



New narratives on growth

EESC High Level Conference
“Towards a more effective Europe 2020:
Civil Society's proposals for boosting social
inclusion and competitiveness in Europe”

Andrea Saltelli
European Commission - Joint Research Centre (JRC)
Unit of Econometric Analysis and Statistics
Ispra (VA) - Italy
andrea.saltelli@jrc.ec.europa.eu

December 24th 2014





The ‘innovation narrative’ (let us innovate our way out of the crisis) comes under attack from several quarters pointing to different dimensions (human, social, economic, ecological, energetic ...) un-sustainability ...

Do we need to change our stories?

Based on:

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://technologygovernance.eu/files/main//2014082708083838.pdf>



Report by the Commission on the Measurement of Economic Performance and Social Progress

Professor Joseph E. STIGLITZ, Chair, Columbia University

Professor Amartya SEN, Chair Adviser, Harvard University

Professor Jean-Paul FITOUSSI, Coordinator of the Commission, IEP

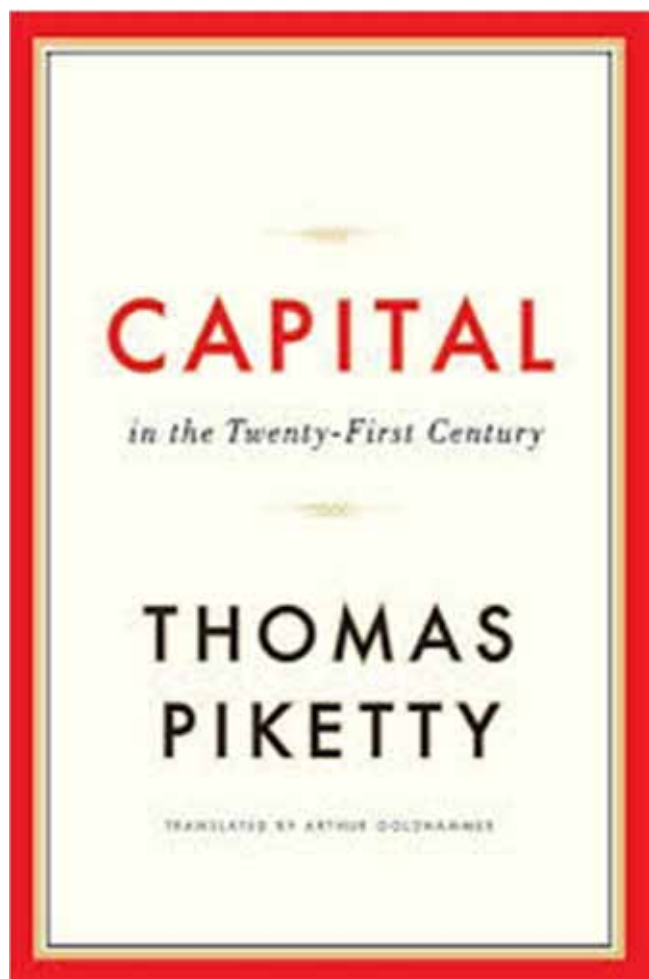
→ 2009

→ 2011

Recommendation 4: Don't use the
mean; use the median.
The same point is made by the OECD
(2011) *Divided we stand*

