



# Innovation-Fuelled, Sustainable, Inclusive Growth, aka ISIGrowth (www.lsigrowth.eu)

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H2020-EURO-SOCIETY-2014 conference Changing Europe







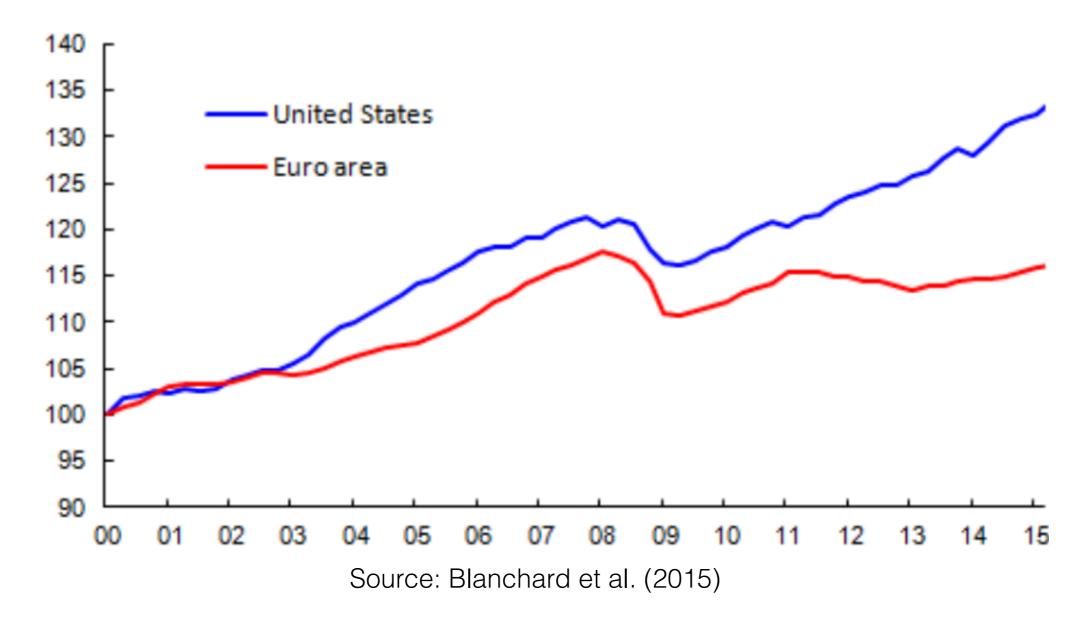
# Motivations

- From the Great Recession to the Great Recession forever?
- The Euro crisis and the increasingly marginal role of Europe





