

**FROM SEEDS TO FOREST** Contributions to the 3rd edition of Renaissance in Economics - Roma, May 14 and 15, 2026

 **RENAISSANCE  
IN: ECONOMICS**  
MANIFESTO FOR THE NEW ECONOMY

## **FROM SEEDS TO FOREST**

Contributions to the 3rd edition  
of Renaissance in Economics  
Roma, May 14 and 15, 2026





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# INTRODUCTION

*Renaissance in Economics* is a program of international discussion created to revitalize the idea of a “reviving economy”: an economy capable of regenerating social bonds, protecting the environment, and quality of work, placing human dignity and responsibility toward communities at its core. An event dedicated to the world of research where professors and researchers, doctoral students, and students can meet and discuss the cutting edge of economic research, building a common language and a shared direction.

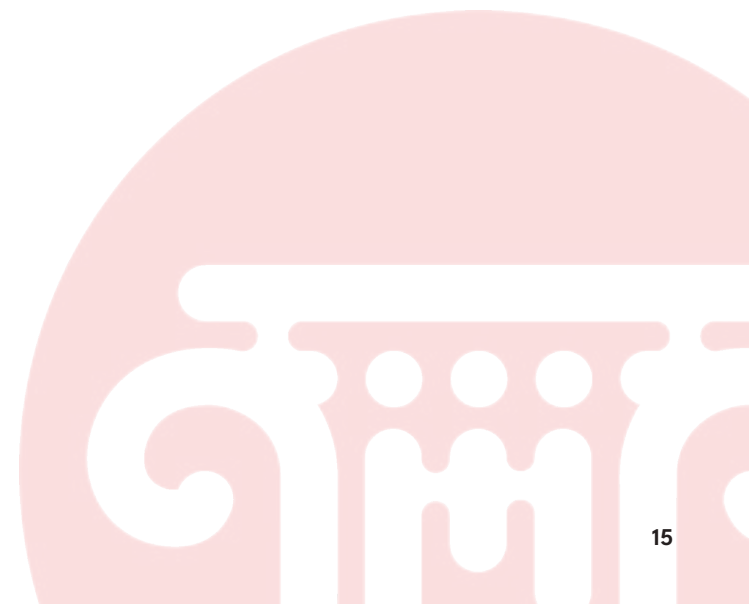
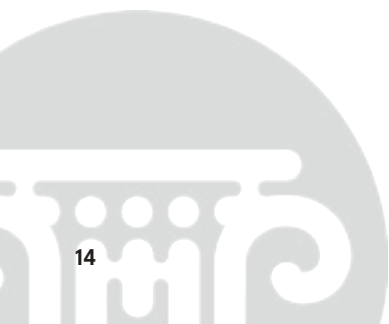
The conference arises from the need to respond to the intertwined crises of our time and the need to rethink both economic models and public policies with a focus on sustainability, equity, and resilience. Specifically, it aims to promote an interdisciplinary dialogue between research, institutions, businesses, and civil society to challenge established assumptions (such as the idea of *homo oeconomicus*), enhance stakeholder-oriented business approaches, and develop criteria for measuring well-being that go beyond GDP, also in line with the Sustainable Development Goals. The goal is to contribute to a paradigm shift that transforms values and principles into concrete practices, tools, and decisions.

The *Manifesto for the New Economy* is not just the reference document for this conference, but a living text open to modification and improvement. It is not a point of arrival, but an open platform that welcomes updates, questions, and emerging perspectives to increasingly adapt to the changing socioeconomic context in which we live.

The aim is to build a common language and a direction, clarifying what is meant by “new economy,” the values it underpins, the priorities that guide decisions, and the criteria for measuring progress over time.

For the first time, *Renaissance in Economics* is providing participants with a summary document of all 220+ research contributions presented. Collected and organized under the 5

Pillars of the *Manifesto for the New Economy*, they present a wealth of reflections and studies that seek to rethink development models and propose ways to reduce social inequalities and environmental fragility, accompany the transformations that work, society, and the market are facing, including shifting political perspectives.



# ONE MANIFESTO, FIVE PILLARS

## Leonardo Becchetti

The call for papers of the Renaissance in Economics conference represents a crucial moment for the advancement of a new economic paradigm, providing an international platform for the annual assessment of the state of the art in social and civil economics. In this perspective, the conference is not merely an academic event, but a collective effort to foster dialogue, consolidate research trajectories, and stimulate innovation across disciplines and communities of scholars. By bringing together more than 280 presenting speakers, it stands as a significant global observatory of emerging ideas and practices, contributing to a continuous and structured process of intellectual renewal.

The essence of the Renaissance initiative, as clearly articulated in the Manifesto and related working papers, lies in challenging the reductionist assumptions of mainstream economics and promoting a broader, more realistic, and ethically grounded framework. This framework is centered on five critical pillars: rethinking human behavior beyond the homo oeconomicus model, reconsidering the role of corporations beyond profit maximization, moving beyond GDP as a proxy for wellbeing, enhancing participatory and bottom-up political economy, and fostering interdisciplinarity and civic engagement within academia. These pillars reflect a paradigm shift toward an economics that better captures human complexity, relational dynamics, and the multidimensional nature of wellbeing.

Within this context, social and civil economics are understood in line with the European Union's vision of an economy that integrates efficiency with equity, sustainability, and social inclusion. The Renaissance initiative aligns with this perspective by emphasizing sustainable and inclusive wellbeing, relational goods, and generativity as key dimensions of economic analysis and policy design. It therefore contributes to the broader European agenda of moving "beyond GDP" and reorienting economic systems toward human flourishing and environmental sustainability.

The call for papers explicitly highlights the limitations of the traditional economic paradigm, including its inability to address social dilemmas, environmental externalities, and the complexity of modern societies . In response, it invites contributions that expand the boundaries of economic research across multiple domains, encouraging interdisciplinary approaches and the integration of theoretical, empirical, and policy-oriented perspectives. This openness is essential for capturing the richness of contemporary challenges and for generating actionable insights.

Moreover, the conference plays a strategic role as a hub connecting academic research with policy debates, business practices, and civil society initiatives. In this sense, it naturally complements and strengthens ongoing efforts such as observatories and research networks dedicated to monitoring and advancing the new social economy. By providing a recurring forum for exchange and evaluation, it enables a cumulative process of knowledge building and dissemination at the international level.

To sum up, the Renaissance call for papers embodies a forward-looking vision of economics as a discipline deeply engaged with societal needs and global challenges. It represents a unique opportunity to contribute to a shared intellectual project aimed at redefining the foundations, methods, and goals of economic science in the direction of a more inclusive, sustainable, and human-centered paradigm.



# PILLAR 1

## *Beyond Homo Oeconomicus*

### **Toward a Relational and Systemic Economic Paradigm**

The contents gathered around the first pillar outline the transformation in action in contemporary economic thought, moving beyond the reductionist vision of the economy, based on the isolated individual (*homo oeconomicus*) and material optimization, in favor of a relational, systemic, and generative perspective.

Several studies propose a reinterpretation of money, no longer as a simple, neutral technical tool, but as a phenomenon deeply tied to identity and social norms. Viewing money as a relationship means recognizing that economic behavior is influenced by emotional and symbolic dimensions. This vision extends to the need for a new “consciousness”: the shift from an ego-centric orientation, based on competition and scarcity, to an ecosystemic one, oriented toward interdependence and collective well-being.

The methodological research presented here proposes the integration of agent-based models and the use of innovative approaches, such as those inspired by quantum theory, and allows us to describe the market not as a static system in equilibrium, but as a dynamic and uncertain process. In these architectures, the character of individual actors—whether generative or extractive—and their sensitivity to intergenerational challenges, such as climate change, become crucial to the stability and inclusiveness of the system.

The concept of socioeconomic generativity is another important theme within this pillar, also central to the analysis of digital networks and common goods. Value creation is no longer understood as a purely additive process, but as an emerging issue linked to participatory governance models and territorial stewardship. Concrete examples of urban regeneration and collective knowledge management demonstrate how commodification can be resisted through practices of



## Money as relationship: a systemic perspective on economic transformation

**Paolo Fedi**

The study reframes money not as a neutral technical instrument but as a relational and systemic phenomenon that shapes interactions among individuals, institutions, communities, and ecosystems. It argues that prevailing economic paradigms, focused on allocation, efficiency, and optimisation, often overlook the relational, emotional, and symbolic dimensions of money, thereby reproducing extractive and alienating dynamics rather than addressing their root causes. Drawing on economic anthropology, political economy, systems thinking, and insights from the Inner Development Goals, the analysis explores how assumptions about money influence economic behaviour, decision-making, and collective outcomes. Particular attention is given to the contrast between ego-centric orientations, based on competition and short-term self-interest, and eco-systemic orientations, grounded in interdependence, regeneration, and collective well-being. The investigation also integrates evidence from applied laboratory studies and facilitated group processes on money and decision-making in organisational and civic settings. These practice-based experiences show that money is deeply tied to identity, self-worth, perceptions of scarcity, and unspoken relational norms, which significantly affect both individual choices and institutional dynamics. In conclusion, genuine economic transformation requires not only institutional and policy innovation but also the cultivation of inner capacities such as self-awareness, relational competence, ethical grounding, and systems thinking. Treating money as a relationship opens new pathways toward more humane, resilient, and inclusive economies.

**JEL Codes:** A13, B50



## Toward a new economic paradigm – Is consciousness the missing link?

**Sandra Eickmeier**

The search for a new economic paradigm requires more than the reintroduction of values into economics: it involves engagement with consciousness as a foundational dimension shaping identity, preferences, narratives, and behaviour. Contemporary crises – including environmental degradation, inequality, political polarisation, and erosion of trust – are interpreted as symptoms of economic systems grounded in a survival-oriented worldview based on separation, scarcity, linear causality, and material optimisation. Drawing on interdisciplinary contributions from Wilber (2000) and Siegel (2020), and engaging with recent debates on new economic paradigms (Besley & Velasco, 2025; Carney, 2021; Mazzucato, 2018), the study distinguishes between a first realm of reality, cantered on self-interest and control, and a second realm, in which reality is experienced as relational and generative. In this second sphere, qualities such as compassion, creativity, responsibility, and intrinsic care for life emerge more fully. This contribution discusses that modern economics largely reflects the first realm and therefore fails to account for inner development and higher consciousness as drivers of economic behaviour and institutional change. Building on insights from behavioural economics, psychology, and systems thinking, it proposes consciousness as a complementary coordination mechanism alongside markets and governments. This perspective opens new implications for public policy, macroeconomics, environmental governance, leadership, and economic research, suggesting that sustainable transformation depends on aligning institutions with deeper human development.

**JEL Codes:** B5, P4

## Revisiting theoretical exposition of supply and demand through ABM

**Maaz Javed - Misbah Hameed - Kinza Qureshi**

This research helps enhance the traditional economic understanding of market dynamics by exploring the price adjustment mechanisms with the supply and demand model. The traditional supply and demand model often employs the Walrasian tatonnement process, which simplifies the movement towards market equilibrium as a centralised trial-and-error method in determining the equilibrium price, with no transactions at disequilibrium. This centralised approach presents a theoretical inconsistency with the neoclassical emphasis on decentralised markets as the foundation for achieving equilibrium. This paper aims to bridge this gap by integrating the Walrasian model with a decentralised perspective using a simple agent-based model (ABM) focused on the housing market. It demonstrates how decentralised trading, underpinned by profit maximisation and arbitrage, naturally facilitates price convergence, offering a more empirically grounded and realistic representation of market processes. By doing so, this study not only complements the existing theoretical framework but significantly extends it by reconciling the theoretical depiction of market equilibrium with the operational realities of a competitive, decentralised marketplace. Using the ABM approach to explain supply and demand model dynamics can significantly enhance the students' comprehension of economic education.

**JEL Codes:** D4, D61

## Group-forming networks and relational value: beyond reductionist economics

**Antonio Scala**

The contribution examines how digital platforms and group-forming networks challenge reductionist economics by showing that value creation is fundamentally relational rather than merely additive or marginal. In networked economies, digital infrastructures do not simply facilitate exchanges between individuals; they shape coordination, visibility, association, and collective contexts of action. As a result, standard approaches centred on individual utility maximisation, methodological individualism, and aggregate indicators such as GDP struggle to explain winner-take-most dynamics, increasing concentration, and the decoupling of financial success from social wellbeing. The argument advances a relational conception of value, according to which economic value emerges from patterns of interaction, from the rules governing them, and from the collective structures in which they are embedded. Particular attention is given to group-forming networks, where higher-order interactions generate emergent properties that cannot be reduced to bilateral relations or individual preferences. This perspective highlights the need for an explicit meso-economic level capable of accounting for groups as economically meaningful entities mediating between individual behaviour and aggregate outcomes. The analysis also distinguishes between generative and extractive growth: while relational structures can expand capabilities, trust, and cooperation, they can also concentrate value, attention, and power. These dynamics have important implications for both measurement and governance, calling for complementary indicators focused on participation, cohesion, and generativity, as well as for institutional arrangements based on subsidiarity, interoperability, decentralisation, and participatory design.