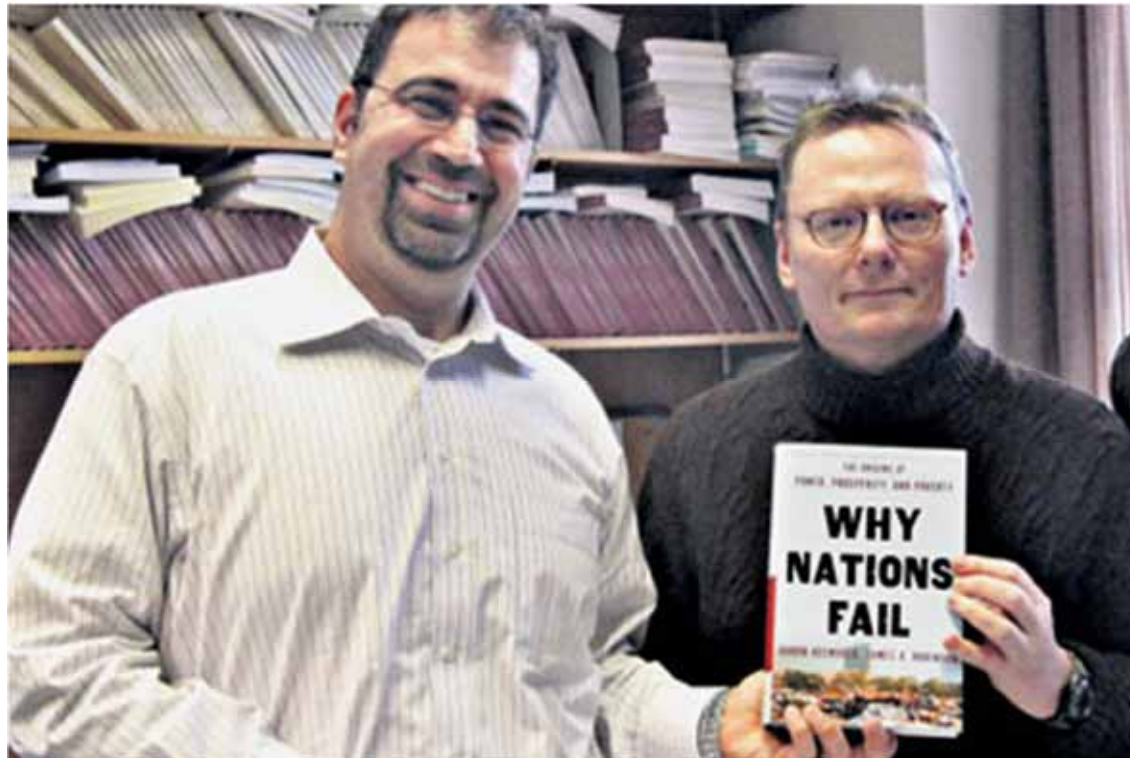


Thomas Piketty



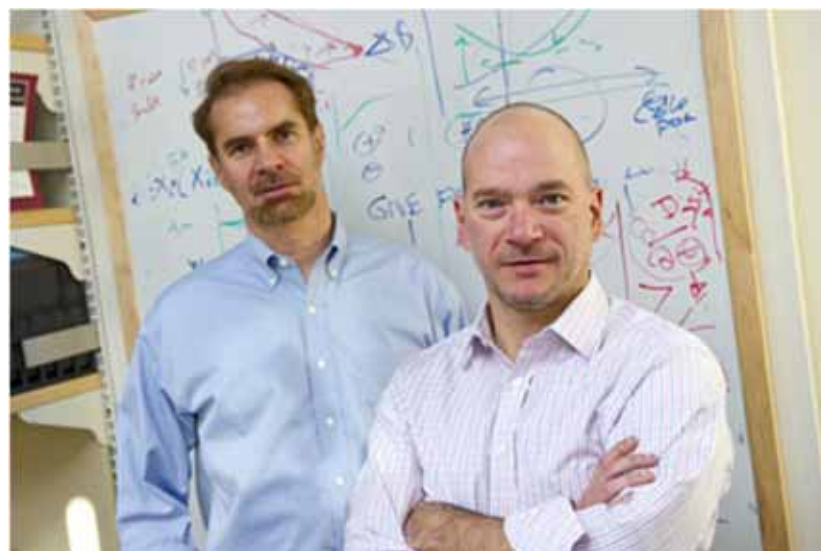
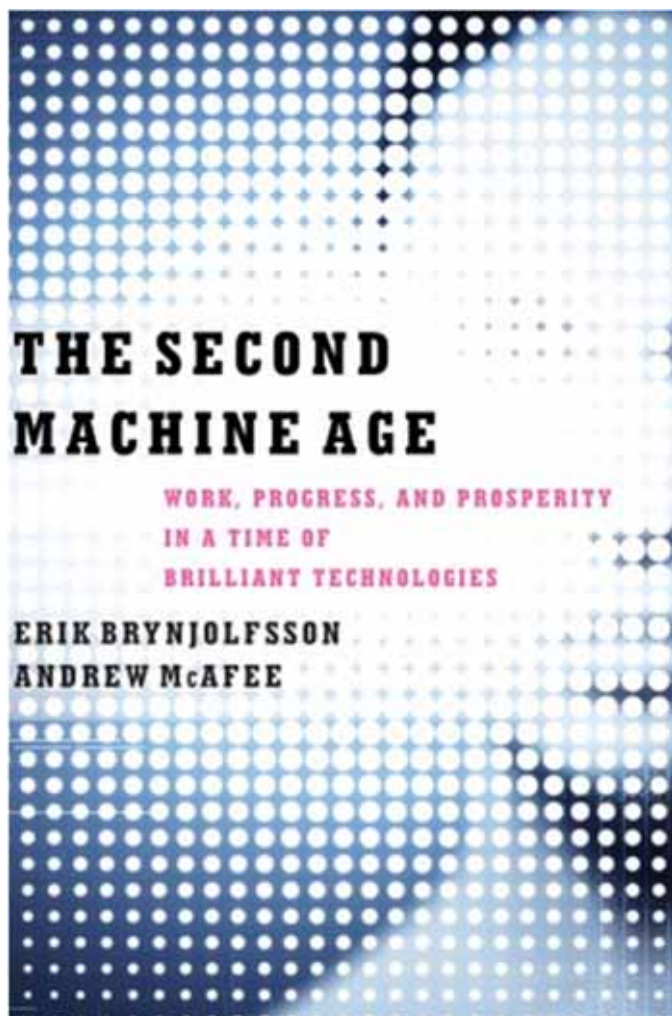
➔ 2014

