

Residential conference background and call for paper

Manifesto and research frontiers for a Renaissance in Economics

University of Perugia, Department of Economics, 20-21 June 2024

The manifesto for a wider economic perspective (full text attached below) signed by more than 300 Italian academics advocates for a new economic paradigm going beyond reductionist approaches in five directions: i) human beings are more than *hominines economici*, have also other-regarding preferences and are capable of cooperative equilibria in social dilemmas; ii) companies and organisations do not have profit maximisation as unique goal but can also have a taste for social and environmental impact; iii) wellbeing is more than GDP and requires multidimensional wellbeing indicators and macroeconomic analysis where interdependences between creation of economic value and social and environmental domains are taken into account; iv) political economy is not just top down but includes the lever of participation and active citizenship in different forms; v) civic engagement of academicians is important in times in which vigilance and action to solve global crises are of utmost importance and we risk a broadening gap between scientific advances and the average culture and education of the overall population.

The conference will host six main moments:

- i) Session of presentation and discussion of the Manifesto;
- ii) Keynote speech of top scholar invited speakers dealing with the pillars of the Manifesto;
- iii) Sessions of presentation of submitted and accepted research papers working on the pillars of the Manifesto;
- iv) Assembly of Manifesto co-signers;
- v) Roundtable about the Manifesto and policy suggestions for Italy in the era of shocks;
- vi) Roundtable with stakeholders of new economics reconciling creation of economic value with social and environmental impact

The five research fields on which research papers submitted for presentation at the Conference are welcome

- **Beyond homo economicus:** contributions in the field of economics (such as capability approach, feminist, behavioral and comparative economics, ...) providing empirical evidence and/or discussing theories about individual preferences, role of empathy and emotions, caring regimes, educational and welfare systems, cooperative equilibria in social dilemmas, wondering how the new findings in this field can affect microeconomic foundations and macroeconomic approaches contributing to solve social and environmental dilemmas and to design better policies.
- **Beyond profit maximisation:** theoretical and empirical contributions on purpose and goal of firms and organisations beyond profit maximisation, with focus on social and environmental impact, gender equity and creation of economic value with values.
- **Beyond GDP:** contributions to the literature of multidimensional societal wellbeing taking into account social and environmental domains, capabilities, complex systems, multi-sectoral approaches, sustainable development and on the relative impact of income versus non income drivers on life satisfaction and life sense.
- **Beyond the exclusivity of a top-down approach to political economy:** theoretical and empirical contributions on the role and potential of grassroots initiatives, action of local communities, co-creation of welfare strategies of local administrations with profit and not for profit actors, horizontal and vertical subsidiarity and multi-level policies.
- **Toward social engagement:** theoretical and empirical contributions on the effects and importance of the civic role of academicians.

Contributions from the history of economic ideas in the five research fields indicated above would be greatly appreciated, by providing evidence of historical roots of our Manifesto. In the conference a prize for the best young scholar's (under 35) paper on Manifesto topics will be awarded.

Papers or extended abstracts (600 words) and *proposals for invited sessions* can be sent by March 30th to manifestoneweconomy@gmail.com.

Submissions will compete for special issues in some Journals; one of them will be titled "*The Civic Economics: individual behaviors, interactions and market outcomes in the light of a generative social engagement*" for the *Journal of Economic Interaction and Coordination*.

The authors of accepted papers will be notified by May 15th. Deadline for registration will be May 30th.

Conference program updates will be available at [www.nexteconomia.org/manifesto-per-una-nuova-economia]

Scientific Committee

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Con il patrocinio di:



Con il sostegno di:



The new “desirable” economy (that is progressively growing) to save our civilisation

We share the privilege of doing a fascinating job, in freedom of thought and research. We live in hard times where we are asked from our society to contribute as economists to the solution of the many problems of a globally integrated system, up to COVID-19 and the Russian-Ukrainian war, where imbalances are amplified in a socioeconomic framework of strong interdependencies. We can do it with increasing generativity and impact if, as in any season of scientific research, we challenge limits and theories which were achievements of the past but can be today limits to our understanding and solution of problems when they fuel narrow minded views preventing us to grasp the potential of individual and collective actions.

This is why we believe that economic thinking and research should go beyond some boundaries to open new paths (as is partially already happening) in four main directions of research, plus a fifth concerning interdisciplinarity and our relationship with the society. A new multidimensional vision interconnected by the concept of creation of value that we cannot define against natural laws, first of all the Hans Jonas categorical imperative on the safeguard of the human species.

1. Going beyond homo economicus

Too often the anthropological premise of our theoretical models hinges on a man-centered vision of the homo economicus, unable to grasp the value of diversity and not corresponding to the always richer empirical evidence stemming from behavioral economics and the research on drivers of life satisfaction and life purpose. These empirical findings clearly reveal that we are more than mere maximisers of an utility function whose arguments are our own consumption and monetary payoffs. Revealed preferences, survey results and neural images highlight that our preferences are much richer as they include reciprocity, inequity aversion, pure altruism, warm glow and taste for impact of our actions. They also show that, as human beings, we attribute high value to relational life, to search and conformity to our model of identity and sense of our living.

