

CONFERENCE PROGRAMME

17-18 November
2022 ESPAS Annual Conference

GEOPOLITICS IS BACK

CHARTING A COURSE FOR THE EU
IN A WORLD OF SHIFTS AND SHOCKS

EUROPEAN FORESIGHT DAYS



European Strategy and
Policy Analysis System

DAY TWO

Friday, 18 November 2022

15.45-16.45: *The future of capitalism and global welfare*

“A continuum of thought between glowers and slower, supporters of markets or frugality, believer in green innovation or in a new area of accountability”. Dimitri Lorenzani, moderator of this ESPAS session, decided to use these words to end the debate on the future of capitalism and global welfare. A debate that opened up on the different ideas connected to the unsolved debate around capitalism.

The first speaker Professor Beata Javorcik, Chief Economist at the European Bank for Reconstruction and Development (EBRD) started her opening remarks trying to setting up the stage of the discussion. In her intervention, she argued that the world have experienced an increase of dissatisfaction toward capitalism mostly nourished by growing inequalities, important structural changes in economies and due to the inefficiency to respond to environmental issues. As consequence, according to her analysis and the data shown, this dissatisfaction towards capitalism led people to be supportive of State intervention.

In addition, this trend is expected to increase in the future when more and more people will be voting for more intervention of the State in the economy. Consequently, more presence of the states in the economy might generate negative scenarios, especially in the vast majority of emerging economies. There reasons are at least two: a) State-owned enterprises might get more financial advantage over private enterprise due to the absence of protective legislation; b) The elites might use State-owned entities to stay in power influencing more and more the electoral output.

At the end of her remarks, Beata Javorcik observed that the public ownership and the support to State intervention is going to keep increasing and it will certain create more uncertainty about employment and structural changes.

On another note, Kate Raworth - Senior Visiting Research Associate at Environmental Change Institute of the University of Oxford and Author of Doughnut Economics - stressed out the importance to look at the title of this session and focus on the importance of the global welfare. Capitalism should be seen then, as a mean to helping us to meeting the needs of all people and to claim everyone's rights taking into account our delicate environment and planet.

As research, she focused on the meaning of capitalism which today is a concept broadly discussed as well as not clearly defined by everyone. Using the six “M”, she explained what capitalism means for people, namely Market, Means of production, Motivation, Money, More and Maintenance. After having explained the six concepts, she emphasized on the concept of “More” which on her opinion is the core problem of any capital system due to the fact that bring to endless increase and endless economic growth and does not take into account human and ecological lives.

Equally, Timothée Parrique, Researcher at the School of Economics and Management of the University of Lund, intervened in the debate bringing up another relevant perspective. Following his studies, he argued that the current capitalism, which keeps asking for indefinite growth, does not comply with the respect of planetary boundaries. In his remarks, he mentioned and supported the idea of American ecological economist Herman Daly that argued that any kind of economy would sink if its scale is too big compared to its carrying capacity.

Following this idea, Timothée Parrique talks about degrowth and decoupling claiming that countries, especially high-income countries, would not reduce their ecological footprint if they keep growing or even if they keep their actual obese size.

A different perspective is also brought from Franck Debié, Director of the Library and Knowledge Services at the European Parliamentary Research Service. Briefly but effectively, he gave an overview of popular books that talk about capitalism, revealing some of the concepts which those book are about. At the same time, he talked about the transition of capitalism, which goes from the Fordism capitalism to flexible and surveillance capitalism and then from imperialist capitalism to kleptocratic capitalism, in his opinion the worst and most dangerous.

The session ends with some questions that the moderator posed to the speakers.

Replying to the first question Beata Javorcik claimed the importance of innovation in our society since innovation could help us in becoming more environmental friendly. In her view, societies do not need necessarily degrowth, but they do need strong and fair institutions. A second question is posed to Kate Raworth, which introduced the idea that we do not need to save capitalism and we should instead focus on saving our endangered world. At the same time Timothée Parrique reinforced his idea of degrowth explaining that it is possible to change the current situation just if there is political willing. Finally, Franck Debié explained that the society is going under a reinvention of social market economy and stressed the fact the capitalism has an enormous advantage: it is able to save and reshape itself all the time.