Daron Acemoglu and James Robinson



→ 2012

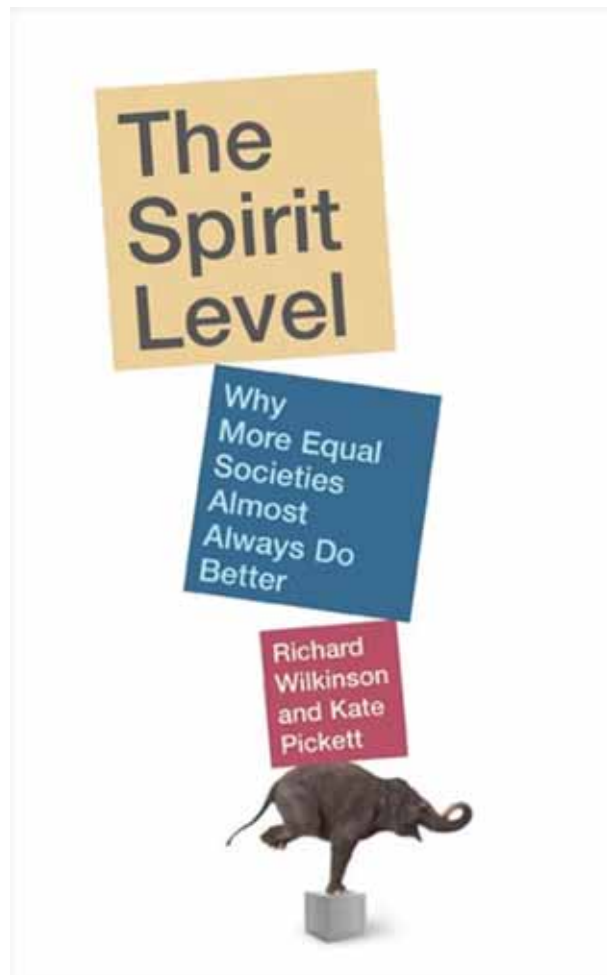
Erik Brynjolfsson and Andrew McAfee



- (i) Machines takes jobs, (ii) skill biased technological change, (iii) 'winner takes all' markets

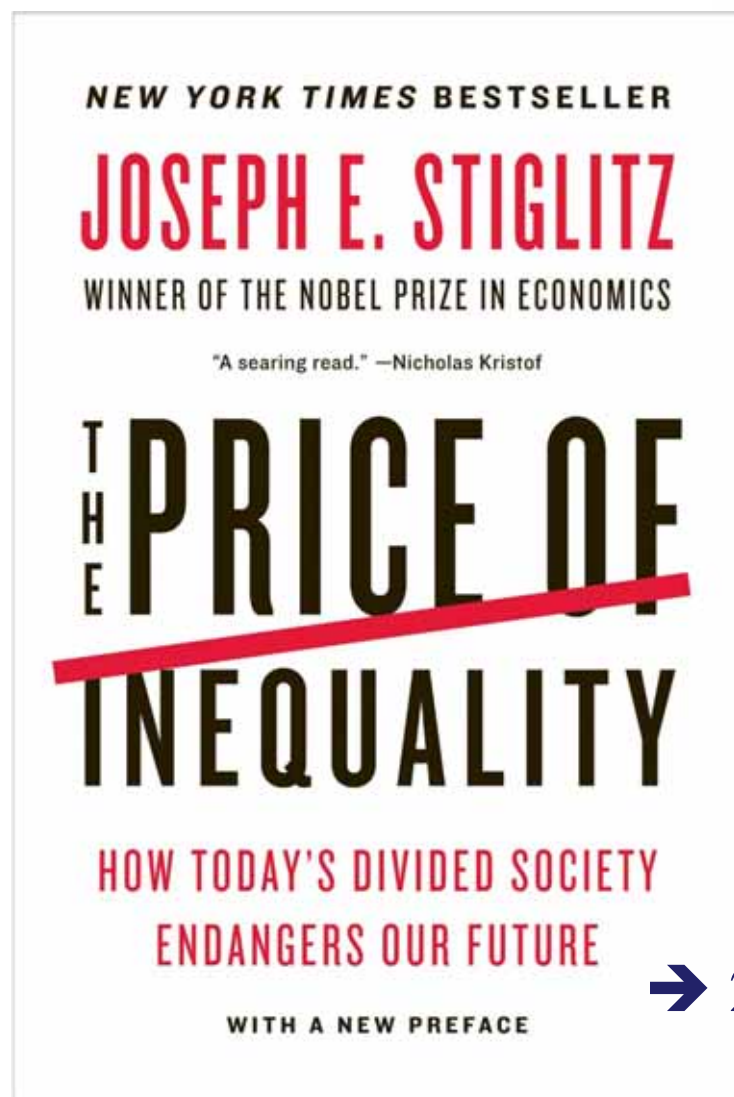
➔ 2014

Kate Pickett, Richard Wilkinson



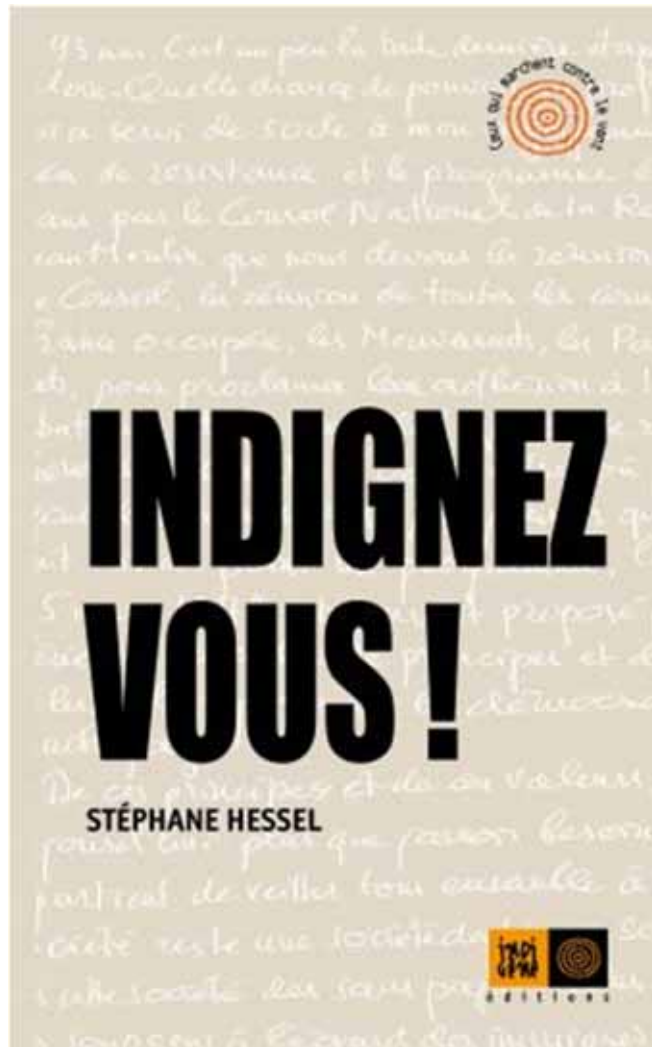
➔ 2012

Joseph Stiglitz (again!)

