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## **Wackernagel at the European Parliament: Is the European Meltdown a Euro Crisis or a Resource Crunch?**

### ***New Principles for Economic Success in the Era of Resource Efficiency and Biocapacity Constraints***

(Brussels) – With the recent food and energy crises, it has become even more evident that the 21<sup>st</sup> century will be shaped by ecological constraints. The question is: what's the link between the current Euro crisis and these emerging resource constraints?

At today's STOA lecture at the European Parliament, Dr. Mathis Wackernagel, President of Global Footprint Network, will reveal the latest research results documenting the role of the resource constraints in shaping the current financial crisis.

Using Ecological Footprint metrics and monetizing the cost of Ecological Deficits, he provides evidence that the Euro crisis is a symptom of deepening resource constraints. Therefore, turning around resource trends becomes a necessary condition for Europe's economy to recover. While the biocapacity deficit cost Greece less than 10% of their GDP in the 1990s, in 2009 it shot up to nearly 40% of its GDP.

Wackernagel explains: "the downward escalator of resource costs has now outpaced economies' ability to run upwards. The result is economic contraction and debt escalation." Wackernagel claims that successful governance will increasingly depend upon resource accounts like the Ecological Footprint to understand risks, much as it has depended upon GDP to measure economic progress.

Recognizing that national competitiveness needs resource stability, policy and management tools are required to link resource trends more tightly with nations' competitiveness and economic performance concerns. Strengthened evidence for these links could radically improve nations' ability to adapt to the new era.

Nations have reacted too slowly because they misunderstand the economic significance of resource security and climate change. Many governments still consider that taking action is a burden they will need to shoulder for the good of the world – rather than recognizing their self interest. Their lack of action in resource policy and climate change will have an increasingly important impact on their competitiveness and economic health.

But if leaders and their administrations truly understood the role that resource dynamics play in their economies and competitiveness they would have the exact opposite approach. After all, environmental issues have already started to burden many nations' economy by increasing food dependencies, energy costs and as a result a rapidly increasing national debt and eroding social stability.

To document the new principles of effective economic policy in a resource constrained world, Wackernagel's intervention answers two questions: what is the evidence that resource constraints have a material and significant impact on economic performance? And, if there is evidence, how does this evidence become relevant and practical for economic decision-making?

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*Global Footprint Network is an international research organization working to make ecological limits central to decision-making by advancing the use of the Ecological Footprint, a resource management tool that measures how much nature we have, how much we use and who uses what. For more, visit [www.footprintnetwork.org](http://www.footprintnetwork.org)*