**JEL Codes:** D85, A13

## Overcoming the homo economicus that generates prosperity

**Ugo Biggeri**

This contribution proposes a conference session on moving beyond the model of homo economicus by exploring economic practices rooted in reciprocity, collective wellbeing, and territorial regeneration. The session starts from concrete experiences developed in non-orthodox contexts, including marginalised areas, socio-economically disadvantaged territories, inner areas, and emergency or post-emergency settings. It aims to show how bottom-up economic initiatives can generate forms of prosperity that are not based solely on profit maximisation, but on social cooperation, ecological sustainability, and the quality of human relationships. In line with the *Renaissance in Economics* agenda, the session offers a territorially grounded application of these principles, translating theoretical critique into practical experimentation. Particular attention is given to experiences such as entrepreneurial initiatives in inner areas that reward positive externalities, workers' buyouts as models of resilience and cooperation, projects of resettlement and repopulation, and locally rooted forms of social entrepreneurship. The session also addresses the geography of inequality and reflects on the expansion of spaces partially freed from market logic, including self-production, non-monetary exchange, and public-interest sectors. Rather than reproducing a conventional speaker-audience format, the proposed session is designed as a horizontal and dialogic space aimed at collective reflection and exchange. Its intended outcome is the co-creation of a practical "toolbox" of innovative solutions for social and ecosystemic regeneration in local territories.

**JEL Codes:** D9

## Chains of Generosity: the Impact of Indirect Recipients on Prosocial Behavior and Welfare in Experimental Settings

**Leonardo Becchetti - Irene Maria Buso - Luca Corazzini  
Vittorio Pelligra**

This study investigates prosocial behavior in chains of donations using variations of the dictator game. We explore how the possibility of direct and indirect giving influences generosity and welfare. Our results reveal that individuals are more generous when their actions benefit multiple recipients, even indirectly, despite the risks of reduced effectiveness due to intermediaries. Still, the indirect recipient obtains a lower welfare outcome than the direct recipient as the intermediate recipient deliberately withholds part of the dictator's giving, passing on less than expected by the initial donor.

**JEL Codes:** D90, D91

## Heterogeneous expectations and macroeconomic stability under monetary and fiscal policy rules

**Giovanni Cirigliano - Alessandro Piergallini**

The existing literature on macroeconomic policy rules emphasises the stabilising properties of two alternative regimes: one of “monetary dominance”—whereby the central bank fights inflation aggressively, and fiscal authorities stabilise public debt, and one of “fiscal dominance”—whereby fiscal authorities disregard debt stabilisation and the central bank passively accommodates inflation taxes to rule out debt escalation. A common feature of these studies is the assumption of forward-looking agents with rational expectations. The contribution of this paper is to explore monetary-fiscal interactions in a New Keynesian model with boundedly rational agents and heterogeneous expectations. An endogenous evolutionary selection of forecasting strategies is operative, with agents switching toward more accurate rules in line with “learning-to-forecast” experimental evidence. We show that neither the Taylor principle nor active fiscal policy in line with the fiscal theory of the price level guarantees the uniqueness of equilibrium. Under both monetary and fiscal dominance, heterogeneous expectations easily open the door to aggregate instability in the form of either multiple attracting cycles or perpetual fluctuations. We also contribute to the quest for stabilising policy rules. Our analysis indicates that a regime of monetary dominance whereby primary surpluses respond aggressively to debt accumulation is likely to ensure macroeconomic stability and avoid complex dynamics, for the sufficiently strong fiscal reaction has the effect of coordinating the evolutionary dynamics of adaptive beliefs.

**JEL Codes:** EE43, E52, E62, E70

## Information, aspirations and policy preferences: evidence from a field experiment in Senegal

**Erminia Florio**

This study examines how targeted information affects policy preferences, labour market perceptions, and migration intentions among high school students in Dakar, Senegal. Against a context of high youth unemployment and limited trust in the government's capacity to address it, the analysis investigates whether information can shape young people's beliefs about their future and their willingness to remain in the country. The study builds on research showing that potential migrants often hold biased expectations about labour market opportunities abroad and that informational interventions can affect migration-related perceptions and choices (Tjaden and Dunsch, 2021; Bah et al., 2023; Battiston et al., 2024). The research relies on a large-scale survey experiment involving about 1,500 students from 30 high schools in the Dakar region. Participants are randomly assigned to one of three groups: information on the labour market outcomes of Senegalese migrants in France, information on labour market opportunities in Senegal by education path, or a control condition. Preliminary results show that neither treatment increases migration intentions relative to the control group. However, information on labour market conditions in Senegal is associated with a lower probability of reducing intentions to emigrate, especially among students with moderate initial migration intentions and among those planning to attend university. These findings suggest that information about domestic labour market prospects may discourage educational investment in the country rather than reduce emigration intentions. The study contributes to the literature on youth aspirations, migration, and policy engagement by highlighting the complex effects of information on expectations and decision-making.

**JEL Codes:** O15, D83

## Innovation as an ideological construct: power, sovereignty, and the myth of neutrality

**Claudio Bellinzona**

This contribution investigates the contemporary discourse of innovation, arguing that innovation has ceased to function as a neutral economic category and has become an ideological construct that legitimises specific political and economic choices. In dominant narratives, technological novelty is treated as an unquestionable driver of progress, while the social consequences of innovation are depoliticised and framed as inevitable adaptations. The analysis identifies a growing paradox: despite unprecedented technological disruption, advanced economies are experiencing stagnating wages, mental health crises, environmental degradation, and declining social cohesion. This tension suggests a structural misalignment between prevailing innovation models and the creation of genuine social value. The contribution argues that much contemporary innovation follows an extractive logic centred on efficiency, scalability, and market capture, while remaining blind to social and environmental externalities. Particular attention is given to the platform economy and to the geopolitical turn toward "innovation sovereignty", in which technological leadership is increasingly tied to strategic power and techno-national competition. Against this background, the text proposes a conceptual shift from innovation as output to innovation as a relational and purpose-driven practice. Rather than evaluating innovation solely through growth and competitiveness, it calls for criteria grounded in collective meaning, social cooperation, long-term resilience, and democratic governance. Reclaiming innovation as a political question, the contribution argues, is essential if technological change is to be redirected toward human flourishing rather than extractive growth and systemic fragmentation.

**JEL Codes:** O3

## Embedded efficiency in social policy: social economy as an institutional mode of welfare provision?

**Enrico Bellazzeca - Ludovica Piergiovanni - Inelda Tafoska  
Tommaso Tropeano**

This contribution examines whether non-contractual and non-market-dominant forms of welfare provision can generate efficiency outcomes that are recognisable within prevailing policy evaluation frameworks. Building on critiques of welfare evaluation based on market and managerial rationalities (Béland and Powell, 2016; Pollitt and Bouckaert, 2017), the study focuses on the social economy as an institutional mode of care provision and asks whether arrangements grounded in relational coordination, professional responsibility, and collective commitment can produce measurable social and economic value. Empirically, the analysis investigates *Vivere Meglio*, an Italian national mental health programme promoted by ENPAP and implemented between 2021 and 2023 to expand access to psychological care outside both market contracting and hierarchical public provision. The evaluation design is informed by a Theory of Change approach (Rawhouser et al., 2019) and combines pre-, post-, and follow-up surveys, health-related quality of life measures, public resource utilisation data, cost-effectiveness analysis, and Social Return on Investment methodology (Nicholls et al., 2012). The findings show that the programme effectively reached vulnerable groups, improved health-related quality of life over time, and reduced some healthcare-related costs borne by the public system. Quality-adjusted life years were higher than under treatment as usual, with incremental cost-effectiveness ratios below standard willingness-to-pay thresholds. Overall, the results suggest that outcomes conventionally associated with efficiency can emerge within institutional arrangements that do not rely on competition or market alignment, challenging behaviourally narrow conceptions of efficiency in social policy.

**JEL Codes:** P16, P36

## Energy consumption and climate change in sub-Saharan Africa: empirical analysis and implications for the energy transition

**Asma Charfi**

This study investigates the dynamic relationship between energy consumption and climate change in 21 Sub-Saharan African countries over the period 2010-2021. The analysis addresses a major developmental paradox: although the region has significant renewable energy potential, it continues to face severe energy poverty while remaining highly vulnerable to climate shocks. At the same time, growing energy demand for industrialisation, urbanisation, and poverty reduction is still largely met through traditional biomass and fossil fuels, with important environmental consequences. To examine the energy-climate nexus, the study moves beyond the conventional use of carbon dioxide emissions as the sole proxy for environmental degradation and instead employs surface temperature variation as the main dependent variable, complemented by alternative climate indicators. The explanatory variables distinguish between total energy use, fossil fuel consumption, and renewable energy consumption, while controlling for economic and structural factors. Methodologically, the analysis applies the System Generalized Method of Moments (System-GMM) estimator to address endogeneity, climate persistence, and unobserved country-specific heterogeneity. The results show that total energy use and fossil fuel consumption are associated with higher surface temperatures, whereas renewable energy consumption has a significant mitigating effect. These findings support the energy transition hypothesis and suggest that the composition of the energy mix is a decisive determinant of the region's climate trajectory. The study concludes that reducing energy poverty and mitigating climate change must be pursued as mutually reinforcing objectives through a structural green energy transition.

**JEL Codes:** Q43, Q54, Q42, O55, O13

## **Kerygma and economics: fallen anthropology, conversion, and the limits of economic critique**

**Ignacio P. Campomanes**

This contribution examines the relationship between Christian theology and mainstream economics by challenging a widespread assumption in recent Catholic economic thought, namely that economics rests on a distorted anthropology centred on self-interested utility maximisation. Instead, it argues that the explanatory power of mainstream economics derives precisely from its capacity to describe the ordinary condition of human action as understood by Christian theology: a condition marked by original sin, existential insecurity, and disordered desire. Drawing on Augustine's account of restless desire and inward-turning selfhood, the analysis interprets non-satiation, diminishing marginal utility, and utility maximisation not as normative claims about human flourishing, but as disciplined abstractions of fallen humanity (Augustine, 1991). From this perspective, economics does not contradict Christian anthropology; it captures an important dimension of it. The contribution further argues that conversion does not simply modify behaviour at the margin but reorders desire itself, making grace and radical charity empirically exceptional rather than institutionally generalisable. This distinction helps clarify the limits of attempts to rebuild economics around widespread virtue or reciprocity, and also illuminates the difference between the radical demands of the Gospel and the more modest aims of Catholic Social Teaching, understood as a framework of justice appropriate to a fallen world (Benedict XVI, 2005). The paper concludes by suggesting that the most fruitful dialogue between theology and economics lies not in rejecting economic realism, but in exploring how rare, non-retaliatory agents may exert disproportionate effects within systems otherwise governed by self-interest.

**JEL Codes:** Z13

## **Economic inclusiveness, prosperity and selection in decentralized economies: the moral market failure. The role of extractive characters in an agent-based model**

**Demetrio Miloslavo Bova**

This contribution investigates how individual character shapes economic inclusiveness and prosperity in decentralised market economies. Moving beyond conventional evaluations based on aggregate output or average income, it adopts a survival-based perspective inspired by the capability approach, defining economic inclusiveness as the collective ability of individuals to sustain adequate living standards over time. The analysis asks whether decentralised market coordination, based on individual pricing and buyer-selection behaviour, is sufficient to sustain inclusive outcomes or instead generates systematic trade-offs between prosperity and survival. To address this question, the study develops an agent-based survival model of a fully decentralised economy with heterogeneous agents, local interaction, partial information, and no central planner, redistribution, credit, or market-clearing mechanism. Differences in outcomes arise exclusively from sellers' pricing rules and buyers' selection rules, which together define agents' characters as generative or extractive. The results show that decentralised coordination does not automatically guarantee inclusiveness: survival rates vary dramatically across behavioural configurations despite identical technologies, endowments, and subsistence needs. The model also reveals a systematic trade-off between economic inclusiveness and average economic performance, as higher productivity and income among surviving agents are often associated with stronger exclusionary selection. Finally, the analysis shows that extractive behaviours tend to prevail over time, generating what the contribution defines as a moral market failure: individually viable conduct produces negative systemic externalities by undermining others' access to essential goods. The study concludes that inclusive prosperity in decentralised economies depends not only on institutions and incentives, but also on the cultivation of generative characters.