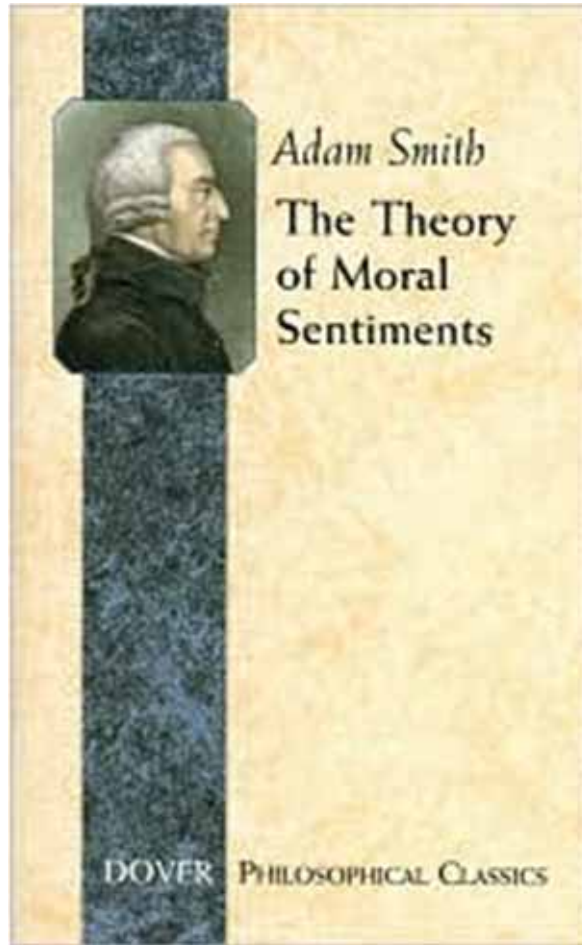


➔ 2012

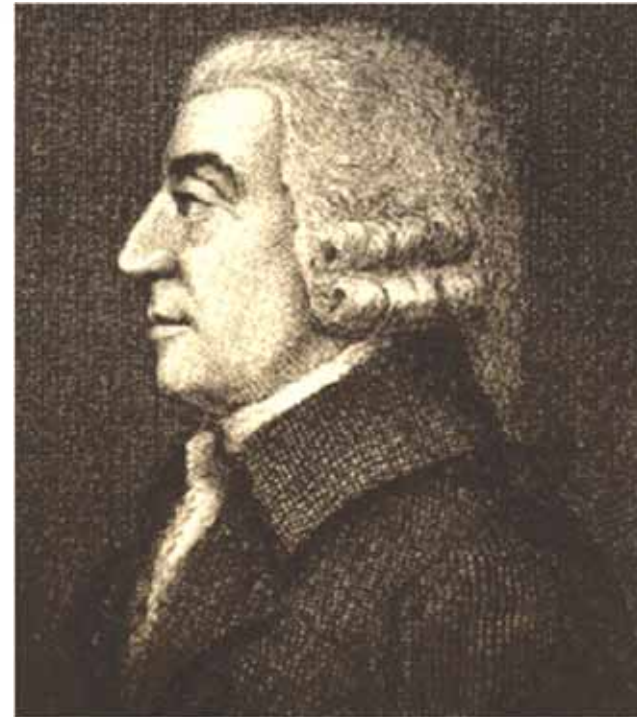
Stéphane Hessel



Adam Smith

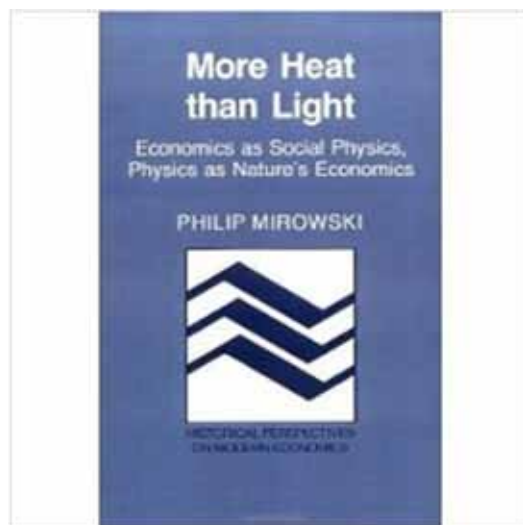


→ 1759



‘Resentment seems to have been given us by nature for a defense, and for a defense only. It is the safeguard of justice and the security of innocence...’, p. 79

