


This conference:

Europe 2020 – paths for reinventing Europe's future

11.00 Panel 1: Tackling economic and environmental challenges

The session will discuss the factors which shape **post-financial crisis reality** from an economic perspective. The debate will concentrate on the ways to improve the business environment, especially through the access to finance for SMEs, promoting research, job creation and upskilling human resources. Focusing on the new challenges the discussion will highlight the need to develop digital and green economy in a sustainable environment in accordance with the Post-2015 Agenda. At the same time, it will consider the importance of strengthening governance and building resilience. The transition towards a smart economy would most probably bring a loss of employment to many sectors, therefore it is urgent to anticipate this change and create suitable economic and environmental conditions. Furthermore, there is a need to take account of changes that can only be measured by creating composite indicators which factor in citizens' wellbeing.



**post-financial
crisis reality**

Post financial crisis reality?

- What if 'The Greek debt crisis is the Iraq War of finance' (Ambrose Evans-Pritchard, 2015)
- Are we removing uncomfortable knowledge?
- Knowledge of collapsed trust, rampant corruption, intergenerational conflict and surging inequality?



- <http://www.telegraph.co.uk/finance/economics/11687229/Greek-debt-crisis-is-the-Iraq-War-of-finance.html>
- Rayner, S., 2012, Uncomfortable knowledge: the social construction of ignorance in science and environmental policy discourses, *Economy and Society*, 41:1, 107-125.
- See http://www.andreasaltelli.eu/file/repository/Hypocognition_Etc.pdf

“the great ideas which once inspired Europe seem to have lost their attraction, only to be replaced by the bureaucratic technicalities of its institutions.”



“As the European Union has expanded, there has been growing mistrust on the part of citizens towards institutions considered to be aloof, engaged in laying down rules perceived as insensitive to individual peoples, if not downright harmful” (Strasbourg, November 25, 2014)

- http://en.radiovaticana.va/news/2014/11/25/pope_francis_address_to_european_parliament/1112318

Europe's beloved football: FIFA corruption story exposed by American judges ...



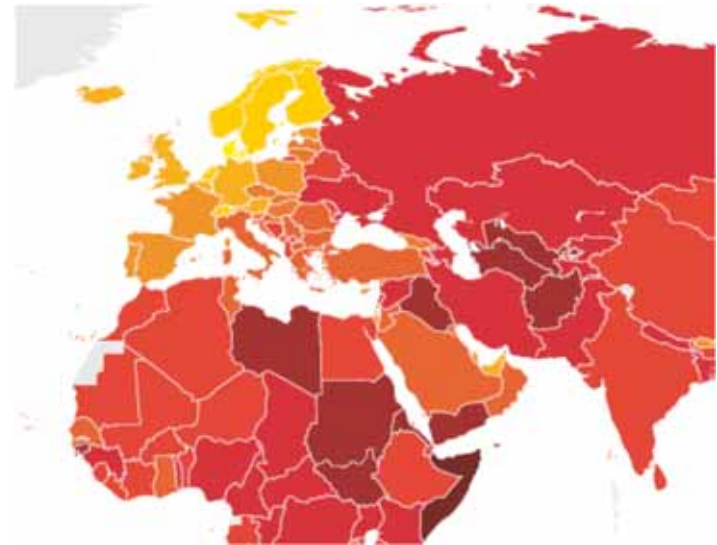
US District Judge Raymond Dearie in a courtroom sketch in Brooklyn.
Photograph: Jane Rosenberg/Reuters

Luxemburg top of the league in financial secrecy (second only to CH) according to Tax Justice Network



- <http://www.theguardian.com/football/2015/jun/06/fifa-judge-raymond-dearie-organized-crime-surveillance>
- <http://www.financialsecrecyindex.com/faq/corruption>

“...Transparency International’s Corruption Perceptions Index CPI ranks poor countries in Africa and elsewhere – predominantly the victims of an estimated US\$1 trillion-odd in annual illicit financial outflows – as the ‘most corrupt’. But all these outflows must be received somewhere...” (Source: Financial Secrecy Report)



Corruption Perception Index 2014

- <http://www.financialsecrecyindex.com/faq/corruption>
- <http://www.transparency.org/cpi2014>

Growing inequality – shall it keep increasing?