**JEL Codes:** C63, D31

## Renaissance of price discovery theory: a quantum-like agent-based model

**Maaz Javed - Misbah Hameed - Kinza Qureshi**

The study proposes a quantum-like agent-based model (QL-ABM) to rethink price discovery beyond the static assumptions of neoclassical microeconomics. Conventional approaches, rooted in a Newtonian view of equilibrium, treat prices as pre-existing coordinates discovered through the interaction of fixed preferences and hyper-rational agents. In contrast, the proposed framework conceptualises market price as the outcome of a dynamic, path-dependent process shaped by uncertainty, contextuality, and mutual influence among agents. In the model, preferences are not fixed points but probability amplitudes distributed across a space of possible prices. Uncertainty is therefore treated as intrinsic to decision-making rather than as a mere lack of information. Transactions are interpreted as measurement events that collapse a range of potential valuations into realised trade prices, while each interaction reshapes the future state of the market. This perspective makes it possible to account for non-separable preferences, observer effects, and the cumulative traces left by past exchanges. The framework is presented as a way to reconcile bounded rationality at the individual level with the empirical emergence of market efficiency at the aggregate level. It also offers a more suitable ontology for analysing phenomena such as herding, price clustering, bubbles, and crashes, which remain difficult to explain within classical equilibrium models. By shifting the focus from comparative statics to dynamic market formation, the contribution advances a more realistic and resilient account of price discovery in contemporary financial systems.

**JEL Codes:** G40, G14

## Beyond extraction: Zoe-centred organizing and the case of LidoPola as a manifesto for knowledge commons

**Maria Patrizia Vittoria**

This contribution explores knowledge commons as a non-extractive economic paradigm beyond the traditional dichotomy of state and market. Focusing on knowledge-intensive contexts in the Campania region, it argues that innovation should be understood not as a by-product of commodification but as a process of collective care. The analysis develops a meso-economic perspective in which regional networks, civic use, and territorial practices become central to economic organisation. The theoretical framework bridges Ostrom's analysis of polycentric governance and common-pool resources (Ostrom, 1990; Hess and Ostrom, 2007) with Braidotti's post-human and zoe-centred ontology (Braidotti, 2013; Braidotti, 2019). This combined perspective makes it possible to reinterpret economic subjects not as isolated utility-maximisers but as relational assemblages embedded in social, technological, and material ecologies. Empirically, the contribution examines Lido Pola in Naples as an urban common and as a laboratory of civic use, collective management, and non-extractive regeneration. Drawing on earlier work on the case (Vittoria, Ragozino, and Esposito, 2022), it shows how a reclaimed urban space can function as a knowledge commons that resists commodification and sustains cooperation through practices of care. The paper concludes that a new economy requires moving beyond profit maximisation and top-down political economy toward regional models centred on accessibility, relational governance, and the vitality of the common. In this perspective, economic success is measured less by growth or patents than by the density and openness of shared infrastructures for knowledge and collective flourishing.

**JEL Codes:** O17, O35

## Sustainable development – new socio-economic system for humanity survival: transdisciplinary approach

**Jurgis Kazimieras Staniškis - Eglė Staniškienė**

This contribution affirms that sustainable development should be understood not as a set of corrective measures within the current economic order, but as a new socio-economic system necessary for humanity's survival. Building on the work of the United Nations Independent Group of Scientists and the Global Sustainable Development Report (IGS, 2019; Messerli et al., 2019), it maintains that current development trajectories cannot secure universal well-being within planetary limits and that a far more optimistic future remains possible only through structural transformation. The paper criticises approaches that treat sustainability primarily as a technological or technocratic agenda. Instruments such as eco-efficiency, circular economy, and cleaner production are interpreted as important but insufficient, since they mainly reduce unsustainability rather than create sustainability. Adopting a systems-theory perspective, the contribution argues that progress on the Sustainable Development Goals depends on managing interactions, trade-offs, and co-benefits across the whole system rather than addressing isolated targets. It proposes three interconnected management and control systems: systems for unsustainability reduction at the enterprise level, systems for the transformation of socio-economic systems, and decision-support systems for governance. Within this framework, unsustainability reduction is treated as a necessary condition, whereas structural transformation is the sufficient condition for sustainability. The analysis concludes that effective transitions require transdisciplinary problem-solving, new well-being criteria, and feedback-feedforward governance systems capable of anticipating disturbances and guiding long-term socio-economic change toward sustainability and human survival.

**JEL Codes:** Q56, C02

## Towards a mother economy – an unorthodox paradigm for social regeneration

**Alberto Gallo**

This study proposes the idea of a “Mother Economy” as an unorthodox paradigm for social regeneration in response to the current crisis of hope, widespread mental distress, and the perceived absence of viable alternatives to the dominant economic order. It starts from what Mark Fisher defined as “capitalist realism”, namely, the collective difficulty of imagining a way out of the current system. The contribution argues that the challenge is not only technical but also cultural and existential, since it concerns the recovery of collective confidence in the possibility of systemic change. It criticises the dominant economic model for its reliance on *homo economicus*, its reductive fixation on gross domestic product, and its inability to recognise relational, emotional, and care-based dimensions of human life. It then outlines a multidisciplinary framework combining Taoist duality, neuroscience, geometry, and nonviolent communication to restore balance between rationality and connection, strategy and empathy, production and care. Particular attention is given to practical metaphors and methods, including the “giraffe model” of nonviolent communication and mycelium as a model of interconnected, adaptive, and regenerative organisation. Rather than presenting a closed doctrine, the Mother Economy is framed as an open and collective project aimed at transforming fear of the future into responsible and courageous social action.

**JEL Code:** A12, B59

## Culture first, freedom for all: a neutral framework to unlock time, talent, and value by reducing the transaction costs of knowledge

**Andrea Maria Belli**

This contribution advances the *Renaissance in Economics* agenda by treating culture and education as enabling infrastructures for economic and civic renewal. It argues that when cultural and educational investment becomes residual, economies risk eroding relational capital, including trust, cooperation, and the capacity to generate positive-sum outcomes. This perspective is consistent with the civil economy tradition linking market functioning to reciprocity and trust (Genovesi, 1765) and with capability-based approaches connecting well-being to substantive freedoms and public reasoning (Sen, 1999). The paper further argues that contemporary societies face high transaction costs in the production, circulation, and use of knowledge, including search, verification, contextualization, and coordination costs (Coase, 1937; Williamson, 1985). These frictions are intensified by platform-based informational environments shaped by attention monetization, distorted salience, and concentrated visibility, with implications for democratic scrutiny, cognitive bias, and sustainability (Lessig, 1999; Kahneman, 2011; Zuboff, 2019; IEA, 2023). To address this bottleneck, the contribution proposes a neutral, non-profit, multi-stakeholder framework for an international Knowledge and Culture Commons. The proposal combines a politically neutral platform for validated cultural, educational, and applied knowledge with periodic in-person assemblies fostering trust, cooperation, and collective problem-solving. Anchored in fair discoverability, auditable governance, and relational intelligence, the framework aims to reduce transaction costs of knowledge, expand substantive freedom, and support well-being beyond GDP while remaining open to scalable pilot implementation through universities and civic networks.

**JEL Codes:** D02, Z10

## There is enough

**Olivia C. Saunders**

This analysis debates that the fundamental limitation of prevailing economics lies in its assumption of scarcity. Because scarcity is treated as the starting point of economic analysis, the resulting framework tends to normalise zero-sum allocation, persistent inequality, and the prioritisation of growth over human and ecological well-being. The paper contends that scarcity is often not a natural condition but a manufactured outcome of economic, political, and social systems. Two examples illustrate this argument. First, money, although largely a social and institutional construct, is governed as if it were inherently scarce, generating debt dependency, control, and exclusion, particularly for low- and middle-income countries (World Bank, 2025). Second, the management of natural resources shows how abundance can coexist with deprivation, as in many African countries rich in land, minerals, water, and energy resources, yet marked by poverty, unequal extraction, and limited local benefits (Izvorski, Coulibaly, and Doumbia, 2018; UNEP, 2024). From this perspective, the problem is not the absence of resources, skills, or productive capacity, but the dominance of systems that require scarcity to create value and preserve power. The contribution, therefore, proposes a different starting point for economics: the assumption that there is enough. On this basis, economics can be redefined as the study of how abundant resources are allocated for the well-being of people and the ecosystems they inhabit, shifting the focus from scarcity management to collective provisioning and social flourishing.

**JEL Codes:** P51, P41

## Integrated living communities (ILC): redesigning feedback architectures for regeneration of rural territories

**Armando Pugno**

Integrated Living Communities (ILC) provide a design-oriented governance architecture for the regeneration of rural and inner territories through the redesign of endogenous feedback structures rather than through fragmented and time-bounded interventions. Focusing on areas affected by depopulation, service contraction, and erosion of social capital, the paper asks how territorial development strategies can activate self-sustaining, positive-sum dynamics that expand economic viability, social capital, and human capabilities. The framework combines the capability approach, which evaluates success in terms of expanded real freedoms (Sen, 1999; Nussbaum, 2011), with commons governance, which explains how rules, legitimacy, and conflict resolution can stabilise cooperation around shared resources (Ostrom, 1990). Methodologically, the contribution employs causal loop diagrams as a governance language to make feedbacks, delays, thresholds, and trade-offs visible (Sterman, 2000). ILC integrates four components: a multi-stakeholder governance cockpit, an integrated participation platform, a local marketplace, and a purpose-bound civic token designed to reduce leakage and strengthen local circulation. An illustrative mechanism is the endogenous local multiplier, through which bounded local spending reinforces value circulation, operator participation, and territorial network density. The framework is presented as pilot-ready for Italian inner areas and includes a validation strategy combining matched-territory comparisons, staggered rollout, platform data, surveys, and qualitative fieldwork. Overall, the contribution argues that regeneration depends on making trust, cooperation, and multidimensional well-being endogenous outcomes of territorial feedback architectures rather than assumed preconditions.

**JEL Codes:** R58, O35

## Artificial intelligence and relational intelligence: foundations of a relational value economy from a youth perspective

**Benedetta Di Donato - Iacopo Matteacci - Nicole Venezia**

This contribution develops a conceptual framework for a Relational Value Economy by arguing that economic paradigms excluding the relational dimension of human existence are structurally incomplete and increasingly unsustainable in AI-mediated societies. From a youth perspective, artificial intelligence is interpreted not as an exogenous technological shock but as a structural accelerator of contradictions already embedded in dominant economic models centred on individualism, instrumental rationality, and extractive conceptions of value. The paper conceptualises relational intelligence as the capacity to generate, sustain, and transform meaningful intersubjective relations under conditions of complexity, uncertainty, and mutual dependence. Rather than being reduced to an individual skill, relational intelligence is treated as a systemic property of social ecosystems and as a foundational economic variable. Within this framework, AI functions as an anthropological mirror, making visible the difference between interaction and relation. Human relations are defined by reciprocal vulnerability and the possibility of mutual transformation, whereas artificial systems can simulate interaction without participating in this relational economy. On this basis, the contribution outlines three axes of complementarity between AI and relational intelligence: relational amplification, authenticity, and governance. It concludes by proposing a shift from output-centred economic metrics toward a paradigm in which value is generated through the quality, resilience, and sustainability of relational structures. This perspective has implications for well-being indicators, AI governance, and institutional design in digitally mediated societies.

**JEL Codes:** A12, A13

## Third sector, relational value and natural degrowth: re-centering the common good beyond profit and GDP/PIL

**Rossella Romano**

Ecological crisis, persistent social inequalities, and declining subjective well-being in affluent societies call into question an economic paradigm centred on profit maximisation, consumerism, and GDP growth. The challenge is not merely quantitative but structural and cultural, requiring a redefinition of production, consumption, and economic value. Within this perspective, the Third Sector, including social enterprises, cooperatives, and civil economy organisations, can play a key role in enabling a form of natural and selective degrowth understood not as an imposed reduction of economic activity, but as an endogenous transformation of practices, preferences, and institutions. By prioritising real human needs over artificially induced demand, Third Sector production fosters sufficiency, reciprocity, and community embeddedness, encouraging a shift away from compulsive and positional consumption toward well-being grounded in relationships, participation, and shared meaning. Relational goods such as trust, cooperation, and social inclusion are therefore treated as core components of economic value rather than residual by-products of market exchange. This perspective also highlights the importance of liveable, child-friendly cities, public-community cooperation, and community-based environments in supporting high levels of well-being with moderate consumption and careful resource management. Co-design and co-production emerge as crucial governance mechanisms for reducing waste, aligning economic activity with collectively defined needs, and re-centring the common good in economic decision-making. In this sense, Third Sector production is presented not as a corrective to market failure, but as a laboratory of institutional innovation that can reconcile human flourishing, social cohesion, and ecological limits.