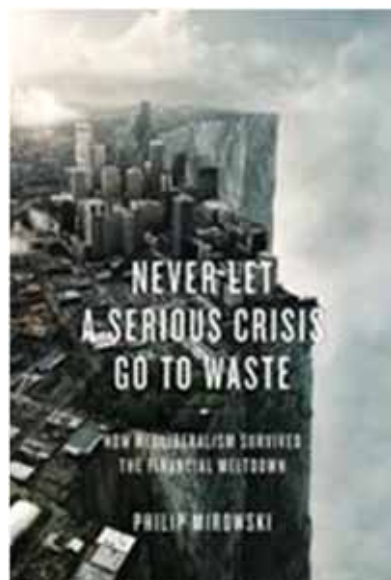
Philip Mirowski



→ 1991



→ 2013



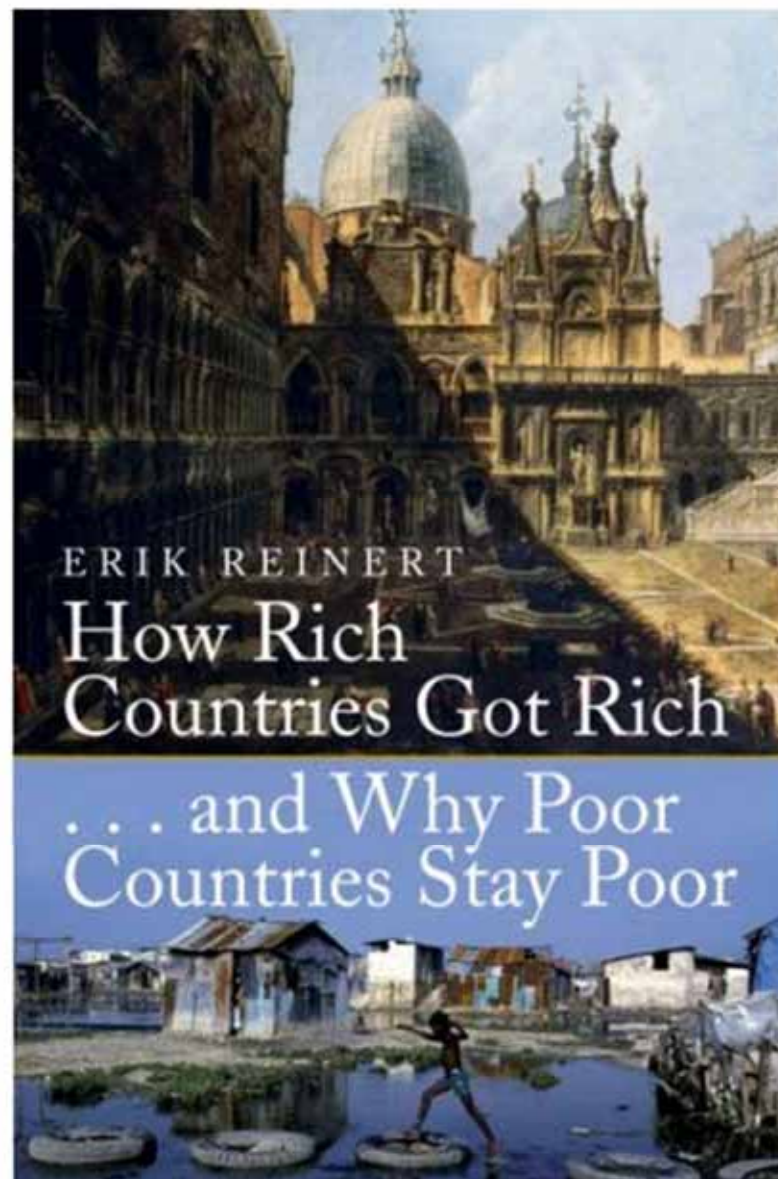
Joint
Research
Centre

Erik Reinert

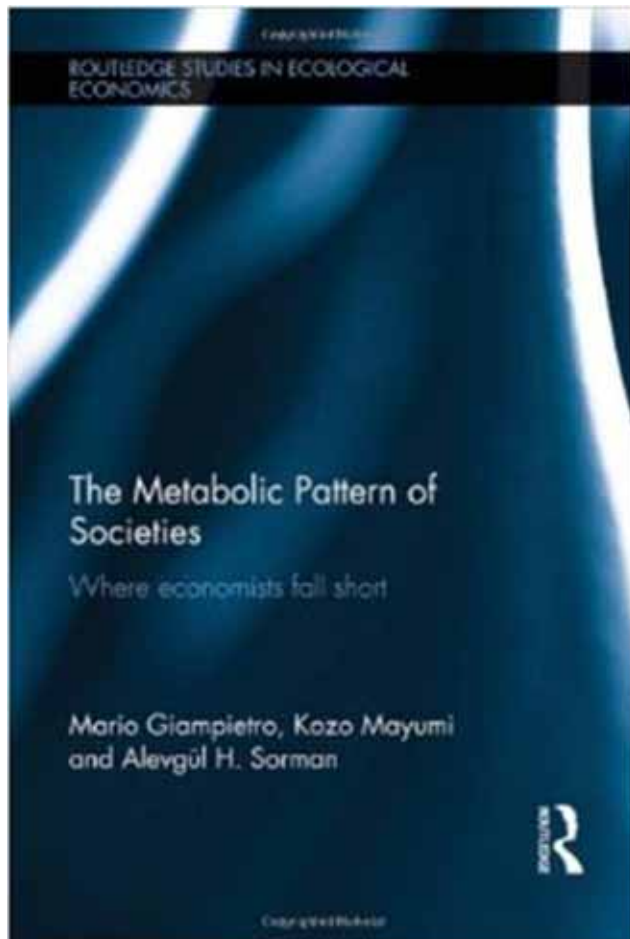


Erik Reinert

How Rich Countries Got Rich . . . and
Why Poor Countries Stay Poor
Public Affairs (October 7, 2008)