**Figure 1:** Advanced Economies Real GDP (Index, 2000Q1=100).

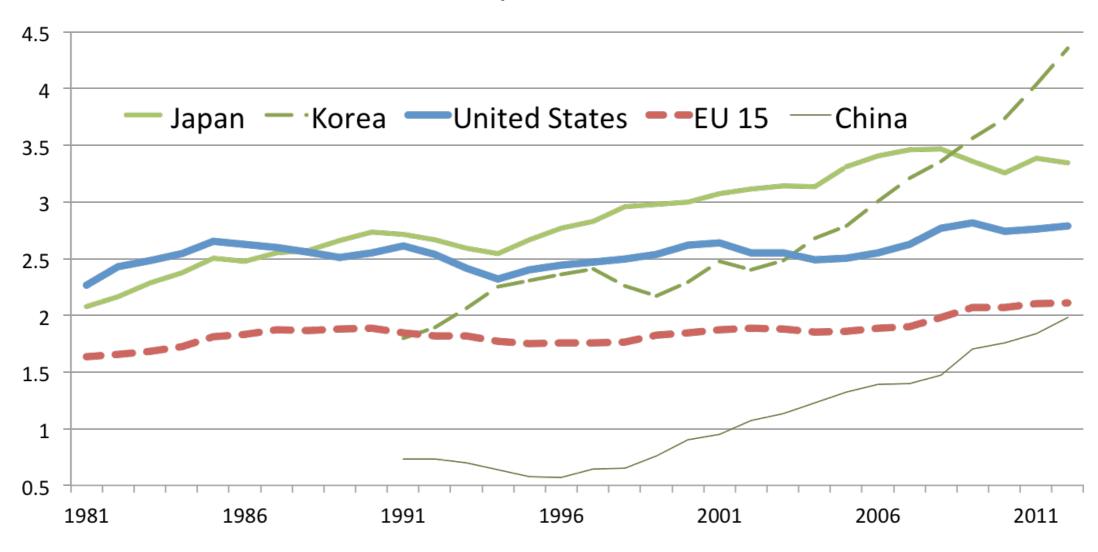


## European growth is anemic





## Gross R&D expenditure as % of GDP

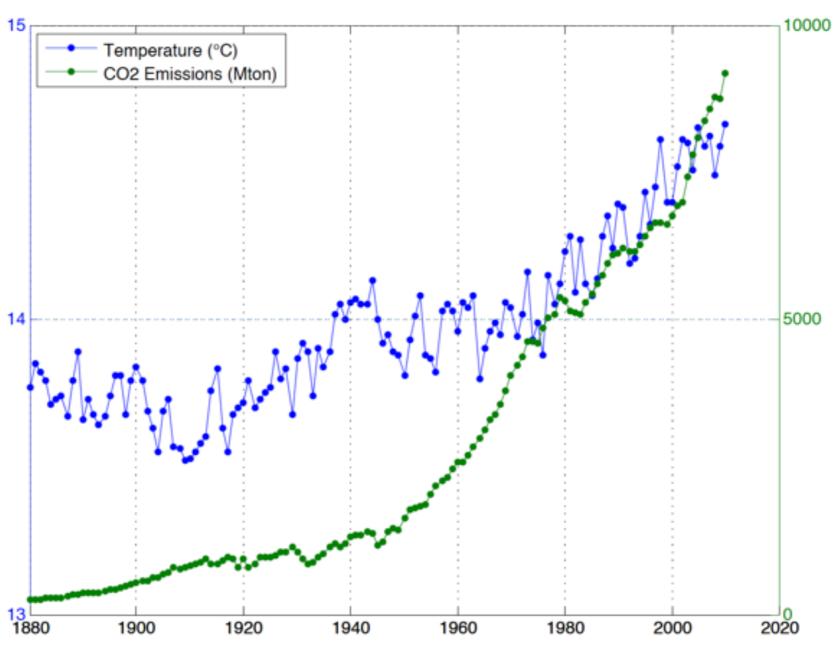


Source: elaborations on OECD data

## European investment in innovation is stagnating







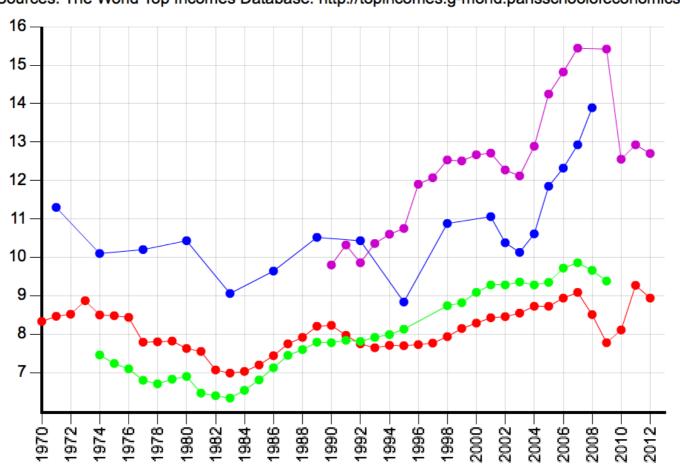
Source: elaborations on CDIAC data

## the challenge of climate change





### Top income shares. 1970-2012 Sources: The World Top Incomes Database. http://topincomes.g-mond.parisschoolofeconomics.eu/

