires of Economics

Sep 28, 2021 | DARON ACEMOGLU

Although the economics discipline has evolved over time to acknowledge environmental risks and costs, it has yet to rise to the challenge of climate change. A problem as massive as this one will require a fundamental reconsideration of some of the field's most deeply held assumptions.

Advances in Economics Education, Vol. 2 No. 2, Winter 2023, pp. 127–144

The COherence and RElevance of CORE Econ's new benchmark model

Samuel Bowles

Santa Fe Institute, NM, USA; CORE Econ

Wendy Carlin*

University College London, UK; CEPR, London, UK; Santa Fe Institute, NM, USA; CORE Econ



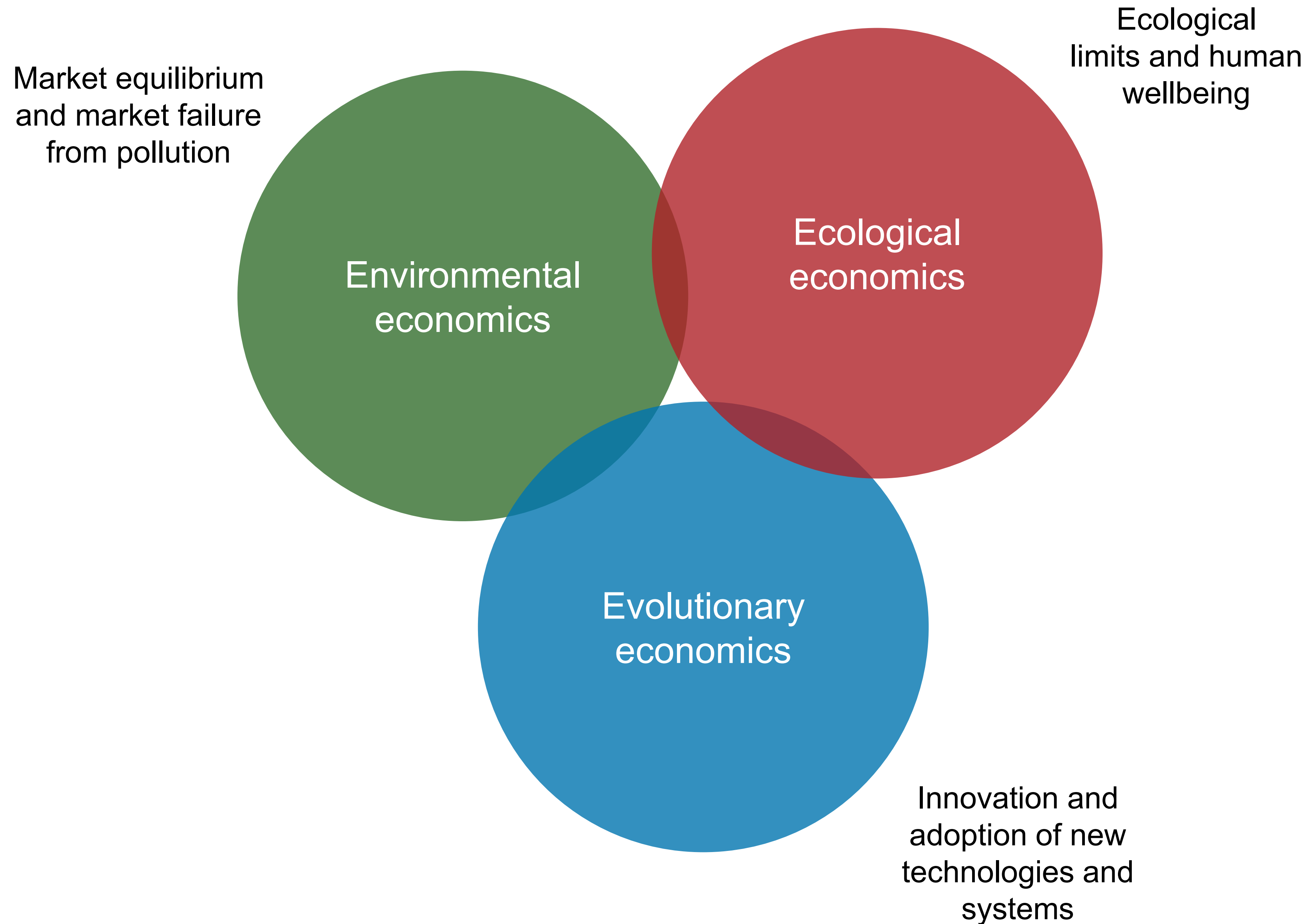
Potential of Plural Economics I: Climate

- Input I:
How captured economics stole our climate — and how we can reclaim it (Katy Shields)
- Input II:
Economic paradigms in climate policy (Anthony Patt)
- Moderated exchange
- Open Questions
- Announcements