**JEL Codes:** L3, A1

## GDP/PIL serving human dignity: A. P. Giannini and Ennio Doris through justice, care, and service. An Italian-Californian comparison in humanistic management

**Oreste Bazzichi - Fabio Reali**

This essay examines how the justice-care-service triad, rooted in the Franciscan tradition, can become an institutional architecture for ethical management that protects and promotes human dignity in contemporary finance. Through a comparative case study of two pioneering bankers, Amadeo Peter Giannini and Ennio Doris, it shows that trust (*fides*) and human relationships constitute strategic relational capital capable of generating dynamic complementarity between Corporate Social Performance (CSP) and Financial Performance (FP). Historically and institutionally, the analysis traces a genealogy of banking running from the Franciscan tradition and the *Monti di Pietà* to Giannini's *Little Fellow's Bank* and Mediolanum's *Family Banker*®, highlighting the translation of “holy credit” into organizational practice through branch banking with empowered local authority, scalable advisory proximity, fair pricing, and the inclusion of immigrants, SMEs, and vulnerable clients. At critical junctures - the 1906 San Francisco earthquake and the 2008 financial crisis - choices consistent with servant leadership stabilised the client base, reduced expected losses, and strengthened reputational capital. Methodologically, the essay integrates historical case comparison, process tracing along the *longue durée*, and a selective metric set focused on financial inclusion, relational quality, and resilience. It advances a teleological governance framework and proposes a TPR dashboard - Trust, Proximity, Resilience - to measure relational capital and adaptive capacity. The findings offer actionable guidelines for purpose-driven banking “for many and not for the few”.

**JEL Codes:** G, N

## Drought shocks and corporate dynamics: evidence from European firms

Leonardo Ciotti - Stefano Di Colli - Matteo Renghini

This paper examines the firm-level economic effects of drought conditions in Europe by combining physically grounded climate indicators with a large panel of balance-sheet data. We construct drought measures based on soil-moisture deficits relative to soil-type-specific thresholds derived from the FAO-56 water balance framework and the HTESSEL land-surface scheme, using high-resolution data from the Copernicus Climate Data Store. These indicators are spatially matched to more than 2 million firms through postal codes, allowing each firm to inherit local drought conditions over the period 2013-2023. We estimate the dynamic responses of profitability, tangible investment, and leverage to increases in drought intensity using a panel local projections framework. At the aggregate level, drought intensity is associated with a negative response of profitability at all horizons, with the largest decline occurring on impact and gradually weakening thereafter. Substantial heterogeneity, however, emerges across sectors. Among agricultural firms, drought intensity exerts a statistically significant and persistent negative effect on profitability, with the strongest impact materialising contemporaneously and gradually dissipating over subsequent periods. In contrast, the dynamic responses of non-agricultural firms closely mirror those observed in the full sample. For these firms, investment contracts mildly follow drought shocks, while profitability and leverage display limited and statistically insignificant adjustments. Overall, the results provide micro econometric evidence that drought intensity generates meaningful but short-lived strains for highly exposed firms, while aggregate estimates mask important sector-specific vulnerabilities.

**JEL Codes:** Q54, Q56, D22, L25, G30, R11

## Reforms In search of sustainable well-being

Silvia Gallegati - Mauro Gallegati

This contribution examines the limitations of GDP as a measure of well-being and proposes an alternative framework based on price-independent indicators to assess sustainable well-being. The central argument is that GDP cannot adequately capture changing needs, technological transformations, environmental impacts, or the distributional dimensions of prosperity. Since prices change over time and reflect shifting preferences, new products, and market structures, they provide an unstable basis for comparing well-being across periods. The paper, therefore, replaces GDP with life expectancy as a core reference indicator and combines it with a multidimensional set of variables drawn from the Sustainable Development Goals. These include indicators related to inequality, employment, financial inclusion, innovation, ecological footprints, waste management, carbon intensity, and renewable energy. The proposed approach aims to construct a composite sustainability index capable of integrating social, economic, and environmental dimensions without relying on nominal measures. Particular attention is given to the idea of a sustainable economy as one that moves beyond growth at any cost and instead incorporates equity, social cohesion, and environmental resilience into the assessment of progress. The paper argues that such a multidimensional and price-independent framework can offer a more coherent and realistic understanding of well-being, while also supporting international comparability and policy design. More broadly, it suggests that sustainable progress should be evaluated not by the expansion of output alone, but by the capacity of economic systems to enhance human life while remaining within ecological limits.

**JEL Codes:** not indicated

## Protectionist attitudes among voters in OECD countries: causes, consequences and ways forward

**Jürgen Volkert**

Protectionist attitudes have gained momentum among voters in many OECD countries, increasingly challenging standard economic support for international trade. Although trade is generally associated with higher efficiency and aggregate welfare, public attitudes vary widely across countries and regions, and support for protectionism has often been reinforced by authoritarian right-wing populist parties. This contribution examines the causes and consequences of protectionist attitudes and explores ways forward for economics, societies, and economies. Building on empirical studies of trade attitudes, it analyses individual, regional, and sectoral determinants of support for protectionism, with particular attention to economic insecurity, import competition, and the grievances of potential losers from trade in left-behind regions (Autor et al., 2013; Norris and Inglehart, 2019; Rodrik, 2021; Rodrik, 2025). It also considers the role of populism in transforming economic grievances into broader conflicts between “the people” and liberal elites. The paper argues that some standard economic normative and behavioural assumptions may unintentionally contribute to such backlashes. In particular, the exclusive focus on total income maximisation, the Kaldor-Hicks criterion without actual compensation, and the neglect of autonomy, dignity, and multidimensional well-being can reinforce perceptions of injustice (Beckerman, 2017; Sen, 2009). From this perspective, trade policies may become self-defeating if they undermine democratic legitimacy and social cohesion. The contribution concludes by discussing how economics can be conceptually broadened and how democratic participation and deliberation can be strengthened to mitigate populist challenges and restore support for international trade.

**JEL Codes:** F1, F6

## Colo ergo sum. Do community urban gardens improve quality of life?

**Pasquale De Muro - Laura Silici**

Urban Community Gardens (UCGs) have become increasingly widespread in European cities, responding to growing concerns about sustainability, social cohesion, environmental degradation, and quality of life. Beyond food production for self-consumption, they perform broader social, environmental, cultural, educational, and economic functions. This article contributes to the assessment of these impacts by developing and testing a conceptual and methodological framework focused on the quality of life of gardeners, with broader implications for urban communities. The study is part of the Erasmus+ project *Gardeniser Community* and reports preliminary results from a pilot survey conducted in Rome, a particularly relevant case given the scale and institutional recognition of urban community gardens in the city. The article combines a capability-approach perspective with selected insights from ecological economics and adopts a mixed-methods design integrating participatory processes with a quasi-experimental survey. The pilot study involved 407 gardeners and 425 non-gardeners living in the same neighbourhoods; after Propensity Score Matching, the final analytical sample included 720 individuals. The results show that participation in UCGs has a strong positive effect on environmental knowledge and skills, is associated with greater outdoor physical activity, and is linked to healthier dietary patterns. A weakly significant positive effect also emerges for overall life satisfaction. No significant impact is found on self-rated health or trust in neighbours, while internal inequalities by gender, age, and socio-economic profile remain substantial. Overall, the findings suggest that UCGs can improve selected dimensions of quality of life, while also raising questions about inclusivity and long-term health effects.

**JEL Codes:** I31, B55

## Movement without meritocracy: the compositional illusion of social progress

**Meryem Türel - Ensar Yılmaz Yıldız**

Structural transformation and GDP growth are often treated as indicators of social progress, on the assumption that economic modernisation weakens traditional rigidities and fosters meritocracy. Focusing on Türkiye as a critical case, this paper challenges that view by examining whether seventy years of structural transformation have produced genuine intergenerational occupational mobility. Using microdata from the 2021 Türkiye Family Structure Survey, the analysis combines mobility matrices, Altham statistics, rank-rank regressions, regional analysis, and fixed-effects logit and multinomial logit models to distinguish structural economic change from genuine social fluidity. The results show that rising absolute mobility is largely a compositional illusion generated by the decline of agricultural employment rather than by a more open social structure. Once structural shifts are taken into account, relative mobility stagnates and, for the youngest cohort, shows signs of decline. The analysis further reveals a highly asymmetric pattern of class permeability: a “sticky top,” where elite status is strongly reproduced, and a “slippery bottom,” where children from low-status origins exit agriculture but rarely enter professional occupations. Gender and geography deepen these inequalities. Women face stronger persistence at the bottom of the distribution, while regional analysis shows that both the developed West and the less developed East reproduce distinct forms of immobility. These findings challenge the standard narrative that market liberalisation and modernisation promote meritocracy, suggesting instead that structural transformation has changed occupations without fundamentally changing access to them (Corak, 2013; Chetty et al., 2014).

**JEL Codes:** J62, D63

## Investing in place: the role of EU cohesion funds in mitigating depopulation of Italian inner areas

**Marina Albanese - Alessandro De Iudicibus - Sara Moccia  
Monica Valrese**

Depopulation in Italian Inner Areas has intensified long-standing territorial inequalities, weakening service provision, fiscal sustainability, and local resilience. Against this background, this study examines whether EU Cohesion Policy investments have contributed to mitigating internal migration losses across Italian municipalities. The analysis focuses on the 2007–2013 programming cycle and uses an original panel dataset covering more than 7,000 municipalities over the period 2007–2022, combining administrative microdata on EU-funded spending with demographic, socio-economic, and institutional indicators. Net internal migration per 1,000 residents is used as a measure of territorial attractiveness, while governance capacity is captured through the Municipal Administrative Quality Index. The empirical strategy relies on fixed-effects models that exploit within-municipality variation over time. Results show that higher per-capita Cohesion Policy spending is associated with more favourable migration outcomes, although the magnitude of the effect is modest. The positive association is strongest in small municipalities, suggesting that even limited improvements in accessibility, infrastructure, and service provision affect residential choices where depopulation is persistent. The composition of spending also matters: infrastructure- and service-oriented investments are more strongly associated with positive migration balances than business incentives, whose effects appear more context-dependent. The maps reported in the study visually confirm the persistent concentration of outmigration in inner, rural, and southern municipalities, compared with greater demographic stability in urban and peri-urban areas. Overall, the findings support a place-based interpretation of Cohesion Policy and highlight the need for territorially differentiated interventions combining investment, administrative capacity, and long-term service sustainability (Barca, 2009; Crescenzi and Giua, 2020).

**JEL Codes:** R11, R23, H50, O18, C23

## Culturally learned helplessness as an economic development trap

**Ferhat Öztutuş**

Economic underdevelopment is usually explained through political, financial, institutional, and structural factors, while the role of culturally embedded psychological dispositions remains underexplored. This paper argues that persistent developmental failure should also be understood through the lens of culturally learned helplessness. Building on Seligman's theory of learned helplessness, Durkheim's concept of collective consciousness, and Bourdieu's notion of habitus, the paper examines how repeated experiences of poverty, crisis, and failed reform can generate socially shared beliefs that meaningful change is impossible (Seligman, 1972; Durkheim, 2018; Bourdieu, 2017). Once internalised at the collective level, such beliefs shape expectations, preferences, and everyday practices, discouraging entrepreneurship, long-term educational investment, political participation, and reform engagement. In this perspective, underdevelopment is reproduced not only through institutions and resource constraints, but also through culturally embedded patterns of passivity, risk avoidance, and diminished agency. The argument is illustrated through selected country cases, including Bolivia, Ethiopia, Nigeria, Iran, and Türkiye, while also suggesting that developed economies may display different forms of learned helplessness, especially as institutional and political inertia during periods of crisis. The paper, therefore, proposes a broader understanding of development that links economics, sociology, and psychology. It concludes that sustainable development requires more than technical policy design or institutional reform: it also depends on transforming collective beliefs about agency, control, and the possibility of change. Otherwise, even well-designed reforms may remain ineffective under conditions of culturally reproduced helplessness (Öztutuş and Eroğlu, 2024).

**JEL Codes:** F59, O10, P16, Z10

## A market for values. Reconciling economics and ethics by fostering autonomy, community and a shared assessment of social values

**Marco Senatore**

Economics can recover its ethical dimension only by placing values at the centre of economic life. Building on Sen's view of economics as a moral science and on the distinction between interests and values developed by Arrow and Harsanyi, this paper argues that current economic systems marginalise values and thereby undermine both individual autonomy and social cohesion (Sen, 1987; Arrow, 1963; Harsanyi, 1953). The paper defines functional autonomy as the condition in which individuals and organisations choose values as general orientations toward social reality rather than as rhetorical justifications for immediate interests. Such autonomy is necessary for society to become a genuine community capable of rational deliberation about the common good. Yet this possibility is obstructed by the exclusive use of money, which, as Simmel argued, is neutral toward values (Simmel, 1900). To address this problem, the paper proposes a state-managed platform for the exchange of values-based documents. These documents would record both the application of a moral, organisational, or cultural value and the social, reputational, and economic benefits generated by it. They would be exchangeable for goods, services, or other values-based documents, but not directly for money, while still possessing a monetary equivalent. In this way, the market would reward autonomous commitments to values and create a framework for assessing their relative social relevance. The proposal aims to reconcile economics and ethics, individual agency and community, and to overcome the value-neutrality of markets as a source of social atomism and political fragmentation.