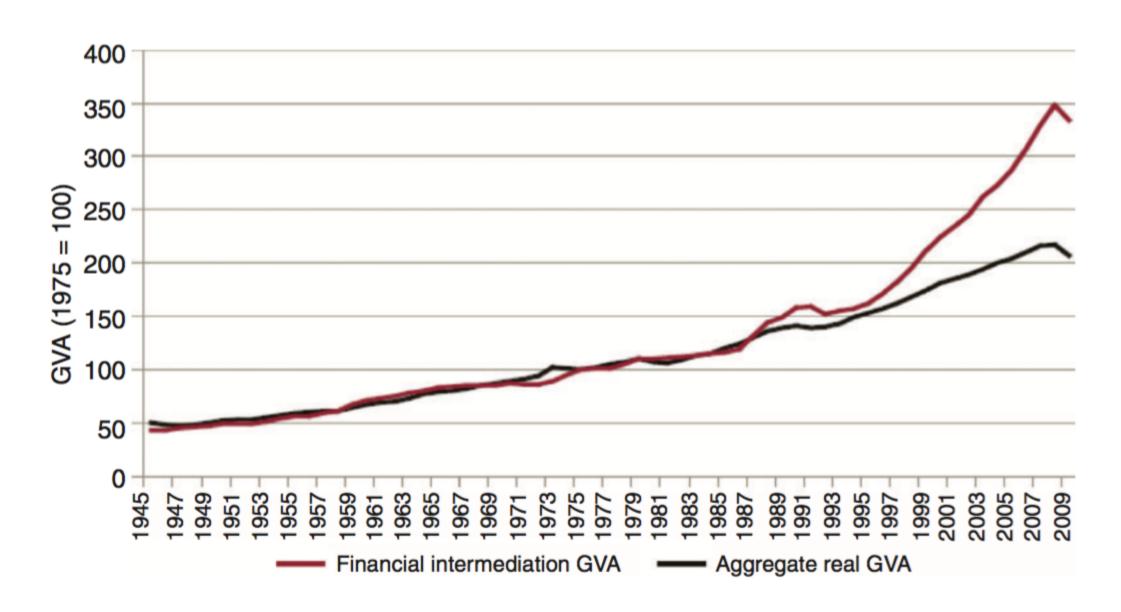


- Top 1% income share (France)-Piketty (2001, 2007); Landais (2007)
- √ Top 1% income share (Germany)-Dell (2007); Bartels & Jenderny (2015)
- Top 1% income share (Italy)-Alvaredo & Pisano (2010)
- Top 1% income share-married couples & single adults (United Kingdom)-Atkinson (2007)
- Top 1% income share-adults (United Kingdom)-Atkinson (2007)

## inequality is increasing







Source: Alessandri and Haldane, 2009

## financialisation is more and more pervasive





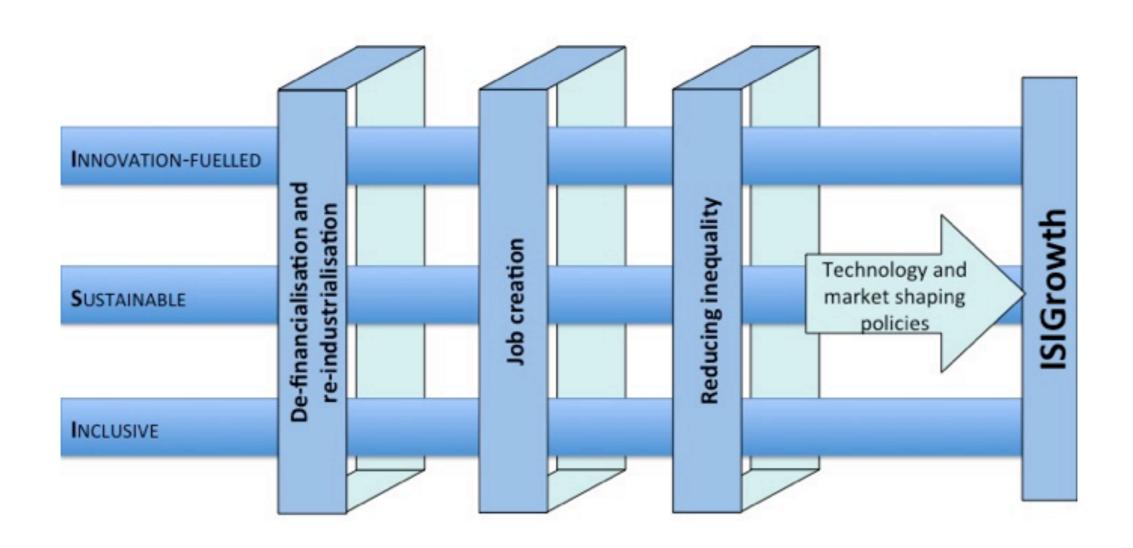
# Main goals

- 1. Provide <u>novel and comprehensive diagnostics</u> of the relationships between innovation, employment dynamics and growth in an increasingly globalized and financialized world economy
- Develop policy scenarios and <u>delivering a</u> <u>coherent policy toolkit</u> to achieve the Europe 2020 objectives of smart, sustainable and inclusive growth