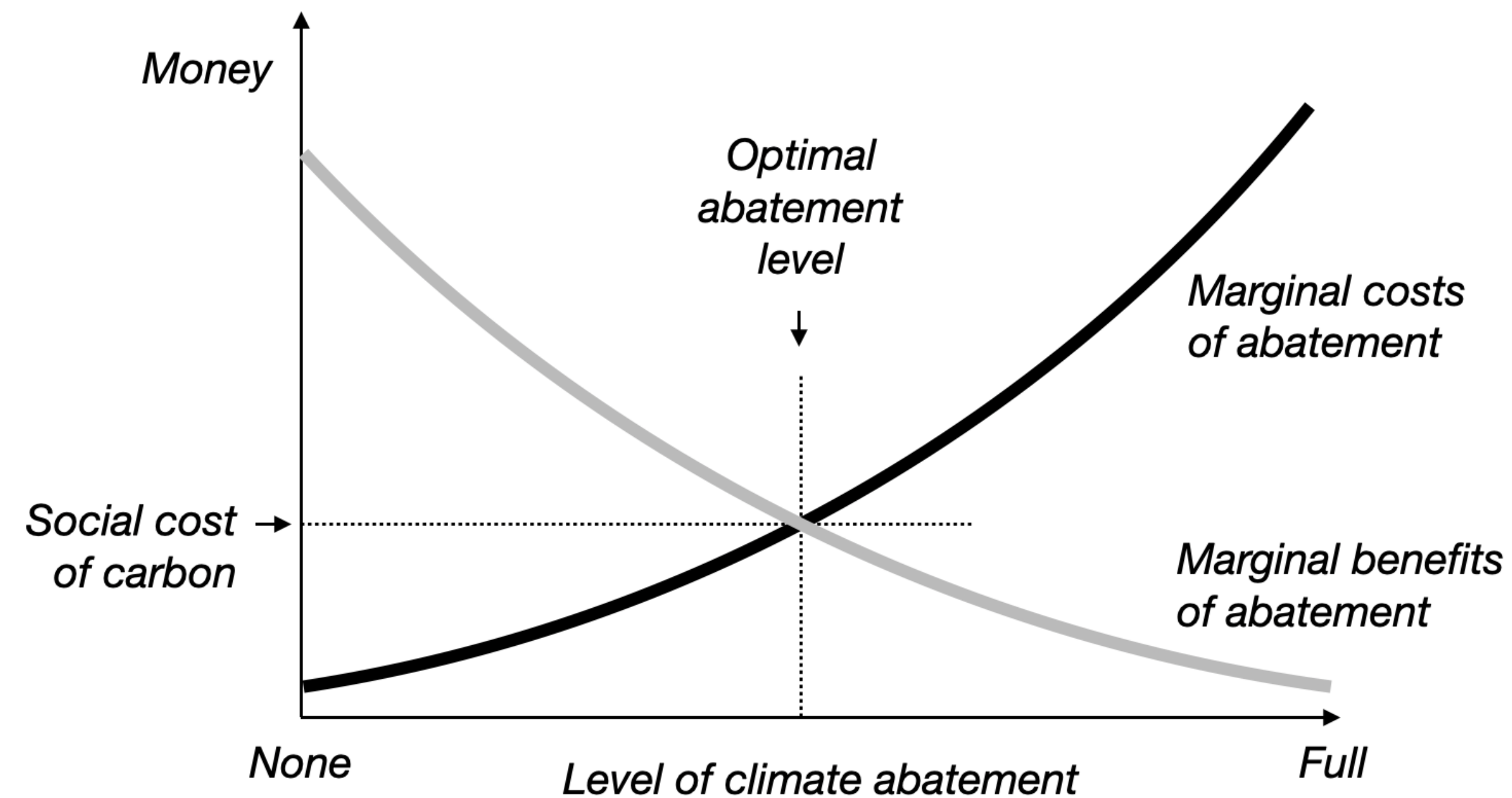
Economic paradigms in climate policy

Anthony Patt

ETH Professor of Climate Policy



Environmental
economics



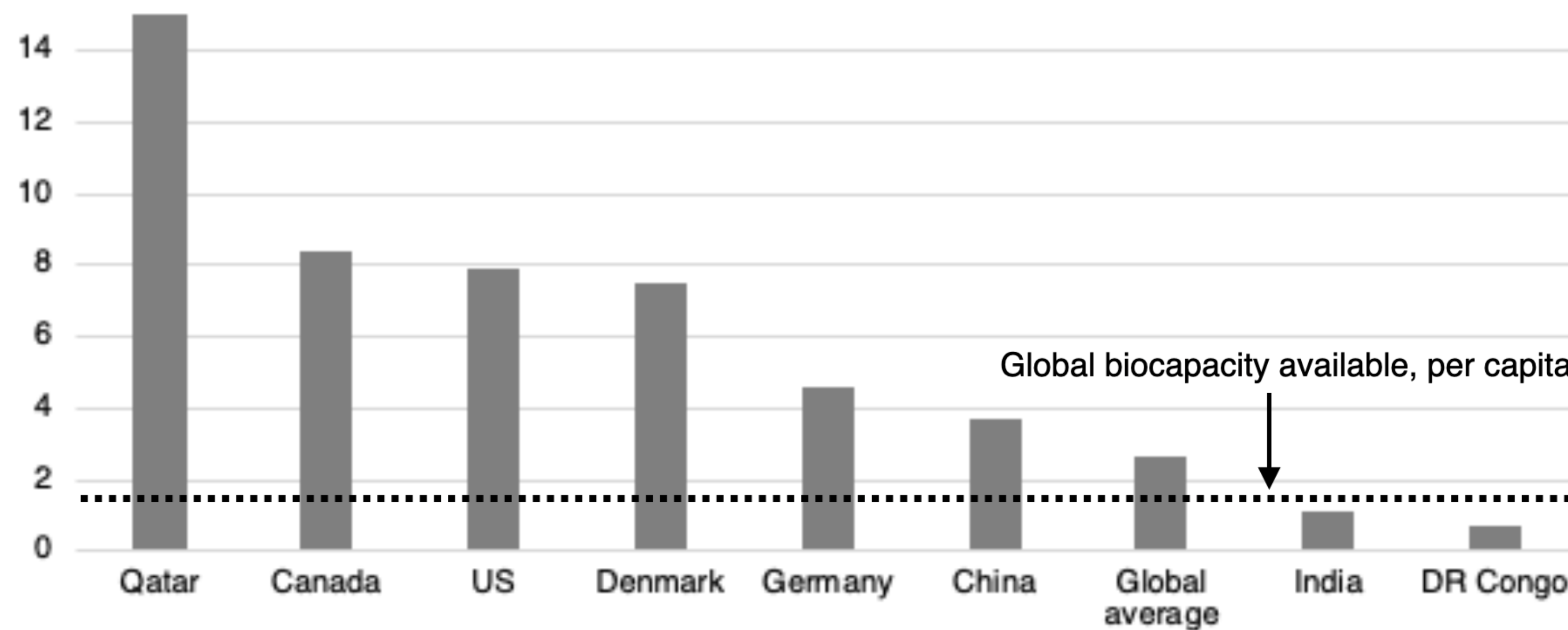
- The root of the climate problem is a market failure associated with the external costs associated with CO₂ emissions, leading to an inefficient equilibrium in energy markets.
- The economically efficient climate target is one that equalises the marginal costs of abatement with their marginal benefits.
- The ideal policy instrument is a carbon price, because it provides incentives for the market to engage the cost-effective mitigation options up to the abatement target.