School of Nicholas Georgescu-Roegen



➔ 2012

Space for optimism



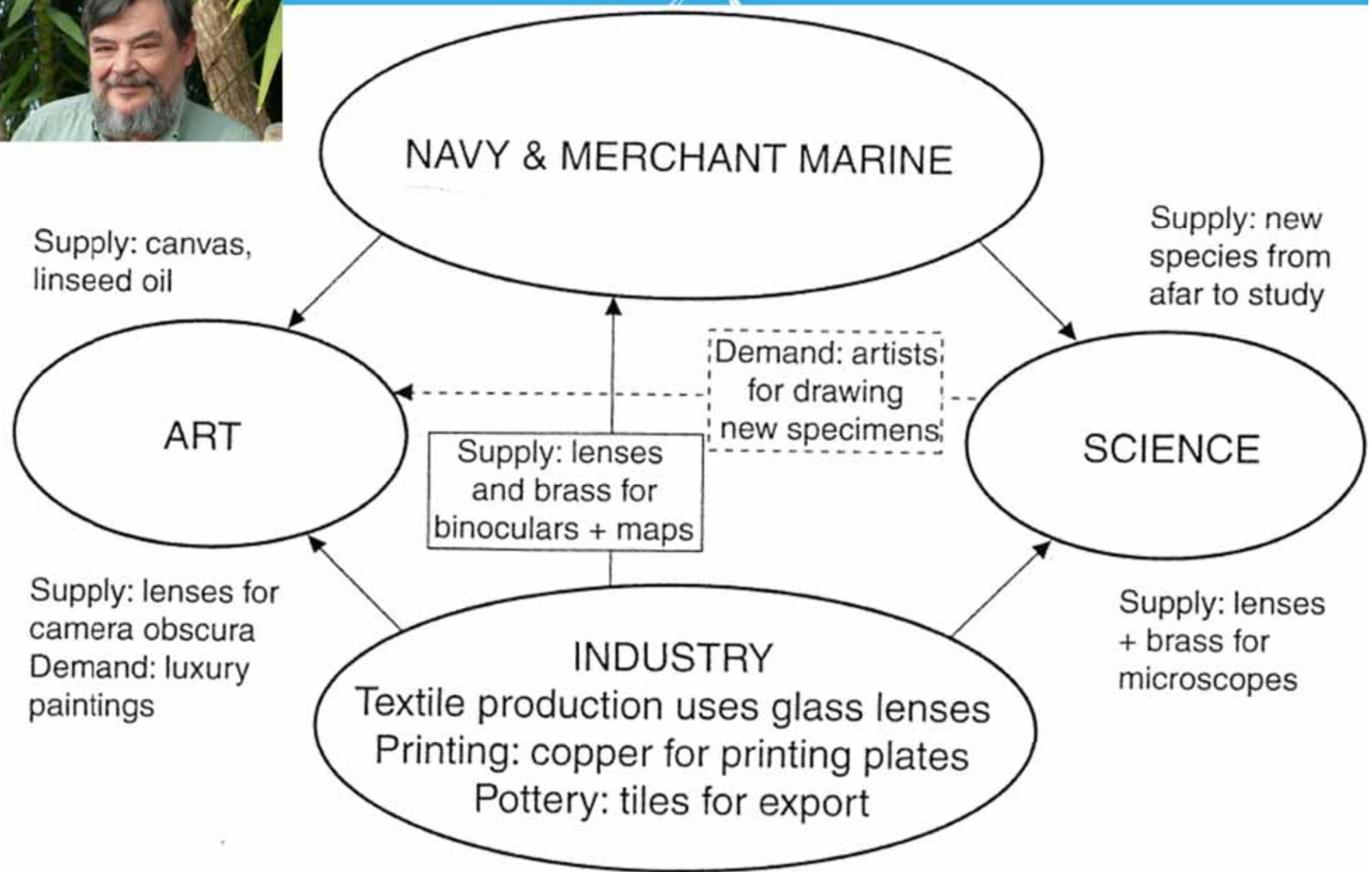


Figure 5 Delft, Holland, 1650s: an innovation system based on diversity



According to Reinert this is what Delft's 'National Innovation System' looked like at the end of the 30 y war