This is not just a philosophical dispute, but a qualifying point for us and our societies when we acknowledge that the key for prosperity of our social and economic life crucially depends on the success in solving social dilemmas (such as prisoners dilemmas, trust investment dilemmas among others) where cooperation is risky but fruitful and the reductionist thinking undermines cooperation. In synthesis the reductionist homo economicus rationality brings us in a dead end preventing access to a superior form of social rationality that can trigger cooperation and superadditivity leading to a solution of these dilemmas. This is even more so if, following neuroscience achievements, we acknowledge that emotions can contribute to shape a super-individual subjectivity that adds, complements and enriches the individual subjectivity.

2. Going beyond the *shareholder-only* concept of corporation

The above described richness of human preferences and motivations finds a conceptual barrier in the dismal idea that: i) our work cannot be joined with passion and self-fulfilment, but is only instrumental effort to obtain an income that can make us happy when consuming goods during leisure; ii) organisations where we work can have profit maximisation as their unique goal.

To overcome these limits we need a different and ampler variety of governance structures to regulate relationships among stakeholders that are taking form of a plurality of corporate organisations (consumption, production and bank cooperatives, work reintegration companies, social cooperatives, community cooperatives, B-corp and benefit corporations) and are adopted by a new generation of entrepreneurs that aim to impact beyond profit. Therefore it is no wonder that companies that focus only on profits without interpreting deeper societal needs are not the most desirable and desired workplaces and are exposed to higher ESG and credit risk.

3. Going beyond GDP toward more comprehensive wellbeing indicators

Wellbeing indicators play a crucial role in addressing society and government actions. It is well known that GDP, created as a measure of economic performance during the cold war with goals different from measuring wellbeing, it is not sufficient to evaluate the quality of life of a given country. We therefore need multidimensional wellbeing indicators that can put together creation of economic value with other crucial pillars for our future and happiness such as environmental sustainability, if we want to overcome what hampers life flourishing. This is because only measures that account for the social and environmental dimensions can guarantee stable prosperity.

4. Going beyond the government/individual divide with subsidiarity

The benevolent planner of many economic models (a *deus ex machina* that fixes problems in a top-down approach providing a justification to citizens passive attitudes) bridging the gap between individual and social optimum in presence of the many observed market failures is a simplified vision of the reality. The benevolent planner is subject to regulatory capture, lacks of crucial information needed to choose the best option and has not necessarily societal wellbeing as her/his own goal, provided that the goal can be properly identified and declined. And it is naive to believe that a “carrot-and-stick” incentive/sanction scheme can align her and society’s goal.

We therefore need to acknowledge that solutions of market failures require the participation of aware citizens and responsible corporations that, consistently with the generativity principle, understand that increasing social and environmental impact of their choices is the path leading to life sense and satisfaction. A straightforward consequence of it is that a policy measure should be evaluated also in terms of impact on participation, active citizenship social and civic capital, that is those factors that ensure that democracy can breath and survive.

Subsidiarity therefore plays a crucial role to heal the wounds of the society and the environment, providing generativity opportunities and contributing peace and happiness along a feasible path of social progress, whereas transformation of citizens in passive society members and arousal toward false freedoms fosters poverty and conflicts.

5. Going beyond value neutrality and isolation of “specialisation towers” with interdisciplinarity, supporting socio-environmental generativity of research

The model of the researcher closed in her/his ivory tower is not adequate to tackle emerging problems such as questioning the value of science, truth manipulations on social media and the growing financial literacy. Therefore, we urgently advocate for researchers to participate in the “third mission” of creating and strengthening links between teaching, research and their implications for social progress.

We invite our more or less young colleagues to discover passion and enthusiasm of working together in these directions that will crucially decide our future (and the reputation of the discipline) searching for new virtuous circles where the society and best practises have given partial answer to the dramatic issues endangering survival of our species on Earth. Offering at the same time a good service to our discipline and its reputation thanks to the capacity to explain, divulgate results of our researches, stimulating education and critical thinking to provide answers and solutions to contemporary problems.

We also acknowledge that interdisciplinarity and local roots of the researcher contribute to transform technological innovation into benefits for local populations, whereas specialisation in isolated discipline towers weakens responsibility, fuels dissonance from local culture and exposes to irresponsible and predatory use of technologies included the production of disinformation and fake news.

Humanity needs to make crucial choices imposed by the challenges we are living. As economists we can and must play our role making a step ahead in understanding and policy solutions of the current state of affairs, and pushing our discipline toward a broader view that can properly interpret and frame limits and the enormous potential of social human and economic development of our generation. Let us not miss this opportunity.