Ecological
economics

Evolutionary
economics

Ecological
economics

Global hectares per capita

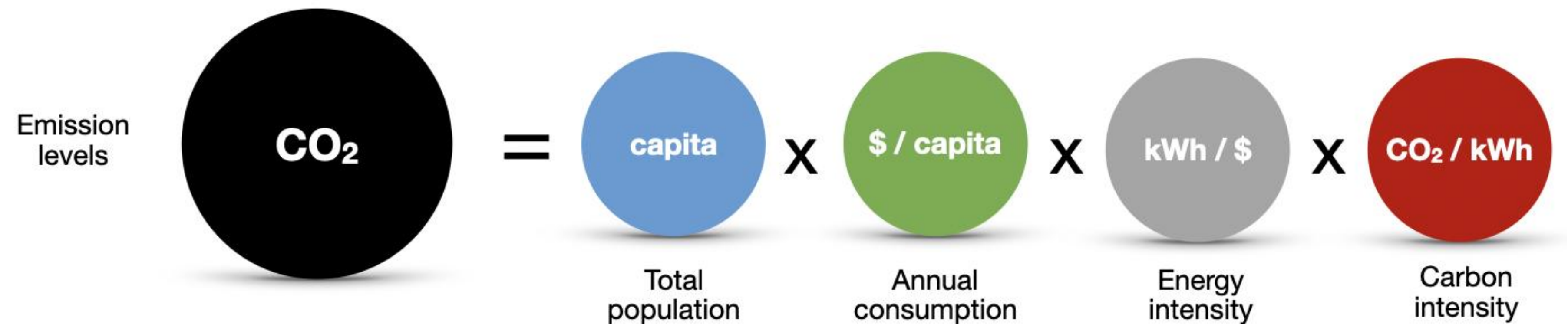


- The root of the climate problem (among several environmental problems) is the unsustainable growth in economic activity and energy use, especially among the wealthy people of the world.
- While technology can play a role, ultimately sustainability depends on changing the trajectory of economic growth and resource consumption.
- The ideal policy instruments are those that promote lifestyle changes, with an emphasis on less of the bad stuff: less meat consumption, less driving, less flying. Maybe less work.