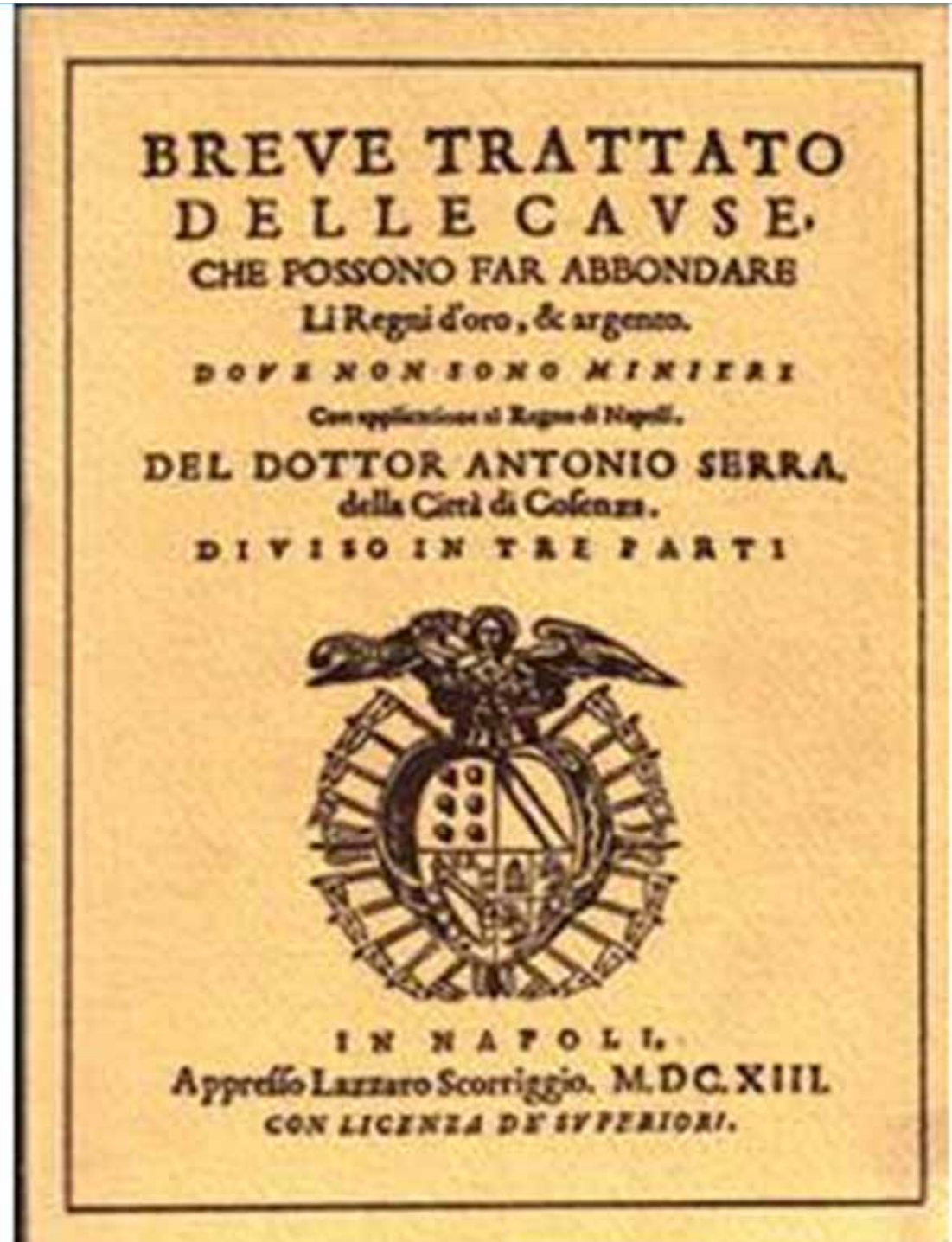
Knowledge developed in one sector would jump to apparently unconnected sectors

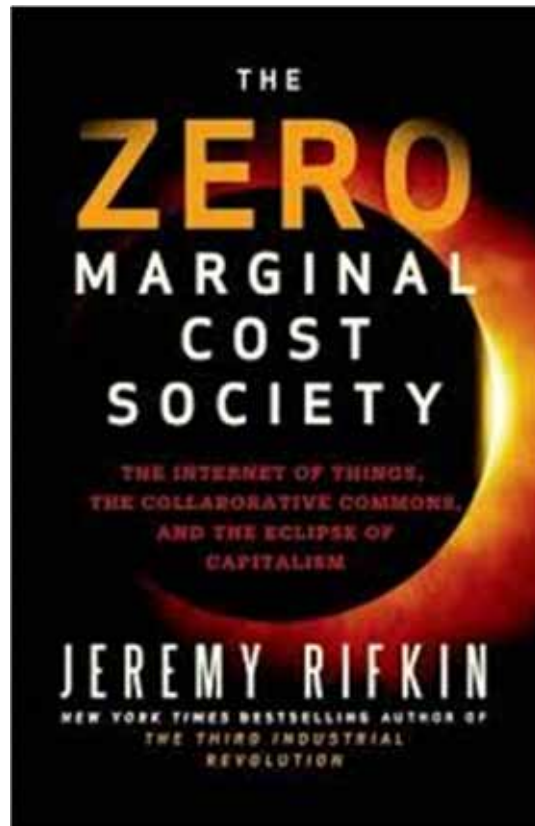
'If you wish to estimate the wealth of a city count the number of professions found within its walls', A. Serra

- *Antonio Serra, late 16th century, Breve trattato of 1613*

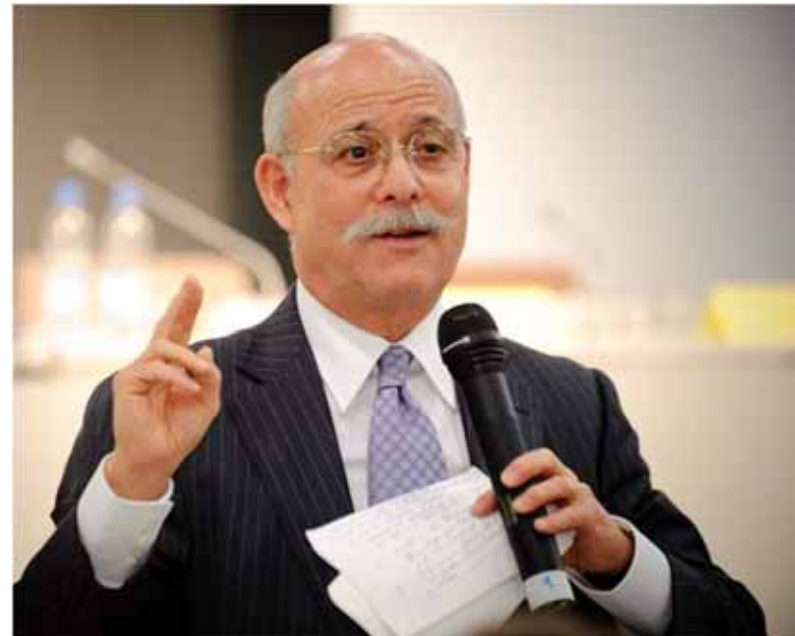
A new Idea?