**JEL Codes:** A12

## To eat or not to eat? A survey experiment on regulatory information and novel food acceptance

**Luca Cattani - Giacomo Degli Antoni - Marco Faillo**

Using a survey experiment on a representative sample of the Italian adult population, this study investigates whether regulatory information influences consumer acceptance of novel foods. Specifically, it analyses the effect of providing information about the European Union's marketing authorisation process for novel foods on willingness to consume cell-based meat and products based on insect flour. The experiment was conducted on 2,012 respondents, balanced by age, gender, and macro-geographical area, with half of the sample receiving detailed information on the EU authorisation procedure. Results show that informed respondents express significantly higher acceptance of both types of products than those in the control group. The study further examines whether this effect persists over time through an obfuscated follow-up survey administered to the same respondents. Evidence indicates that the positive effect of regulatory information is at least partially persistent, but progressively declines as the time between the two survey waves increases, eventually fading out completely. These findings highlight the role of regulatory knowledge in shaping consumer trust and attitudes toward sustainable food innovations. At the same time, they suggest that information is likely to be most effective when delivered close to the moment of purchase, for example, through labels or other communication tools placed at the point of sale. Overall, the results underline the policy relevance of targeted communication strategies for improving the social acceptance of novel foods.

**JEL Codes:** Q18, D83, D12, Q57

## Beyond the obsolescence of paradigms. The epistemological and educational challenges of hyper-technological civilisation of automation

**Piero Dominici**

Hyper-technological civilisation is reviving an old illusion: that algorithms and artificial intelligence will enable humanity to measure, predict, and control the evolution of social systems and, ultimately, to delegate solutions and even thought itself to technology. This contribution challenges that assumption by arguing that the central issues raised by automation are not primarily technical, but epistemological and educational. Building on the idea of complexity as a structural feature of living and social systems, the paper maintains that reality is intrinsically non-linear, characterised by self-organisation, emergence, unpredictability, and the co-presence of order and chaos. From this perspective, reductionist and deterministic paradigms are no longer adequate for understanding contemporary societies, yet they continue to shape scientific methods, technological narratives, and institutional responses. The analysis highlights the impossibility of an external observer in the study of human systems: observing always transforms both the observed and the observer, making control and prediction necessarily partial and unstable. The paper therefore argues for a shift in how knowledge is conceived and produced, emphasising the inseparability of modes of observation, systems of thought, and methods of inquiry. The real challenge is not to eliminate error or to reduce complexity to linear models, but to inhabit complexity through more reflexive, interdisciplinary, and self-observing approaches. In this sense, the future of social research and education depends on expanding possibilities for thought, action, and collective transformation rather than narrowing them through technological delegation.

**JEL Codes:** D8

## Competition, norms, and prosocial incentives: A real-effort Study of athletic and cognitive performance in secondary education

**Stefania Badiglio - Vito Pipitone - Francesco Salustri  
Luciano Seta - Leonardo Becchetti**

This study investigates how non-monetary incentives and different interaction frames affect students' performance and engagement in real-effort tasks in secondary education. Building on the literature on incentives, competition, and social preferences (Gneezy and Rustichini, 2000; van Dijk, Sonnemans, and van Winden, 1997; Fehr and Falk, 2002), the experiment combines athletic and cognitive tests under four conditions: a neutral condition, a competitive frame with individual reputational incentives, a normative frame with class reputational incentives, and a normative frame with prosocial incentives. This design makes it possible to compare the effects of different forms of recognition and motivation across tasks that differ in their social meaning and perceived appropriateness. The study also relates to recent work on ranking variation in cooperative sporting and cognitive settings (Graf et al., 2023) and examines whether a crowding-out effect may arise even in the absence of monetary rewards, when individual competition displaces intrinsic or socially oriented motivations (Frey, 1997). The main expectation is that individual rankings will be more effective in athletic contexts, where competitive framing is socially congruent, while class-based or prosocial incentives may perform better in cognitive contexts, especially where cooperation and group norms are valued. The project will be followed by a training intervention for students and teachers connecting behavioural economics, reciprocity, trust, autonomy, and control to broader issues of civic education, cooperation, and social well-being in school communities.

**JEL Codes:** D91, C93

## Beyond homo oeconomicus: leadership as relational and generative capital

**Daniela Pagnini - Alessandra Raggi - Maria Tremuli**

Leadership is increasingly better understood not as a managerial trait or positional attribute, but as relational and generative capital. Moving beyond homo oeconomicus models centred on hierarchy, individual optimisation, and control, this research examines how trust, authenticity, recognition, and collective agency generate organisational and economic value. The study combines leadership studies, organisational behaviour, social psychology, behavioural economics, and critical management perspectives, drawing in particular on embeddedness, relational leadership, authentic leadership, shared leadership, and complexity leadership (Granovetter, 1985; Uhl-Bien, 2006; Avolio and Gardner, 2005; Pearce and Conger, 2003; Uhl-Bien et al., 2007). Methodologically, it adopts a mixed-methods design that integrates an organisational intervention with a large-scale survey. The first component is the Authenticity Day Program, an ongoing observatory within a major Italian manufacturing company, where authenticity is activated as a strategic lever for innovation, complementarity, and business performance. The second component is an open survey based on 352 respondents across sectors, generations, and formal and informal leadership roles. Preliminary findings show a persistent gap between leadership practice and leadership recognition: many individuals exercise leadership without naming or receiving recognition for it. Women appear to exercise leadership at levels comparable to men, yet receive lower recognition. Across both research strands, authenticity reduces relational costs, supports sustainable performance, strengthens reciprocity, and enables the diffusion of informal leadership practices. The study concludes that leadership should be treated as a relational commons and as a form of generative capital central to innovation, organisational resilience, and less extractive economic systems.

**JEL Codes:** M14, Z13

## Competition, norms, and prosocial comparison of chinese and taiwanese high fashion

**Zrinka Tomašić**

This research has been produced from my MA dissertation at Ca'Foscari research (Traditional Chinese Art and Design in Contemporary Chinese Fashion <http://hdl.handle.net/10579/25118>). Although there are some similarities between Mainland Chinese and Taiwanese high fashion, like the fact that qipao or cheongsam became popular first in Hong Kong and in Taiwan as a modern-day fashionable outfit, there are discrepancies between. For example, Mainland Chinese are more oriented to drawing inspiration from Chinese traditional culture, philosophy, art and fashion. While in Taiwan, we could see designers doing futuristic and unisex fashion. Not to mention Taiwanese Indigenous people with their unique fashion style, which had a lot of influence firstly from the Japanese, and then the Chinese. What are Mainland Chinese high fashion designers' strengths, and what are their weaknesses? How about Taiwan's high fashion designers? In the past, the primate in textile production passed from Taiwan to China, also with the modern-day qipao style. Is the same happening with new fashion trends? This paper will try to answer these questions.

**JEL Codes:** D91, C93

## Financial inclusion, a key factor for economic growth and equality, is also at the heart of the synodal spirit. Much remains to be done in an increasingly complex context

**Davidia Zucchelli**

The relationship between finance and Christian principles is historically complex and cannot be reduced to a simple opposition between ethics and financial activity. Christian thought and Church teaching have long contributed to shaping financial practices oriented toward human dignity and the common good. In contemporary economies, this perspective is especially relevant to financial inclusion, which has become a strategic objective for growth, social cohesion, and sustainability.

This paper develops a conceptual and policy-oriented analysis of financial inclusion from an international and Catholic perspective. It examines financial education as a key driver of inclusion, differentiates between advanced and emerging economies, and discusses the role of governments, central banks, financial institutions, and international organizations. Particular attention is devoted to digitalization, recent European initiatives, and the ethical implications of increasingly complex financial products and intermediaries. The analysis shows that financial inclusion must be understood differently across institutional and developmental contexts: in emerging economies, it primarily concerns access to basic accounts and services, whereas in advanced economies it increasingly depends on the prudent and informed use of more complex financial instruments. Financial education emerges as essential to both extending and strengthening inclusion. At the same time, digitalization, while expanding access, may also generate new forms of exclusion for vulnerable groups lacking adequate skills or infrastructure. Financial inclusion requires not only broader access to services but also a culture of prudence, moderation, and informed decision-making. Effective policies must combine education, trustworthy intermediation, public oversight, and ethical guidance in order to promote inclusive and sustainable finance.

**JEL Codes:** G53, G50

## Moral economy and deservingness

Ángeles Arjona Garrido - Juan Carlos Checa Olmos  
Francisco Arqueros Fernández

This paper examines how the Spanish public constructs and evaluates the deservingness of immigrants, understood as the set of normative principles regulating legitimate access to welfare resources, social rights, and public support. Drawing on the moral economy tradition, deservingness is treated not as an individual attitude alone, but as a socially shared and stratified normative framework shaped by economic structures and macroeconomic change. The analysis uses pooled cross-sectional survey data collected in Spain between 2008 and 2017, covering the global financial crisis and its aftermath. Deservingness is conceptualized through a multidimensional framework distinguishing contributory criteria from merit-based criteria. The latter are further divided into socio-economic utility and normative adaptation, allowing the paper to assess how different dimensions of legitimacy vary across social groups and economic conditions.

Deservingness judgments display strong internal coherence and clear social stratification, varying systematically by education, labour-market status, and income. Contributory deservingness became significantly more restrictive during the crisis years, suggesting that economic scarcity and insecurity tightened normative boundaries around welfare access. This shift did not fully disappear during the recovery period, indicating durable changes rather than temporary reactions. Merit-based deservingness is shaped primarily by expectations of economic contribution and compliance with shared rules, whereas explicitly exclusionary cultural criteria play a more limited role. The findings show that public attitudes toward immigrant welfare access in Spain are structured mainly by reciprocity, utility, and rule compliance. Economic crises can therefore leave lasting effects on the moral foundations of welfare-state legitimacy.

**JEL Codes:** I30

## Parenting, engagement, and well-being: evidence from twin data

Valentina Rotondi - Joshua Zonca - Joseph Alvin Santos  
Laurie Corna

We revisit the parenthood-well-being paradox by distinguishing parental status from parenting practices. Using data from the German TwinLife Study, we analyze global life satisfaction (GLS) and a burden/stress index (EBI) with linear mixed-effects and within-twin (pair fixed-effects) models. For parental status, cross-sectional estimates suggest higher GLS among parents, but this advantage disappears under twin controls, indicating selection. For engagement, greater involvement is associated with higher GLS and lower EBI in cross-sectional models; under fixed effects, the GLS association attenuates, while the stress-buffering effect remains marginally significant. For parenting style, emotional warmth and consistency predict higher GLS and lower EBI cross-sectionally, whereas inconsistency and psychological control align with worse outcomes. Fixed-effects models confirm that psychological control reduces GLS and inconsistent parenting increases EBI. Variance decomposition shows parenting style explains meaningful within-family variation. By shifting attention from parental status to relational quality, we highlight actionable levers for enhancing parental well-being and informing family policy.

**JEL Codes:** J13

## Money and morality in “Massys’s the moneylender and his wife”, 1514

**Kireyev Alexei**

The article proposes a new interdisciplinary approach to studying economic concepts by integrating their market logic with their moral dimensions. Combining economic analysis with art studies, the history of economic thought, and the history of art, it offers a holistic way to trace how economic ideas emerge, gain moral depth, and acquire modern meaning before formal theory. Using Quentin Massys’s *The Moneylender and His Wife* (1514) as a visual case study, the article reconstructs the basic grammar of monetary economics and its interaction with moral judgment. The painting reveals money in multiple material forms and across different monetary regimes, illustrates its key functions, highlights mechanisms of monetary management, and foregrounds the moral demands that underpin trust in money. The article concludes that an interdisciplinary engagement with artworks can serve as a powerful analytical and educational tool for understanding both market logic and the moral constraints embedded in money and other foundational economic concepts.

**JEL Codes:** A13, E42

## The entrepreneur’s liability, the importance of contractual institutions

**Antonio Maria Russo**

Corporate crisis is no longer viewed solely as a terminal event, but as a phase requiring timely intervention, continuity-oriented management, and appropriate legal tools. In this context, Article 2086(2) of the Italian Civil Code and the Italian Business Crisis and Insolvency Code impose on entrepreneurs and directors a duty to adopt adequate organizational, administrative, and accounting structures for early crisis detection. This paper examines how contractual instruments affect directors’ liability, with particular attention to the Spanish experience. The paper develops a comparative legal analysis of Italian and Spanish insolvency frameworks, focusing on the evolution from a court-centered model toward negotiation-based solutions. It considers preventive restructuring tools, the duty of timely intervention, and the relationship between crisis prevention, corporate governance, and director liability. The analysis shows that the Italian system, despite the introduction of negotiated settlement procedures, remains largely influenced by judicial logic and by strict duties placed on directors under Article 2086 and Article 3 of the Crisis Code. By contrast, the Spanish framework assigns a more central role to consensual restructuring mechanisms, especially the *Planes de Reestructuración*, and relies more heavily on creditor-debtor negotiation than on early warning obligations or court supervision. This model offers greater flexibility in crisis management, may reduce the costs and duration of restructuring, and strengthens the proactive role of directors in preserving business continuity. A stronger integration of contractual instruments into the Italian framework could improve crisis prevention and resolution, reduce recourse to invasive judicial procedures, and better balance creditor protection with business continuity.