Environmental
economics

Evolutionary
economics

Evolutionary economics

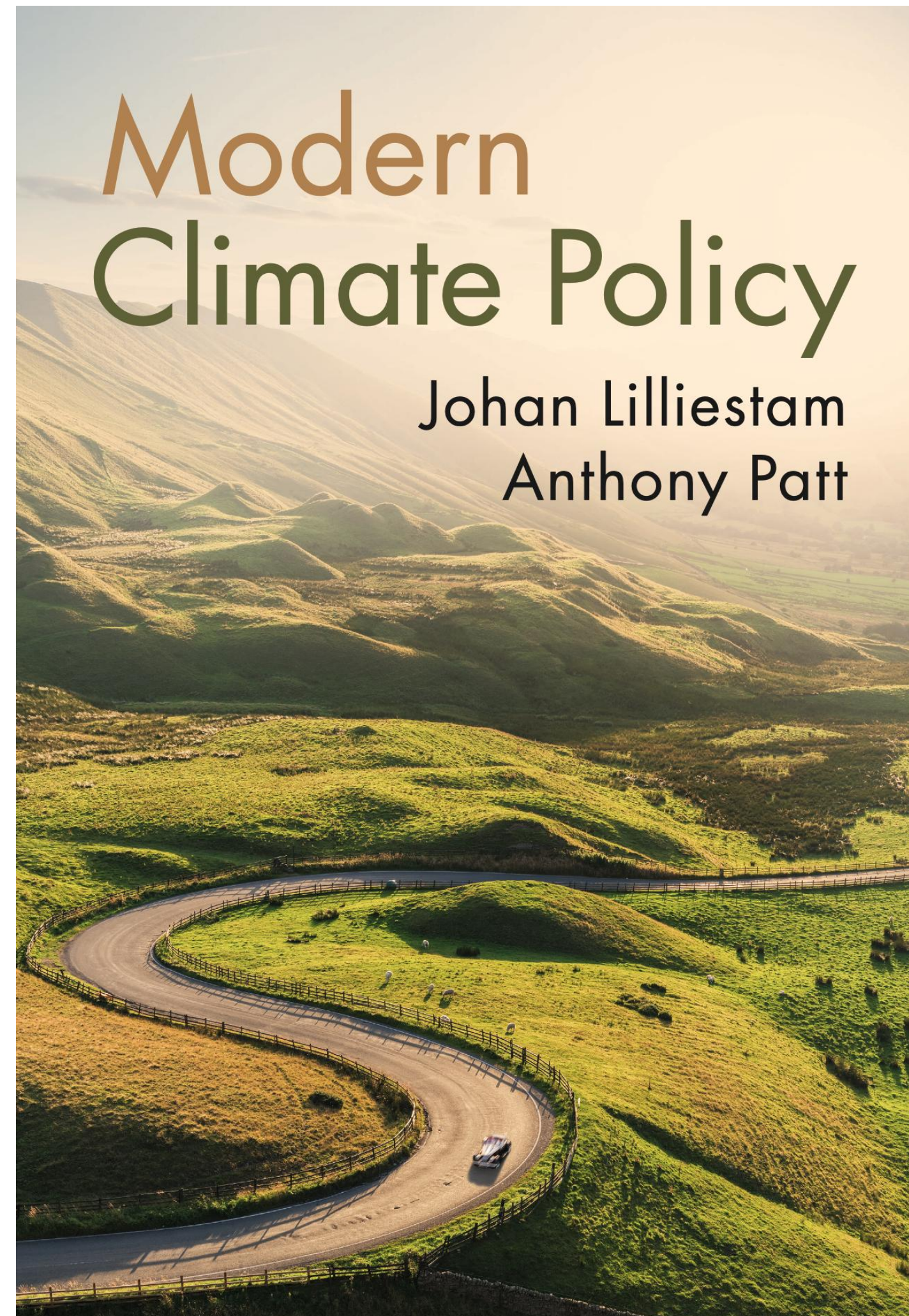


- The root of the climate problem is reliance on technologies (primarily for energy conversion) that have a carbon intensity greater than zero, for reasons of path dependency dating to the beginning of the industrial revolution.
- Getting to zero emissions (at least in the energy sector) requires replacing all fossil technologies with non-fossil alternatives; if we do this, there may be other reasons to reduce population, consumption, or energy intensity, but these will have no effect on emissions.
- The ideal policy instruments are those that first promote the expansion of alternative technologies, and then ensure that these completely replace the older technologies.

Environmental
economics

Ecological
economics

Evolutionary
economics



- The environmental economics approach dominated for a long time.
- We argue that the evolutionary economics framing fits the climate problem better, and show that countries that have shifted to this approach have actually made quite good strides.
- While we support many “degrowth” policies, we do so for reasons other than climate change, and argue against labelling them *climate policy*.