For Piketty (2015) the drivers of inequality in the XXI century are:

- 1 global tax competition to attract capital;
- 2 growth slowdown and technical change;
- 3 and unequal access to high financial returns

- Piketty, T. 2014, Capital in the Twenty-First Century, Belknap: Harvard University Press.
- Atkinson, A. B., 2015, Inequality: What Can Be Done?, Harvard University Press
- A recent paper from Piketty: <http://piketty.pse.ens.fr/files/Piketty2015JEP.pdf>
- A recent paper from Atkinson: <http://onlinelibrary.wiley.com/doi/10.1111/1468-4446.12105/epdf>
- For skill biased technological change read Brynjolfsson, E. and McAfee, A. 2014 The Second Machine Age, W. W. Norton: New York.
- Increased inequality facilitates corrupted and rent-extracting elites in a quintessential vicious circle, see Acemoglu, D. & Robinson, J. (2012). Why Nations Fail. The Origins of Power, Prosperity, and Poverty, Crown Business Publisher.

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Promoting research



Initiatives:

<http://retractionwatch.wordpress.com>)

<http://www.reproducibilityinitiative.org>



Image: The Economist. Combating bad science. Metaphysicians, Sloppy researchers beware. A new institute has you in its sights Mar 15th 2014.

A deep crisis of Science's governance system and funding seems to have escaped Brussels' radar ...

- Begley, C. G., and Lee M. E., 2012, Drug Development: Raise Standards for Preclinical Cancer Research, Nature, 483, 531–533.
- Begley CG 2013 Reproducibility: Six red flags for suspect work Nature 497 433–434.
- Ioannidis J P A 2005 Why Most Published Research Findings Are False PLoS Medicine 2(8) 696-701.
- Sanderson K 2013 Bloggers put chemical reactions through the replication mill Nature 21 January 2013.
- Nature biotechnology. Further Confirmation Needed, Editorial, Nature Biotechnology 30, 2012, 806.
- Van Noorden, R., Sluggish data sharing hampers reproducibility effort, Nature, News, June 3rd 2015.
- New York Times, 2015, Scientists Who Cheat, Editorial, June 1.
- Nature, 2015, Misplaced faith, Editorial, June 2. The public trusts scientists much more than scientists think. But should it?
- Lancet, Editorial, 2015, Rewarding true inquiry and diligence in research, 385, p. 2121.

Four international conferences on science integrity between 2007 and 2015 (May 31, 2015, about 600 delegates from over 50 countries and all continents, Rio de Janeiro)

San Francisco declaration, (2012), as of June 2015 signed by 12,000 individuals, and 570 organizations.

Springer and U. Joseph Fourier release a software to discover fake-paper generated by other software



- San Francisco declaration: <http://www.ascb.org/dora-old/files/SFDeclarationFINAL.pdf>,
- Lancet, Editorial, 2015, Rewarding true inquiry and diligence in research, 385, p. 2121.
- <https://www.springer.com/gp/about-springer/media/press-releases/corporate/springer-and-universit%C3%A9-joseph-fourier-release-scidetect-to-discover-fake-scientific-papers--/54166>

“Currently, many published research findings are false or exaggerated, and an estimated 85% of research resources are wasted” (Ioannidis, 2014)



John P. A. Ioannides

For Lancet (2015) an estimated US\$200 billion were wasted in the US in 2010.

THE LANCET

Volume 376 • Number 9234 • Pages 1-68 • July 3-9, 2010 www.thelancet.com

- Ioannidis, J. P. (2014). How to Make More Published Research True. PLoS medicine, 11(10), e1001747
- Lancet, Editorial, 2015, Rewarding true inquiry and diligence in research, 385, p. 2121.
- For more on diagnosis see http://www.andreasaltelli.eu/file/repository/Saltelli_3_Brussels_SD_RU_June2015.pdf