**JEL Codes:** K22

## Reimagining economic categories from the field gendered temporalities and labor relations in the measurement of Dakar's informal economy

**Marta Massera**

The growing literature on quantification has shown that statistics are not neutral representations of reality, but socially constructed devices shaped by definitions, technical choices, and power relations. This issue is particularly relevant in the field of work, where dominant statistical categories often fail to capture informal, relational, and everyday labour experiences, especially those of women. This article examines how mainstream definitions of work and the statistical categories built upon them shape the quantification and valuation of women's informal labour in Senegal. The analysis adopts an interdisciplinary framework combining feminist economics, the political economy of quantification, and economic anthropology. Methodologically, it uses a multi-method approach that compares descriptive survey data on informal employment and informal production units with evidence from a seven-month ethnographic investigation in the Dakar region, focused on twenty women active in informal commerce and services, complemented by interviews with national experts involved in data production and use. The findings reveal significant inconsistencies between official statistical representations and women's lived work experiences. Survey categories struggle to capture irregular working hours, multiple simultaneous activities, and the diverse temporalities of informal labour. The category of informal production unit tends to associate women primarily with "enterprises", while the classification of most women as "self-employed" obscures solidarity networks, interdependence, and forms of dependent work. The statistical framing of women's informal labour in Senegal reproduces a narrow conception of work and leaves room for narratives that overstate female entrepreneurship while underestimating relational and dependent dimensions of livelihood strategies.

**JEL Codes:** J. Labor and Demographic Economics

## Equity or efficiency: an experimental investigation

**Maria Luigia Signore - Luca Panaccione - Daniela Di Cagno**

Policymakers are challenged to define policies that ensure efficiency while promoting equitable resource redistribution. However, achieving this balance is difficult, as efforts to promote equity often result in economic inefficiencies. This paper contributes to the broader debate on the equity-efficiency tradeoff by examining how individuals perceive and respond to it through a laboratory experiment. Participants, engaged in a dyadic proposer-responder interaction, are tasked with redistributing an income between themselves and an anonymous counterpart while we manipulate levels of efficiency loss and the responder's veto power. Our findings reveal that: (i) efficiency-seeking behavior increases as the equity-efficiency tradeoff worsens, with the extent of this shift varying across game types; (ii) while equity-seeking behavior increases with the responder's veto power; (iii) despite efficiency loss and veto power, individuals' equity preferences remain stable.

**JEL Codes:** Equity-Efficiency tradeoff; Redistribution, Taxation, Social preferences

## Prospect theory and the provision of public goods under risk

**Annamaria Nese - Giulia Andrighetto - Giuseppe Attanasi - Jeff Tyler Avedisian - Patrizia Sbriglia  
Luigi Senatore**

Experimental evidence shows that cooperation and trust tend to increase in communities exposed to extreme negative events, yet the mechanism behind this pattern remains unclear. This paper investigates whether the positive relationship between collective risk and cooperation also emerges in hypothetical disaster scenarios, and whether it depends on individual risk preferences. The study focuses in particular on the distinction between Expected Utility and Prospect Theory types. The analysis is based on a staged field experiment conducted in Summer 2025 in five small towns in Puglia during local festivals. Participants were selected from Italian regions not recently affected by major environmental hazards, in order to isolate behavior from direct disaster experience. In the first stage, subjects chose among lotteries in gain and loss domains, allowing classification into Expected Utility or Prospect Theory profiles. In the following stages, participants played a collective-risk social dilemma in groups of four under low-risk and high-risk disaster scenarios, while empirical and normative expectations were also elicited. Contributions increase with the probability of disaster, confirming that higher collective risk induces stronger cooperation even in hypothetical settings. Cooperative behavior is strongly predicted by personal beliefs and social expectations. A subset of Prospect Theory individuals reacts more strongly to higher risk, displaying greater contributions than Expected Utility types under high-threat conditions. At the same time, Prospect Theory individuals show lower baseline cooperation, lower normative expectations, and lower willingness to punish free-riding. Risk preferences and social behavior are closely intertwined even in the absence of direct disaster exposure. These findings suggest that prevention and public policies may promote prosocial behavior by accounting for heterogeneity in risk attitudes before crises occur.

**JEL Codes:** C90, C91

## Relational capital and labour

**Alessio Emanuele Biondo - Marcello Signorelli**

This paper examines how workers' personal characteristics and the relational quality of workplaces shape both job quality and productive performance. It starts from the idea that work is not only a contractual exchange mediated by technology, but also a dense network of interpersonal relations. These relations influence cooperation, knowledge sharing, motivation, and the effective use of technology, and should therefore be treated as a production-relevant factor rather than as a merely cultural background. The paper develops a conceptual and methodological framework combining labour economics, sociology of work, and the literature on social capital. At the individual level, it focuses on traits that can be interpreted as components of workers' relational capital, including trust, reciprocity, altruism, sense of belonging, happiness, and social connectedness. At the workplace level, it conceptualizes relational quality as an emergent state variable shaped by worker composition, management style, and interaction history. These dimensions are then embedded into an empirically informed agent-based model calibrated on observable survey indicators. The framework shows how relationally healthy workplaces can enhance labour productivity, improve technology utilization, and increase job quality through cooperation, mutual recognition, and collective problem-solving. Conversely, poor relational environments may generate conflict, coordination failures, resistance to change, and underutilization of existing technologies. At the macro level, aggregate output, employment, wage dispersion, and well-being emerge endogenously from the interactions of heterogeneous workers and firms. The paper argues that relational capital is an economically relevant driver of both productive efficiency and job quality, and that accounting explicitly for workplace relations can substantially improve the analysis of macroeconomic dynamics.

**JEL Codes:** L28

## How does learning makes market efficient? The role of market microstructure

**Javed Maaz - Misbah Hameed**

The Zero-Intelligence (ZI) agents in the double auction market ensure efficiency by providing the highest surplus and trade volume but have been unable to ensure price convergence. Afterwards, focusing on the importance of rationality, the ZI agents are allocated limited intelligence to learn from the market and improve their behaviour over time. These agents with limited learning power are known as Zero-Intelligence Plus (ZIP) agents, and they ensure allocative and volume efficiency and make price convergence possible in the presence of the Marshallian trading sequence. However, these ZIP agents possess assumed learning rules to guarantee the desired efficiency level, and these rules are not based on how humans learn in real markets. To overcome this downside, this paper replaces the assumed learning rule of ZIP agents with new learning rules extracted from real human behaviour, i.e., introducing ZIPH agents. In addition, the market efficiency of these ZIPH agents is examined for different trading sequences and varying demand and supply schedules, i.e., symmetric, asymmetric, and box-shaped demand and supply schedules.

**JEL Codes:** D3, G12

## Unlocking relational intelligence for systemic value creation in european SMEs: a youth perspective

**Koami Moise Agbenowossi**

In Europe, small and medium-sized enterprises (SMEs) are still frequently evaluated through profit and GDP, although these indicators often fail to capture the relational foundations of long-term value creation. Recent crises, including the COVID-19 pandemic and geopolitical tensions, have shown that firms relying exclusively on traditional metrics may remain economically viable in the short term yet become fragile when trust, collaboration, and stakeholder commitment deteriorate. This paper examines whether relational intelligence can provide a more effective framework for innovation, sustainability, and resilience in European SMEs. The study develops a multi-level framework combining research evidence, case studies, and pilot projects involving European SMEs. At the individual level, it considers how trust, engagement, and reciprocity influence everyday behavior. At the organizational level, it analyzes governance models that foster collaboration rather than hierarchy. At the system level, it explores how policy design, ecosystem structures, and multidimensional performance metrics shape firm outcomes. Particular attention is devoted to practical tools such as relational scorecards, trust- and collaboration-based KPI dashboards, and co-innovation labs. The analysis suggests that SMEs investing in relational capital and shared purpose perform better in terms of innovation and sustainability. Trust-based governance appears more effective than top-down control in complex environments, while multidimensional metrics help align firm strategies with broader environmental, social, and economic goals. Structured ecosystem interventions may also generate benefits that extend beyond individual firms to local communities. Treating relationships as strategic assets enables SMEs to move beyond narrow profit-based evaluation and to build more resilient and sustainable forms of value creation.

**JEL Codes:** L26, M13

## Profit monism and the purpose and objective of a firm: dismantling the edifice of shareholder primacy

**Raphael Ng**

Profit maximization has long been treated as the singular legitimate objective of the firm. This paper examines the conceptual foundations of this paradigm—defined as profit monism—and questions its legal, logical, and empirical validity. It focuses on three interrelated pillars: Friedman’s doctrine of business responsibility, agency theory and shareholder primacy, and the claim that purposeful corporate action requires a single-value objective function. The paper develops a conceptual inquiry informed by corporate law, business ethics, philosophy, and economics, and illustrates the argument through the 1982 Johnson & Johnson Tylenol crisis. It assesses whether profit monism is supported by legal doctrine, by the theory of residual claimants, and by the supposed necessity of a single objective for rational decision-making. The analysis shows that profit monism is not a legal requirement but a managerial choice. Corporate law does not identify shareholders as owners of the corporation in a way that mandates exclusive profit maximization, and the business judgment rule grants managers broad discretion to consider multiple stakeholder interests. The paper also argues that the notion of shareholders as sole residual claimants is untenable once joint inputs, incomplete contracts, and firm-specific investments are recognized. Finally, the single-value objective function is shown to rest on circular reasoning. The Tylenol case illustrates that a proactive multi-stakeholder response can be ethically necessary and commercially sustainable. Corporate purpose cannot be adequately captured by profit monism. A multi-stakeholder and multi-objective view of the firm is conceptually more robust and better suited to real-world crisis management.

**JEL Codes:** M14, L21

## Beyond GDP: redefining economic prosperity and its metrics

**Alessia Sciamanna**

Mainstream economic models continue to treat equity, inclusion, and welfare-oriented expenditure as costs that reduce short-term profit or fiscal space, rather than as investments in productive capacity and systemic stability. This paper challenges that perspective by arguing that human, social, and institutional capital should be understood as structural stocks of wealth. Building on the Wealth Economy framework, it asks how macroeconomic evaluation can move beyond a profit-centred and GDP-based paradigm toward a stock-based model of prosperity. The paper develops a conceptual and methodological framework combining wealth accounting, social capital theory, and relational economics. At the macro level, it extends the logic of the United Nations System of Environmental-Economic Accounting toward an experimental Social Pillar based on supplementary satellite accounts. At the meso and micro levels, it employs the Social Return on Investment framework to trace the economic effects of inclusion-related practices. A pilot empirical application focuses on female-led manufacturing SMEs in Southern Italy operating in fragile territorial contexts and experimenting with integrative welfare schemes and innovative work arrangements. The framework shows that inclusion can be operationalized as a form of capital accumulation rather than as a merely normative or redistributive objective. The pilot application highlights direct and indirect spillover effects on labour productivity, worker retention, skills development, public cost avoidance, territorial cohesion, and resilience within local productive ecosystems. Institutional and administrative capacity further emerge as enabling forms of capital conditioning the feasibility of this transition. Recognizing social value as economic value allows prosperity to be measured through the accumulation and preservation of multiple forms of capital, thereby offering a broader and more resilient basis for macroeconomic evaluation.

**JEL Codes:** E01, O15

## Analysing scholarly impact of cooperatives and SMEs in circular economy and eco-innovation using fuzzy-set methodology

**Asia Guerreschi - Christoph Kiefer**

The transition to a circular economy through eco-innovation is central to addressing contemporary sustainability challenges. Cooperatives and small and medium-sized enterprises are particularly relevant actors in this process because of their socio-economic characteristics and their weight in several productive sectors. However, the scientific literature supporting this transition may still be too fragmented to constitute a shared and cumulative body of knowledge. This paper examines whether limited scholarly impact may be one of the reasons for the insufficient progress of the circular economy transition among these firm types. The study combines a systematic literature review and bibliometric analysis with fuzzy-set Qualitative Comparative Analysis. It focuses on the literature on eco-innovation-driven circular economy transition in cooperatives and SMEs and evaluates the determinants of scholarly impact through two fsQCA tests. The analysis considers combinations of years since publication, usage count, journal citation impact, normalized impact per year, number of authors, count of cited references, and connection to the triple bottom line. The findings show that scholarly impact in this field remains limited and that previous research has not yet evolved into a strongly interconnected and cumulative knowledge base. In particular, the literature on cooperatives appears especially fragmented. The results also indicate that the number of authors and the presence of triple bottom line framing do not seem to exert a significant effect on scholarly impact. The paper highlights important research gaps and suggests that strengthening the coherence, visibility, and cumulative development of this literature is essential for better linking scientific research to real-world practice and for accelerating the circular economy transition.