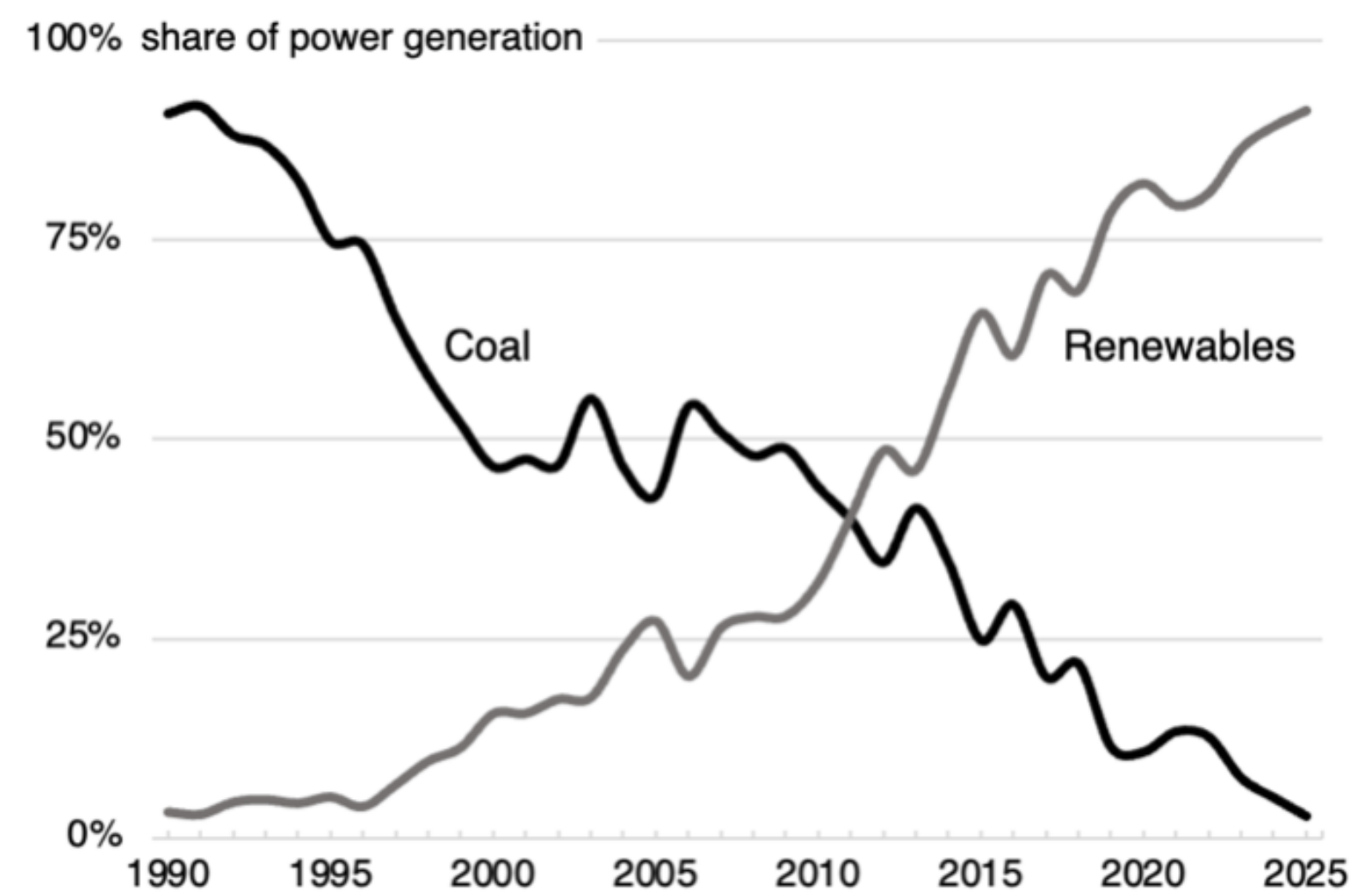