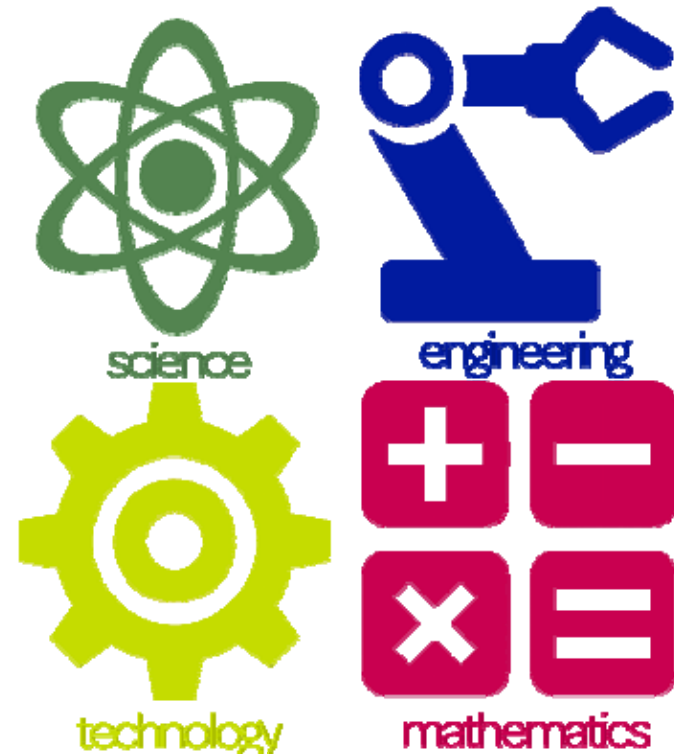
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upskilling human resources

... beware the STEM mythology;
even in the US the 'more STEM'
creed is contested.



- Hacker, A., The Frenzy About High-Tech Talent, The New York Review of Books July 9, 2015 Issue
- More references on STEM mythology at: Saltelli, A., and Dragomirescu-Gaina, C., 2014, New Narratives for the European Project, Working Papers in Technology Governance and Economic Dynamics N. 59, The other canon foundation, Norway Tallinn University of Technology, Tallinn, Estonia, http://www.andreasaltelli.eu/file/repository/New_Narratives_Saltelli_Dragomirescu.pdf

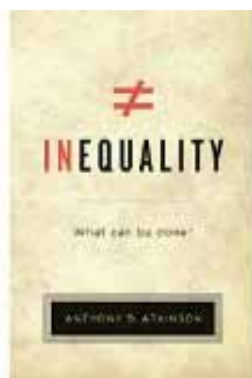
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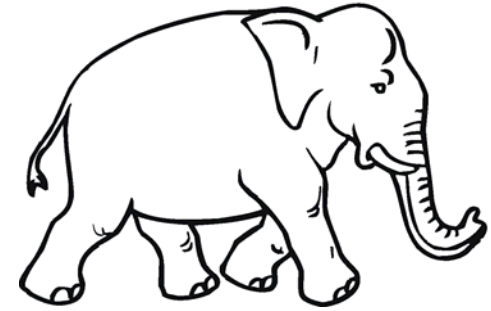
“The direction of technological change should be an explicit concern of policy-makers, encouraging innovation that increases the employability of workers, notably by emphasizing the human dimension of service provision”, Atkinson, 2014.



Sir Anthony Barnes Atkinson

- Atkinson, A.B., 2014, After Piketty? The British Journal of Sociology 2014 Volume 65 Issue 4.
- Mazzucato, M. 2011 The Entrepreneurial State, Demos: London.
- Piketty, T., A Practical Vision of a More Equal Society, a review of Atkinson's 'Inequality: What Can Be Done?', The New York Review of Books, June 25, 2015 Issue

The present monetary union binds countries with different cultures, productive structures, and institutions.



What if Europe suffers from a 'big epistemic failure' (Sen, 2015) and the roots of the European crises lie in the deindustrialization of the periphery which started long before the financial crisis (Reinert, 2008)?