→ Serra's idea: maximize number of professions so that synergies can emerge





➔ 2014



the internet of things harbinger a new
era of growth: the shared economy ... the
prosumers ...



Brynjolfsson and McAfee (2014) are confident that a ‘beautiful partnership’ can include humans’ intuition and creativity and computers’ high routine processing, repetitive arithmetic and communication abilities.

Work ‘with’ the machine instead of ‘against’ them ...



➔ 2014



Reflection group
lead by
Jacques Attali

THE PATH TO A POSITIVE ECONOMY

La
documentation
Française

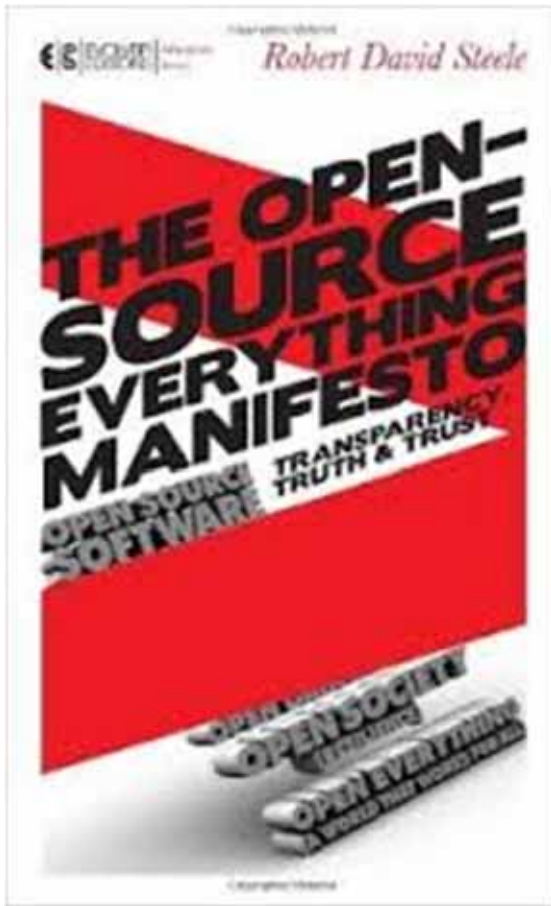
fayard



The Movement for a Positive Economy:
an economy that seeks more than profit,

<http://www.lh-forum.com>

... for an unselfish economy



What the world needs right now is the restoration of trust collapsed by rampant corruption at all level of government and representation, and this can be achieved by a grass root movement for collective decision-making based on open source everything: *‘The open source ecology is made up of a wide range of opens – open farm technology, open source software, open hardware, open networks, open money, open small business technology, open patents ...’*

Fab Labs, <http://www.fabfoundation.org>



Fab Labs provide widespread access to modern means for invention. They began as an outreach project from MIT's Center for Bits and Atoms (CBA), and became into a collaborative and global network

the Fab Lab network presents a growing number of locations around the world in its 10 years of existence. From the first 6 Fab Labs in 2004, the network was comprised of 45 labs in 2010, and currently in November 2014, of 413 Fab Labs (active and planned).

Potential of new realities of micro fabrication or manufacturing in such spaces:

- low-cost testing of ideas for virtual and physical objects
- interdisciplinary mix of areas of expertise
- hubs for connecting education, art, technology and science
- encouragement of local entrepreneurs to produce their prototypes

Are there alternatives to new ways of producing science?



Issues with trust / quality in the scientific enterprise

- A Meta-Research Innovation Centre launched at Stanford (METRICS) to combat 'bad science'.



- “85% of research funding ‘wasted’ ...”

The Economist, 2013, March 15, Combating bad science Metaphysicians. Sloppy researchers beware. A new institute has you in its sights.

Ioannidis, J. P. (2014). How to Make More Published Research True. PLoS medicine, 11(10), e1001747.



CORRUPTION PERCEPTIONS INDEX 2014: RESULTS

CORRUPTION IS THREATENING ECONOMIC GROWTH FOR ALL

financial secrecy index

Yet rich countries suffer too: in the recent global financial crisis, European countries like Greece, Italy and Portugal have been brought to their knees by decades of secrecy and tax evasion.

Final considerations:



Leading questions:

- ✓ State of play of the EU 2020 reforms?
- ✓ Which are the main strengths and weaknesses of the strategy?
- ✓ How to explain very weak or the lack of results?
- ✓ What are the main drivers for civil society involvement?
- ✓ Which key concepts need to be reviewed in order to transform EU 2020 to a lever for growth and cohesion?

Final considerations:



Business as usual is not advisable

We don't believe in Latouche's *décroissance heureuse* but (i) growth is likely to be subdued in the coming years - in its current (April 2014) World Economic Outlook, the IMF essentially endorses the secular stagnation hypothesis; and (ii) growth appears likely to accrue only to the elites in the present paradigm.

More attention should hence be paid to distributive justice and inter-generational fairness, to the respect for the rule of law and on to the control of the rent extracting elites.

The effect of the consolidation exercise on the most fragile countries should be carefully reconsidered in light of data based evidence.

We can only discuss sustainability of the EU enterprise if we first agree on what we want to sustain and for whom.

<http://technologygovernance.eu/files/main//2014082708083838.pdf>
<https://ec.europa.eu/jrc/en/event/workshop/new-narratives-innovation>