**JEL Codes:** P28, P00

## Co-designing the relationship between firms. A contractual and economic perspective

**Emanuele De Napoli**

In increasingly innovation-driven markets, firms rarely innovate in isolation and instead rely on fragmented partnerships with specialized actors. Under these conditions, inter-firm cooperation cannot be understood solely as joint product development, but must also be seen as the deliberate design of the relationship itself. This paper examines relational co-design as a contractual and institutional form of governance through which firms organize collaboration, manage uncertainty, and reshape their interaction over time. The analysis combines insights from the literature on relational contracts, contractual incompleteness, and innovation governance with an examination of three empirical contractual cases discussed in the theory of contracts for innovation. The paper interprets these cases as examples of meso-level governance, focusing on mechanisms such as joint research committees, phased collaboration structures, information-sharing clauses, and partnership scorecards. It then evaluates their limits and considers the role of hybrid governance solutions, especially Alternative Dispute Resolution instruments. The study shows that relational co-design enables firms to govern innovation not by fixing substantive outcomes ex ante, but by committing to procedures for joint decision-making, adaptation, information exchange, and conflict resolution. These mechanisms improve cooperation under conditions of uncertainty and reduce opportunistic behavior through repeated interaction and mutual commitment. However, the contractual devices observed in the empirical cases are not sufficient to resolve asymmetries of bargaining power and relational imbalance between firms. Relational co-design represents a promising governance model for sustainable inter-firm innovation, but its effectiveness depends on complementary institutions capable of ensuring contractual balance, reciprocity, and adaptive conflict management.

**JEL Codes:** K22, K29

## Relational goods as common goods: between Gresham's law, free riding and reciprocity

**Roberto Cirillo**

This paper examines whether economic laws traditionally applied to monetary exchange can also illuminate the dynamics of relational goods. It focuses in particular on the relationship between reciprocity, understood as the constitutive principle of relational goods, and mechanisms such as Gresham's law, motivational crowding out, free riding, and adverse selection. The central question is whether the erosion of reciprocity within communities can generate dynamics similar to those observed when bad money drives out good money or when external incentives displace intrinsic motivation. The analysis adopts an interdisciplinary framework combining civil economy, non-civil economics, cooperative game theory, political philosophy, and social psychology. It draws on the literature on relational goods, intrinsic motivation, participation, and commons governance, and complements the theoretical discussion with a case study of the post-pandemic evolution of the ex Asilo Filangieri, an urban civic common characterized by claims of openness, inclusion, and hospitality. The paper argues that when non-inclusive practices, instrumental relationships, and free-riding behaviors are not adequately sanctioned, relational goods become progressively disincentivized. This produces a displacement effect analogous to the crowding out of intrinsic motivation and may trigger exit strategies and adverse selection. In this sense, Gresham-like dynamics can emerge also in the sphere of relational goods when these acquire the dimension of common goods. The result is a tension between the tragedy of the commons and the resilience of participatory models based on reciprocity. Relational goods require reciprocity, participation, and credible sanctioning mechanisms in order to remain sustainable as common goods within open communities.

**JEL Codes:** B500, D72

## He eats, and she waits: uncovering the relationship between gender-inequitable food allocation practices and health status of Indian women

**Manish Kumar Prasad - Chitwan Lalji**

Using two rounds of a nationally representative panel dataset (India Human Development Survey, 2004-05 and 2011-12), we examine whether the practice of women eating their meals after men, a prevalent gender-inequitable food allocation practice followed in Indian households, is associated with poorer physical health outcomes among women (such as self assessed physical health, body mass index and incidence of underweight). Women were found to have lower health outcomes in households where such gender inequitable practices were followed. We find this health gap to be lower among women with lesser children and among women having a say in choosing their partners. However, the health gaps due to this gender inequitable food allocation practice is so deeply embedded in the society that even women's education, decision making power and networks (such as affiliation to various organisations) are unable to offset the detrimental health effects of this practice.

**JEL Codes:** H75, I14, I15, P46

## Economics, values, and realism: why economics needs philosophy

**Fabrizio Zennaro**

Gross Domestic Product (GDP) remains the dominant indicator guiding economic policy, despite longstanding criticism of its inability to capture well-being and social progress. This paper argues that moving beyond GDP requires a structured philosophical perspective capable of examining the theoretical, methodological, and ethical assumptions embedded in economic reasoning. In particular, it investigates GDP not only as a statistical measure, but also as a performative device that contributes to shaping the reality it claims to describe. The paper develops a philosophical analysis grounded in performativity theory and in the concept of reflexivity. Drawing on MacKenzie's distinction between performativity and counterperformativity, it examines the neoclassical theory of welfare, especially the link between utility, consumption, income, and aggregate GDP. The analysis also adopts a multidimensional conception of well-being in order to compare GDP growth with broader dimensions such as health, social relations, and environmental quality. The study identifies two distinct dynamics. In some cases, GDP growth aligns with improvements across multiple dimensions of well-being. In other cases, GDP growth increases preference satisfaction while coinciding with deterioration in other relevant dimensions. This second pattern is defined as latent counterperformativity. The paper further shows that the supposed distinction between positive and normative economics weakens once theories are recognized as capable of influencing social reality, and that unrealistic assumptions may produce dysfunctional policy effects. A more realistic and philosophically informed economics is needed in order to evaluate growth, well-being, and policy in complex societies beyond the narrow assumptions embedded in GDP-centred frameworks.

**JEL Codes:** B41, I31

## Aging, Fairness and Aspirations

**Andrea Fazio - Erminia Florio**

Population ageing is a major macroeconomic force, but much less is known about how demographic change affects young people's beliefs about future opportunities. This question is important because subjective expectations can shape educational investment, mobility intentions, and early labour-market choices. This paper examines whether factual information about population ageing alters adolescents' perceptions of opportunities in Italy and whether belief updating differs by gender. The study is based on a school-based survey experiment conducted in upper secondary schools in Rome among students aged 14-19. After an initial questionnaire, half of the respondents were randomly exposed to factual information on population ageing in Italy, including fertility trends and changes in population structure, while the remaining students formed a control group. All participants then answered questions on perceived opportunities for young people, fairness in education and labour markets, and individual job prospects. Exposure to information on population ageing significantly reduces the perception that Italy offers opportunities for young people. By contrast, beliefs related to income inequality and equality of educational opportunities are only weakly affected, suggesting that the treatment primarily operates through labour-market expectations. A marked gender heterogeneity also emerges: male and female students interpret the same demographic information differently, producing opposite updates in beliefs about gender equality and future opportunities in the labour market. Even brief demographic information can substantially shift adolescents' opportunity beliefs. Population ageing therefore affects not only macroeconomic outcomes, but also the expectations through which young people orient their future choices.

**JEL Codes:** I24, J24

## Commoning as an enabler of cultural welfare: the values of welfare pluralism through cultural heritage re-use

**Danny Casprini**

The progressive erosion of the welfare state and the commodification of cultural heritage have intensified the search for new forms of welfare provision and new models for the re-use of cultural assets. In this context, cultural welfare has emerged as a strategic field connecting cultural and social policies, while commoning has gained relevance as a collaborative process through which communities, informal actors, and public institutions can co-create shared value. This paper investigates under which conditions commoning can strengthen citizens' participation in the welfare mix through the re-use of cultural heritage. The study adopts a multidisciplinary approach combining cultural economics and policy evaluation through a multiple case-study design. Four Italian cases of former industrial heritage re-used through commoning practices were examined using semi-structured interviews and participant observation. To analyse outcomes, the paper draws on Throsby's notion of complex social value and on Klamer's Value-Based Approach in order to identify the personal, social, societal, and cultural values generated by these practices. The analysis shows that commoning can support welfare pluralism by enabling democratic participation in cultural and social service provision, especially where grassroots and third-sector actors are recognized as legitimate interpreters of local needs. The findings identify specific mechanisms that sustain collaboration within commoning networks and additional conditions that facilitate dialogue with local administrations. The study also shows that commoning generates multiple and interconnected forms of value at the personal, community, and territorial levels. Commoning represents a promising paradigm for cultural welfare, capable of reactivating heritage assets while broadening participation, redistributing value locally, and strengthening pluralist forms of welfare provision.

**JEL Codes:** O3, H75

## Handholding' for financial inclusion: a behavioural approach to mobile banking adoption in armenian underserved regions

**Robert Mesrob DerMesrobian - Ruzanna Aleksanyan  
Araks Manucharyan - Armenuhi Mkrtchyan**

This behavioural experiment aimed to enhance financial inclusion in rural Armenia by addressing barriers to active mobile banking adoption. Using a randomized controlled trial across eight villages in the Tavush and Syunik regions, the experiment assessed the impact of 'handholding' intervention, that is the provision of personalized guidance, targeted financial education, and practical demonstrations of mobile banking. Participants in the treatment group demonstrated a 180% improvement in mobile banking knowledge compared to the control group, highlighting the efficacy of the intervention. Mobile banking usage more than doubled among the treatment group, with 90% of participants classified as active users, even after 6 months. Improvements in perceptions of technology usefulness and ease of use were observed, reinforcing participants' engagement with digital financial platforms. The findings offered scalable strategies for promoting digital financial literacy and mobile banking adoption, aligning with global Sustainable Development Goals related to poverty reduction and economic growth.

**JEL Codes:** G53, C93

## AI & IA: artificial intelligence and inner areas for a place-based digital ecosystem

**Michele Iuliano**

The rapid and weakly regulated diffusion of artificial intelligence risks intensifying existing territorial inequalities by concentrating resources, capabilities, and decision-making power in already advantaged contexts. This issue is particularly relevant for Italian inner areas, where material fragilities are compounded by epistemic marginalization, including data gaps, weak representational capacity, and limited access to decision-making arenas. This paper argues that artificial intelligence should be understood not primarily as a technical artifact, but as a socio-technical infrastructure whose effects depend on the relational, institutional, and epistemic conditions within which it is embedded. The paper develops a conceptual and analytical framework centred on Systemic Relational Insights (SRI), a community-based model of artificial intelligence designed to support public decision-making through the co-production of territorially grounded insights. The framework combines data, expert knowledge, situated experience, and community validation, drawing on sensemaking theory, abductive reasoning, relational epistemologies, and contemporary reflections on distributed agency in socio-technical systems. The analysis shows that SRI departs from dominant models of human-AI interaction by treating artificial intelligence as an active component of collaborative networks rather than as an autonomous decision-maker or an individual cognitive aid. Insights emerge as provisional and contestable shared constructions, shaped through iterative processes of interpretation and validation. Pilot applications suggest that this approach can reduce interpretative asymmetries, strengthen collective intelligence, and generate culturally grounded representations useful for public deliberation in fragile territorial contexts. Artificial intelligence can support inner areas only when embedded in participatory processes of co-generation, contextualization, and community validation. Under these conditions, it may become an infrastructure for democratic territorial governance rather than a mechanism of cognitive extraction.

**JEL Codes:** O35

## Female representation in school boards

**Aleksa Uljarevic**

This study presents the first empirical evidence on the effects of female leadership on ethnic segregation in public education. Using a Regression Discontinuity (RD) design that exploits variation in close mixed-gender races of democratically elected school district boards, I show that increased female representation reduces the Theil's H, a measure of segregation that quantifies how unevenly ethnic groups are distributed across schools within a district, in a multi-group setting. The estimates imply that increased female representation leads to a statistically significant reduction in segregation amounting to approximately 13 % of the mean Theil's H across all districts. Given the critical role of ethnic segregation for socio-economic inequality, these findings suggest that increased representation of one historically underrepresented group can yield potential benefits for demographic groups that do not necessarily share the representative's identity marker.

**JEL Codes:** I24, L28

## Title to be defined

### Fatma Safi - Marwa Sahnounr

The study examines how status-driven consumption and environmental awareness jointly shape long-run consumption behaviour and environmental quality within a two-period overlapping generations (OLG) model. Individuals derive utility from relative consumption and environmental quality, which evolves intergenerationally through pollution and maintenance. The framework introduces behavioural parameters capturing status sensitivity and environmental awareness, and identifies the conditions under which consumption and environmental investment are optimally allocated. Comparative statics and simulations are used to assess the effects of key parameters, including the elasticity of marginal utility, the strength of status concerns, pollution intensity, and maintenance productivity. The results show that stronger status concerns increase current consumption but worsen environmental quality, revealing a tension between social competition and intergenerational welfare. By contrast, greater environmental awareness reduces short-term consumption pressures and improves long-run sustainability. Higher maintenance productivity produces gains in both consumption and environmental quality, whereas greater pollution intensity reduces both. These findings highlight the interaction between behavioural preferences, technological efficiency, and structural environmental constraints. They also suggest that effective environmental policy should combine awareness-raising measures, incentives for green investment, and regulatory tools aimed at reducing environmentally harmful consumption and production patterns. The analysis provides a tractable framework for understanding how private incentives can be better aligned with ecological preservation across generations.