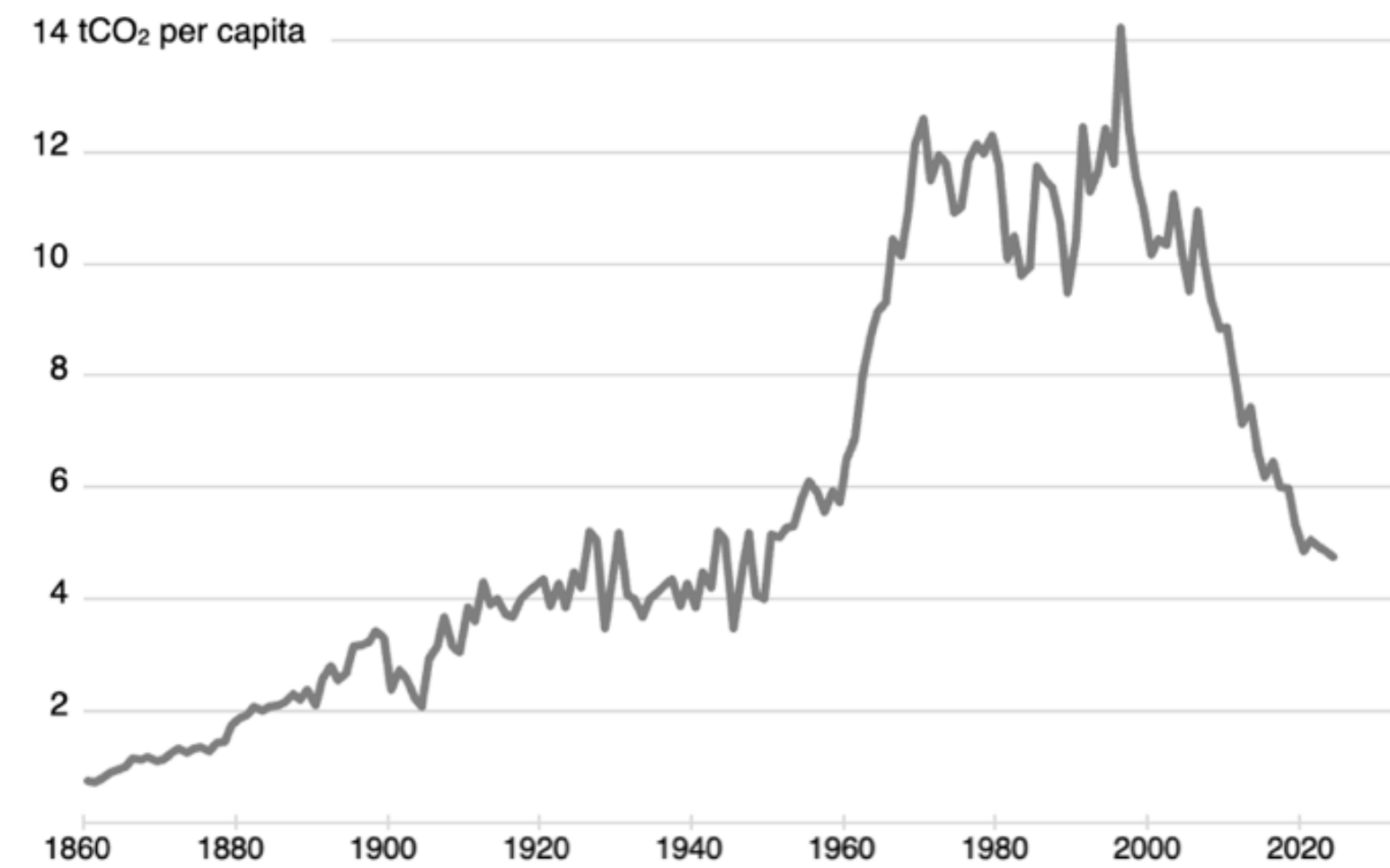
Environmental
economics