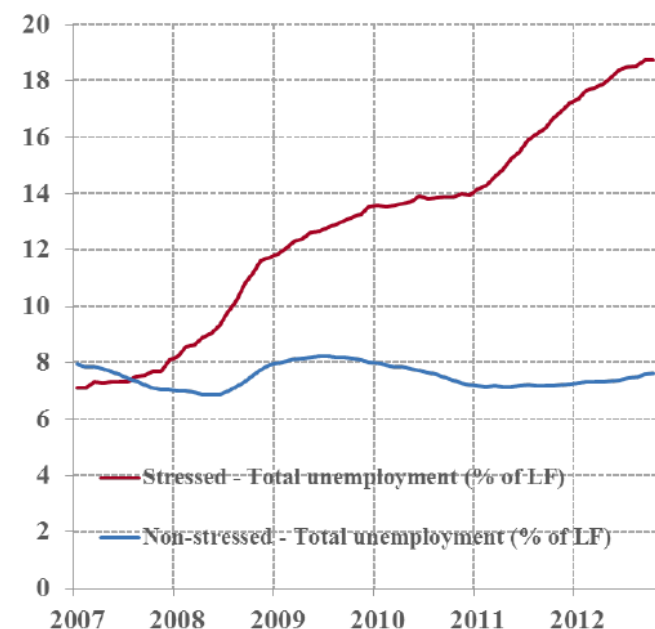
- <http://www.newstatesman.com/politics/2015/06/amartya-sen-economic-consequences-austerity>
- Reinert, E.S., 2008, How Rich Countries Got Rich . . . and Why Poor Countries Stay Poor, Public Affairs.

What if countries do not become rich by free trade but by opening to trade after having developed through a combination of government intervention, protectionism, and strategic investment, favorable terms of trade?



Erik S. Reinert

Euro area unemployment – stressed vs non-stressed countries
(% of labour force)



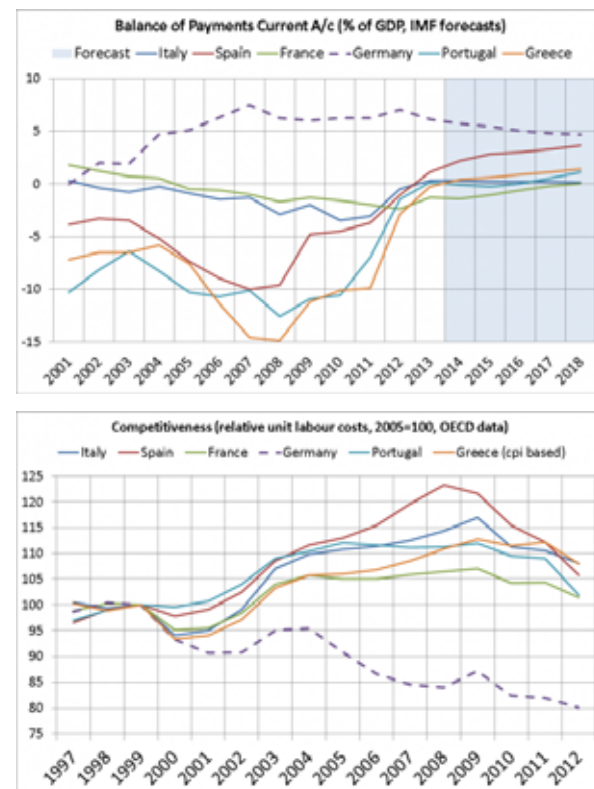
Source: Eurostat ECB

Note: Stressed countries: GR, PT, IE, ES, IT, CY and SI.

Source: FT.com, Gavyn Davies, The dramatic adjustment in eurozone trade imbalances, May 09 2013.

- Reinert, E.S., & Kattel. R., (2004). The Qualitative Shift in European Integration: Towards Permanent Wage Pressures and a 'Latin-Americanization' of Europe? PAXIS working paper N. 17 Tallinn University of Technology and PRAXIS Center for Policy Studies, Estonia.

What if the big bang enlargement in 2004 led to visible damage, due to an increase in cross-border financial intermediation without a proper coordination in prudential supervision, coupled with a consistent de-industrialization of accessing countries and persistent trade deficits?



Source: FT.com, Gavyn Davies, The dramatic adjustment in eurozone trade imbalances, May 09 2013.

- Reinert, E.S. (2011) Zeitgeist in Transition: An Update to How rich countries got rich and why poor countries stay poor, Working Papers in Technology Governance and Economic Dynamics no. 37, Tallinn University of Technology, Tallinn.

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