# The analytical lense







# Our team

- Sant'Anna, Italy (Giovanni Dosi, P.I.)
- SPRU, U.K. (Mariana Mazzucato)
- OFCE, Sciences Po, France (Mauro Napoletano)
- University of Bielefeld, Germany (Herbert Dawid)
- University of Zurich, Switzerland (Stefano Battiston)
- University of Lubiana, Slovenia (Patricia Kotnick)
- Columbia, U.S.A (J. A. Ocampo, R. Nelson, J. Stiglitz)





# Advisory board

- Andrew Haldane, Bank of England (UK)
- Adair Turner, Institute for New Economic Thinking (USA)
- Peter Howitt, Brown University (USA)
- Robert Skidelsky, University of Warwick (UK)
- Alan Kirman, Ecole des Haute Etudes en Science Sociales (France)
- Sidney Winter, University of Pennsylvania, (USA)
- Domenico Delli Gatti, Catholic University, Milan (Italy)
- Shulin Gu, Chinese Academy of Sciences (China)
- William Janeway, Warburg Pincus, London (UK)
- Sarah Kaplan, University of Toronto (Canada)
- Carlota Perez, London Scholl of Economics (UK)
- Frederik Tell, Uppsala University (Sweden)





# Cross-cutting themes

- The central role of industry
- Policies shaping technologies and markets
- Financialization and structural change
- Global value change and structural change
- Innovation and mechanism of inequality generation
- Innovation, employment and demand dynamics
- Micro-macro connections
- The challenges of climate change





# Work packages

- The European scientific and technological knowledge bases, patterns of innovation and structural changes
- Globalization of production and finance and de-industrialization from a comparative perspective
- At the roots of inequality: innovation, human-capital dynamics and finance
- 4. Finance, uncertainty and innovation
- 5. The double role of innovation and technical change: demand/job-creation vs. job destruction
- Schumpeter meeting Keynes', or not ...? Innovation, demand creation and pattern of growth





# Work packages

#### WP 1

#### EU innovation trajectories and structural change

- EU scientific and technological knowledge
- EU innovation system
- · EU Green trajectory
- · EU divergences and inequalities
- Shaping markets and innovation

#### WP 2

## Globalization, finance, EU competitiveness

- Financial globalisation and EU de-industrialisation
- Real impact of international financial cycles
- EU firms in Global Value Chains
- EU firms' competitiveness
- How to De-financialise and reindustrialise EU economies

#### WP3

#### The EU inequalityinnovation nexus

- Skills and human capital
- Finance and innovation
- Policies for inclusive growth

#### WP 4

## Financing innovation and growth

- Uncertainty, risks and innovation rewards
- Short- vs. long-term finance and innovation
- Green finance
- · Policies for "good" finance

#### WP 5

#### Innovation, job creation and destruction

- Innovation and firm performances
- Product vs. process innovation and employment dynamics

#### WP 6

#### Models for policy analysis

- Micro-macro relations WPs 1-5 and "appropriate" policies
- Global competitiveness
- Innovation, employment inequality
- Finance, structural reforms and innovation
- Environmental transitions

## WP 7 Policy Agenda

Policy recommendations

#### WP 8

## Social participation and dissemination

- · Civil society consultations
- Business forum
- Social media
- Scientific dissemination
- Media dissemination

#### WP9

Management and coordination





# Impact

- The project aims to foster social participation and democratic deliberation
- The project will provide a coherent policy agenda to be discussed with policy makers, the civil society, and business representatives
- The Civil Action Network and the Business Forum
- Cross-fertilisation and dissemination of the research via systematic consultation and exchanges between researchers and stakeholders





## Civic Action Network

- Attac Austria, Wien (Austria)
- Tax Justice Network, Chesham (UK)
- Kyoto Club, Roma (Italy)
- Sbilanciamoci, Roma (Italy)
- Transnational Institute, Amsterdam (The Netherlands)





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- Twitter: twitter.com/ISIgrowth