Ecological
economics

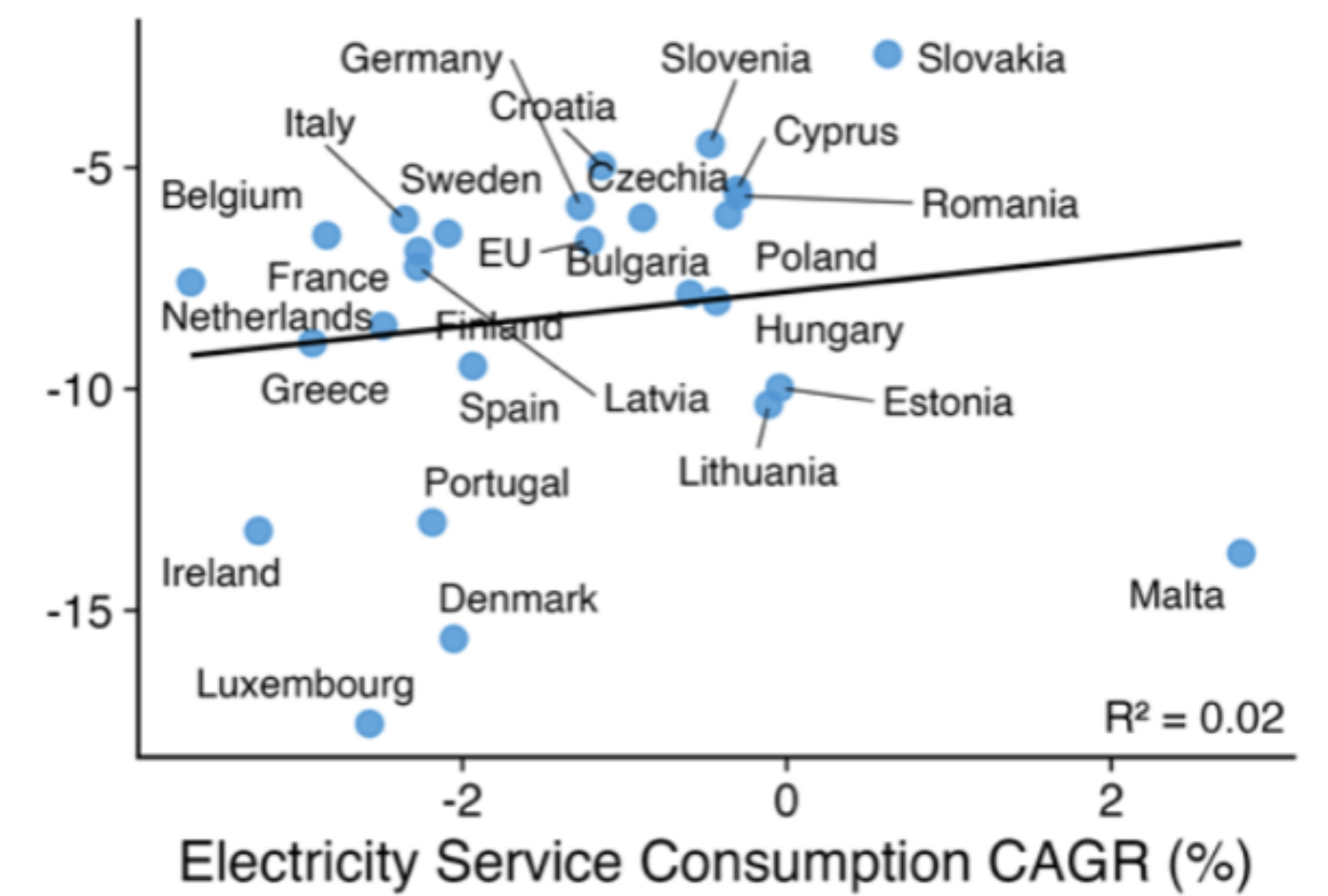
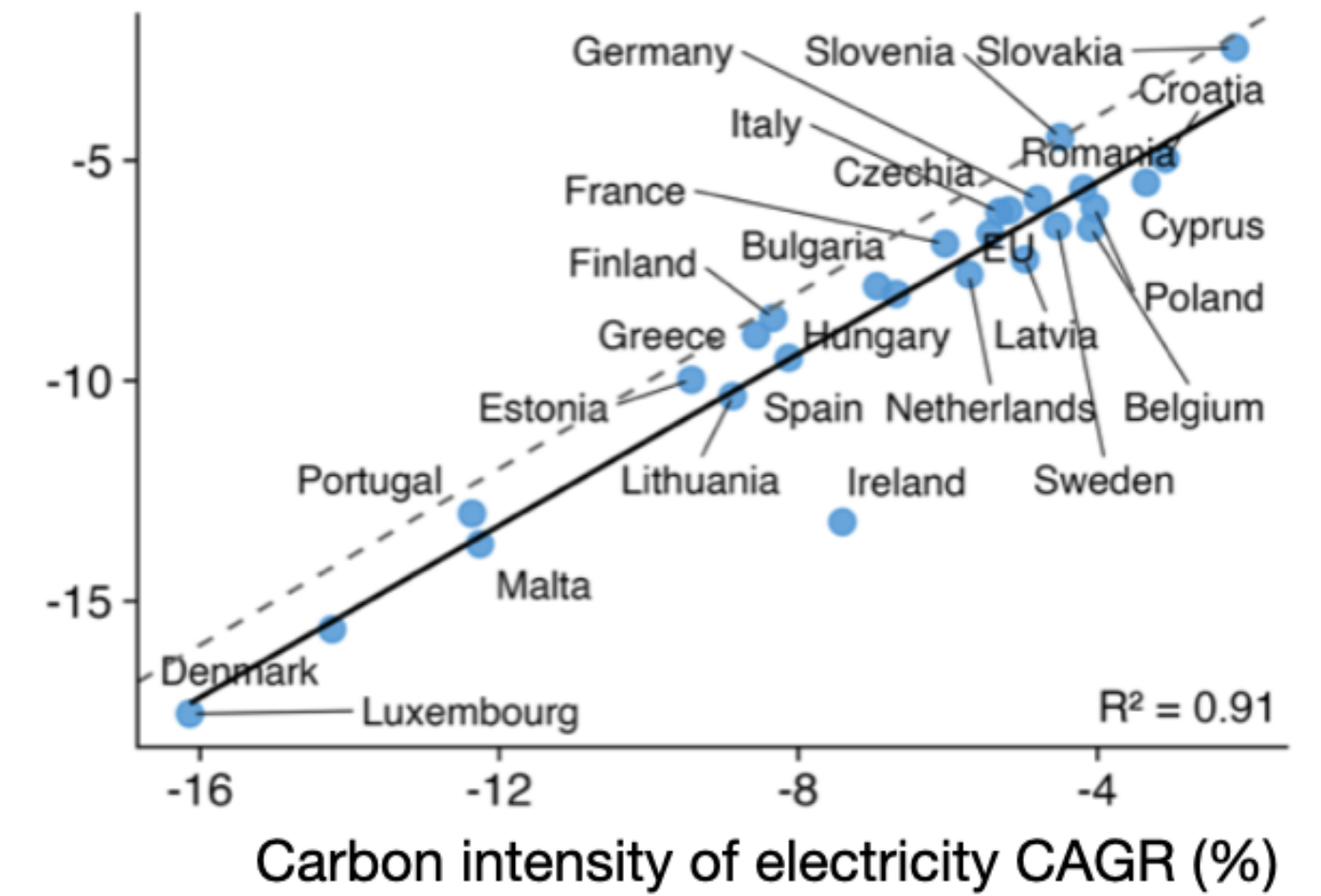
Evolutionary economics

