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Guest editors: Pasquale Tridico, Sebastiano Fadda, Nathalie Lazaric.

« Governing structural change and sustainability through (new) institutions and organizations »

The Special Issue invites contributions on the structural change and the potential danger of a new age of capitalism shaped by several and different issues like financialization and robotization, along with jobless growth and low productivity growth, in the service sector, and the need to integrate sustainability issues at the supply and demand levels. The special issue aims to investigate which institutions and type of governance would be able to govern these changes and the way to tackle these risks and opportunities that are reshaping our usual ways of doing things.

Over the last three decades, many advanced economies have experienced significant changes in their productive structures, with a decline in the share of workers in manufacture and a transition towards the service sector. This idea is obviously not new and dates back at least to Baumol and Bowen (1965), Kaldor (1966) and Baumol (1967). It is easily summarized as follows: “a *transfer of resources from manufacturing to services may provide a structural change burden*”. In recent years, the speed of technological progress increased vigorously, and many scholars started to speak in terms of robotization and danger of a jobless growth. Simultaneously, financialization emerged as a phenomenon which creates strong dependencies, in advanced economies, from the financial sector. According to critical political economists, financialization may have negative impact on labor productivity, because financial managers and financial corporations are more interested in maximizing their bonuses, shareholders’ dividends and financial compensation rather than in embarking on strategies oriented towards productive investments (Palley, 2012; Lavoie, 2014). In this context, assets are wasted in financial speculation and short-term strategies rather than being used for real investment expansions, innovation, job creation and labor productivity gains. Moreover, labor markets became more flexible, and jobs often unprotected, with the danger for “*the integrity of employment and social protection regimes*”, and more in general for the European and other advanced economic systems of industrial relations (Prosser, 2014, p. 359), mainly due to the looming threat of job relocations, the weakening of labor bargaining power and trade unions, in the context of globalization, vis-a-vis capital.

Finally, climate change and sustainability constraints create burdens for the manufacture sector, which is considered more polluting than others. In this context rules, institutions and governance are needed more than ever, to create the right incentives and the appropriate coordination

among agents for embarking a sustainable path of development and have decent jobs. Sustainability however, needs to be understood not only in terms of environmental sustainability. It should encompass also social sustainability, avoiding inequality and poverty as well as macroeconomic sustainability (or stability) avoiding boom and bust and financial euphoria and panics. About consumption, neoclassical economic models still dominate research on sustainable consumption, representing consumers as substantively rational individuals that make deliberate and autonomous decisions to maximize their individual utility based on stable and exogenous preferences and perfect information. However, a vast, but scattered, interdisciplinary literature – including sociology, behavioural economics, evolutionary economics, psychology and anthropology – provide many new insights for explaining sustainable behavior and structural changes needed in this field (Axsen and Kurani, 2012; Cordes and Schwesinger, 2014; Jackson, 2005; Witt, 2001). Indeed, changing consumption is as much dependent on the economic values of different consumers groups as on the capability of certain groups to convey new values and to co-opt new consumers, suggesting a potential place for learning sustainable consumption which may have an impact both at macro and micro levels (Witt, 2011).

Welfare models, and the institutions at the basis of the varieties of capitalism and of welfare policy may affect these processes. For instance, some European continental countries, have avoided, to a large extent, the pre-mature de-industrialization and have continued to invest in manufacturing and in capital intensive sectors rather than in services and finance. Scandinavian countries, have managed to drive the transition towards a service sector dominated by public administration employment and social services of higher quality and standards, resulting in benefits in terms of productivity and wages. Other countries have experienced both de-industrialization and financialization, along with robotization, but also ecological transition. Finally, other countries embarked a transition towards low skilled manufacture sectors, or low skilled sub-sectors in the service with low productivity gains and low wages and experiment various ways to integrate (or not) environmental in their productive systems. This variation, which is not even exhausting the different possibilities of transitions, offer opportunities of analysis, of studies, comparisons and of empirical reflections, as well as theoretical formulations beyond the current state of the art and the main stream approaches.

Key words:

Structural change, sustainability, labor productivity, innovation, aggregate demand, welfare models, financialization, robotization, ecological transition, employment, decent jobs, working hours, institutions, governance, organizations.

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For any information, please write to pasquale.tridico@uniroma3.it