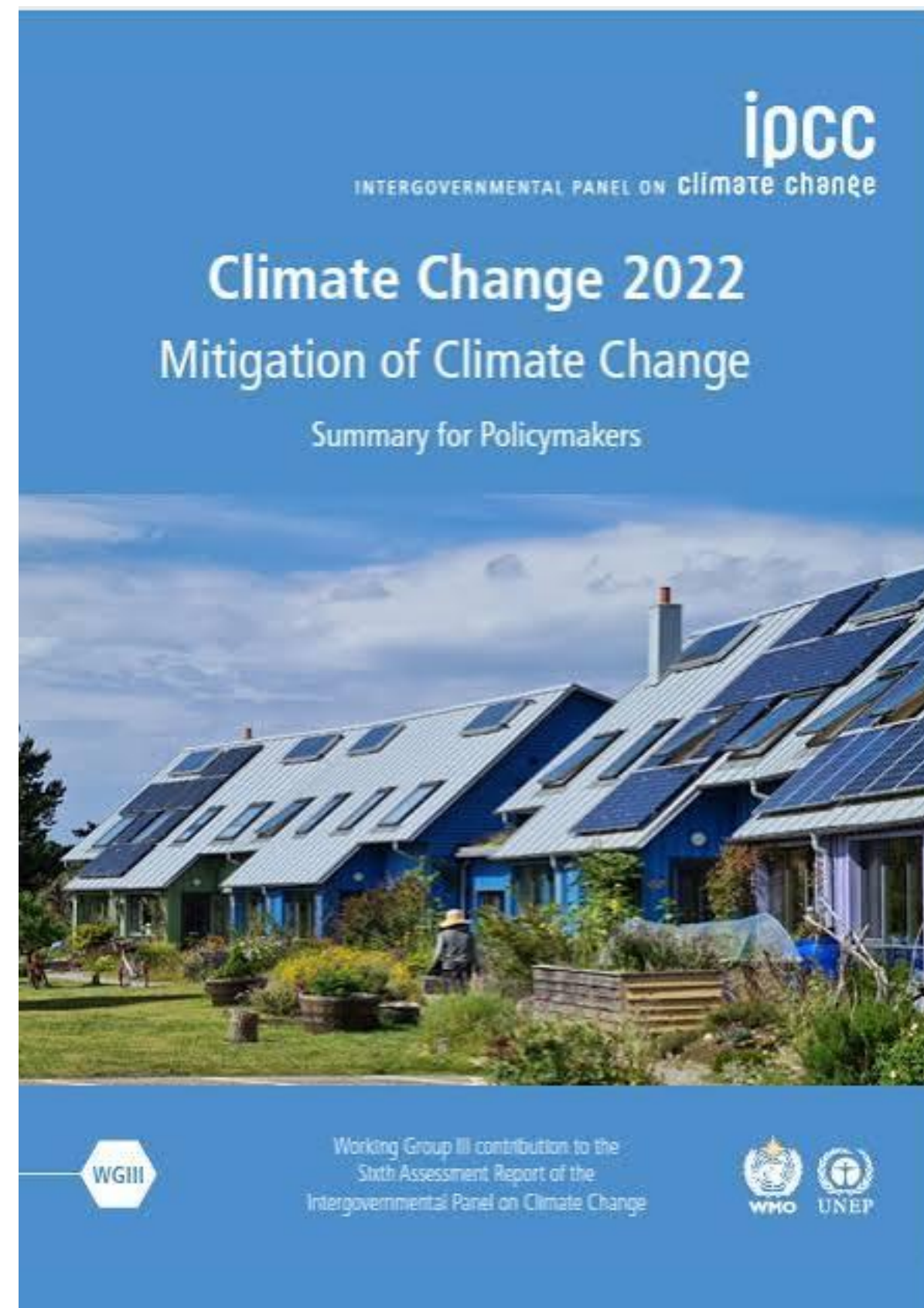
Environmental economics

Ecological economics



Cumulative annual growth rate (CAGR) in CO₂ emissions / GDP (electricity)





- Previous IPCC reports have increasingly framed the climate protection challenge in evolutionary economics terms, yet have chosen indicators and assessed policies through an environmental economics lens.
- In the upcoming IPCC report, many of us are working to change the second half of the last sentence, and present alternative perspectives on assessing policies and progress.
- We are encountering huge pushback to these proposed changes from the neo-classical economics community; for example, one prominent economist has resigned from the report.
- The intellectual battles are in full swing.