**JEL Codes:** D03, D91

## PILLAR 2

### Beyond the shareholder-only enterprise

Pillar 2 marks the fundamental shift from the “profit maximization for shareholders alone” model (shareholder primacy) to a vision of the firm as a community of stakeholders and an agent of social generativity. The contributions critically analyze “profit monism”, demonstrating that the law does not impose the exclusive interests of shareholders, but leaves room for management oriented toward multiple objectives.

A first area of study investigates the potential of Benefit Corporations and the “good enterprise” paradigm, where profit is a condition of sustainability and not the sole purpose. The possibility of imposing solidarity obligations on for-profit firms as well, rooting them in constitutional principles, is explored. A framework of “ex ante liability” for future damages emerges, suggesting that sustainability should not be merely a voluntary commitment (soft law), but a legal and fiscal obligation integrated into corporate governance.

Among the topics of interest are leadership and gender diversity on boards of directors as key factors in adopting long-term sustainable behaviors. Human capital is redefined not as a mere productive resource, but as a combination of knowledge and well-being that entrepreneurs are responsible for nurturing through inclusive and ESG-oriented work environments. Business is viewed as a relational system where trust and collective intelligence reduce coordination costs and foster resilience. The role of social enterprises and cooperative platforms as alternatives to extractive models (e.g., the gig economy) is explored, capable of promoting worker well-being through shared ownership and democratic governance.

The final area of interest concerns the role of businesses as actors in regional well-being. From the regeneration of family-owned SMEs as a social process to the analysis of think tanks as mesoeconomic drivers of value, research highlights how cooperation and trust reduce coordination costs and build social capital. International case studies, ranging from the



## Economic freedom and environmental interest: benefit corporations between market and social responsibility

**Maria Viscolo**

This contribution examines the legal and fiscal profile of Italian benefit corporations as a model capable of reconciling economic initiative, environmental protection, and social responsibility. Introduced by Law No. 208 of 28 December 2015, following the model of the U.S. Benefit Corporation, benefit corporations have enabled the Italian legal system to move beyond the traditional profit/non-profit dichotomy by recognising enterprises that pursue both profit and one or more common benefit purposes. These companies operate in a responsible, sustainable, and transparent manner toward people, communities, territories, the environment, and other stakeholders, while integrating such purposes into their corporate objectives and governance structure. Particular attention is devoted to the Italian constitutional context after the 2022 reform of Articles 9 and 41 of the Constitution, which strengthened the protection of the environment and health and reframed economic freedom in light of sustainability. Against this background, the paper argues that the absence of a clear and organic tax regime for benefit corporations represents a significant limitation. Although these entities do not currently enjoy specific tax relief, the deductibility of costs incurred in pursuing common benefit purposes may operate as an indirect incentive, insofar as such costs can be considered inherent to business activity even without a direct or immediate increase in revenue. The paper concludes that legislative intervention is needed both to define more clearly the operational and fiscal framework of benefit corporations and to use taxation as a tool for supporting the long-term sustainability of this entrepreneurial model.

**JEL Codes:** Not indicated

## Raising eco-billionaires through the renewable energy industry for sustainable economic growth in Nigeria

**Benjamin Anabaraonye**

The increasing investment by Nigerian billionaires in renewable energy startups is not only a testament to their visionary business acumen but also a pivotal development with far-reaching implications for Africa's sustainable future. This trend reflects a sophisticated recognition of the evolving global energy landscape, where clean, sustainable solutions are no longer peripheral but central to climate resilience, sustainable economic growth and environmental stewardship. Through systematic literature review and participant observation, this study identifies how eco-billionaires can be fostered through the renewable energy industry in Nigeria. This study further identifies that raising eco-billionaires in Nigeria's renewable energy sector requires a strategic approach that combines abundant natural resources like solar and biomass with increased green finance, favourable government policies, and robust private sector investment. It highlights that green entrepreneurial opportunities exist in solar PV manufacturing, bioenergy production from waste, and off-grid energy solutions, all of which can drive sustainable economic growth and create wealth by meeting the nation's increasing energy demand with cleaner, more reliable alternatives to fossil fuels. It concludes by asserting that cultivating eco-billionaires in Nigeria's renewable energy sector will be key to harnessing abundant natural resources and driving sustainable wealth creation.

**JEL Codes:** A11, A14

## A century later: the end of laissez faire. Again

**Lorenzo Esposito**

The paper revisits John Maynard Keynes's 1926 pamphlet, *The End of Laissez Faire*, exploring its enduring relevance in today's economic and political context. We analyse the historical background in which Keynes challenged the restoration of the pre-World War I economic order, based on the triad of gold standard, free trade, and balanced budgets. Keynes argued that the social and political foundations necessary to sustain this order had disappeared, a view dramatically confirmed by the 1929 crisis and the collapse of the gold standard. We provide a detailed commentary on Keynes's arguments, distinguishing between individualism and laissez-faire, and emphasising the need for pragmatic, case-by-case government intervention where markets fail to deliver. The evolution of economic thought is traced through the reception of Keynes's pamphlet: from initial misunderstanding of the dominance of Keynesian mixed economies after World War II, and the theoretical resurgence of laissez-faire in the 1970s and 1980s, despite the continued practical importance of State intervention, showing that neoclassical paradigm development ignored the challenges posed by the rise of large corporations, the decline of perfect competition, and financialization. We conclude that there is no natural economic order to return to; instead, new institutional frameworks must be created to balance individual liberty with social justice, showing that Keynes's insights remain crucial for defending liberal democracy in an era marked by economic concentration and global uncertainty. This is especially relevant for Europe, which is fading away as an economic power and a political entity.

**JEL Codes:** B20, B27

## Regenerating the European social market economy with the civil economy

**Antonio Magliulo**

On 27 November 2023, the Council of the European Union published a recommendation for the development of the “social economy” within its broader model of “social market economy”, which has been under construction for several years. At the same time, in recent decades, a growing number of scholars have sought to update the paradigm of the “civil economy” to change the path of the economics. The European social market economy sometimes seems to lack a solid and clear cultural identity, while the civil economy sometimes seems to lack a solid anchor in the real economy. The aim of this paper is to examine whether and how the civil economy, as a paradigm, can contribute to regenerating the European Union’s social market economy.

**JEL Codes:** B55

## Family firms and monetary policy the role of family governance in shaping monetary policy shock

**Matteo Renghini - Paolo Canofari - Alessandro Piergallini**

The paper examines whether family ownership alters the transmission of monetary policy to firms’ real activity in the euro area. Using a firm-level panel of almost 130.000 non-listed firms from Orbis over the period 2010–2021, we estimate the differential dynamic responses of family firms to contractionary interest-rate shocks. The analysis focuses on whether family governance acts as a source of resilience or amplifies firms’ sensitivity to tighter monetary conditions. Our results show that family-run firms display a significantly milder reaction to monetary tightening than non-family firms. While higher interest rates generate a pronounced contraction in firms’ real activity, including investment, sales, and input costs, these effects are substantially attenuated among family firms, especially where family control is stronger. In particular, firms under full family control appear more insulated from restrictive monetary shocks and adjust more gradually than other firms. This pattern is consistent with the idea that family governance is associated with greater financial conservatism, longer-term orientation, and a more coordinated response across investment, financing, and operational decisions. The findings, therefore, point to ownership structure as an additional source of heterogeneity in the transmission of monetary policy across European firms. More broadly, the paper contributes to the literature on firm heterogeneity and monetary transmission by showing that corporate governance, and family ownership in particular, plays a non-trivial role in shaping how restrictive monetary policy affects the real economy.

**JEL Codes:** E22

## Regulatory pressure, global value chain participation, and certification dynamics in firms

**Greta Falavigna - Roberto Ippoliti**

This study investigates how environmental regulation and participation in global value chains influence firms' propensity to adopt sustainability-related certifications. The analysis focuses on the EU REACH regulation, one of the most demanding frameworks worldwide in the field of chemical safety, environmental protection, and supply-chain traceability. The paper examines whether REACH operates not only as a regulatory constraint but also as a catalyst for organizational upgrading, encouraging firms to adopt certifications as governance tools for transparency, accountability, worker protection, and the reduction of environmental externalities. A central focus concerns the role of international trade exposure, measured through firms' import and export flows. Participation in global markets may strengthen incentives for certification, either because foreign partners require higher standards, access to certain markets depends on third-party verification, or firms seek to reduce uncertainty in complex regulatory environments. Methodologically, the study employs a discrete-time hazard model with a complementary log-log specification in order to analyse the timing and determinants of certification adoption as an absorbing event. The model incorporates firm-level characteristics, measures of regulatory exposure, international trade variables, and controls for market conditions and time effects. The contribution of the paper lies in clarifying how environmental regulation and global integration jointly shape firms' strategic choices and governance models. More broadly, it interprets certification as a key mechanism through which firms adapt to ecological transition, strengthen stakeholder relationships, and align corporate behaviour with the sustainability objectives of the European Union.

**JEL Codes:** F18

## Sustainability-conscious public procurement and corruption risk: evidence from Italy

**Adriano De Leverano - Marco Natalicchi - Fabrizio Sbicca**

This study investigates the relationship between sustainability-oriented public procurement and corruption risk, addressing a gap in the literature on objective, data-driven corruption indicators. While prior research has focused on "red flags" in procurement processes, limited attention has been paid to how environmental criteria interact with governance risks.

The analysis focuses on Italy, combining data on green procurement practices with an administrative corruption risk indicator developed by the Italian National Anti-Corruption Authority (ANAC). This indicator captures contract fragmentation below regulatory thresholds; a pattern associated with reduced competition and higher corruption risk. Green procurement is measured using detailed data on paper purchases, including recycled content and environmental certifications.

Methodologically, the study employs descriptive statistics and regression models, where green purchasing is the dependent variable and corruption risk is the key explanatory variable. Additional controls include contract value, year effects, and characteristics of contracting authorities. Interaction effects are also tested to account for contextual variation.

The findings suggest that contracting authorities with higher integrity – i.e., lower corruption risk – are more likely to engage in green procurement. This indicates that sustainability objectives and governance quality may reinforce each other rather than conflict.

The study contributes to the literature by linking environmental responsibility with integrity in public procurement and offers policy-relevant insights for designing procurement frameworks that simultaneously promote sustainability and reduce corruption risk.

**JEL Codes:** H57

## The evaluation of human capital in the 21st century: theoretical and empirical aspects

**Alessio Emanuele Biondo - Umberto Triulzi**

Human capital, understood as the totality of individuals' knowledge, competencies, skills, and health, has established itself as a crucial factor of production in the knowledge economy. Its centrality is heightened by the dual digital and green transition, which demands not only specialized technical skills but also adaptability, critical thinking, and systemic awareness.

In this context, the accumulation and effective deployment of human capital cannot be treated as a purely individual process: it is strongly mediated by entrepreneurial and managerial choices that shape the quality of work and life environments within the firm. The paper places the entrepreneur (and top management) at the core of the mechanism through which firms attract, retain, and nurture talent.

By investing in job quality, organizational practices, worker participation, safety, training, and inclusive career paths, entrepreneurs can create environments that align workers' interests with corporate objectives, particularly in firms oriented toward ESG (Environmental, Social, Governance) criteria and corporate social responsibility (CSR). Such alignment influences motivation, turnover, learning dynamics, and productivity growth.

Measuring human capital presents significant theoretical and practical challenges. Traditional models, based on proxy indicators such as years of schooling or training expenditures, appear inadequate in capturing its multidimensional nature. The paper provides a critical assessment of measurement frameworks and advances a theoretical model that relaxes restrictive assumptions, offering a richer representation of the relationships between human capital investments, organizational dynamics, and productivity growth.

**JEL Codes:** Not indicated

## Beyond employability: addressing youth inactivity through personalized accompaniment – The case of *Insieme per il Futuro*

**Arianna Cocchi**

This case study examines the project *Insieme per il Futuro*, implemented in Rome by Sophia Social Enterprise, aimed at addressing youth inactivity among NEET (Not in Education, Employment or Training) and ELET (Early Leavers from Education and Training). The initiative responds to persistently high inactivity rates in Italy, where youth disengagement remains above the European average.

The project adopts a person-centered approach that integrates psychological, educational, and professional support. Its methodology, “Conoscersi, Decidersi, Giocarsi” (CDG), structures individual pathways into three phases: self-awareness, decision-making, and active engagement. The intervention operates across three dimensions: outreach and prevention (schools and community networks), individualized accompaniment through trained tutors, and labour market integration, including support for entrepreneurship.

Over two years, the project engaged 117 young people (aged 18–35) and sensitized over 1.200 students. Results indicate that 46.1% of participants accessed employment and 25,5 % entered training pathways. Additionally, 34,2 % of those employed subsequently improved their occupational position, suggesting increased agency and alignment with personal aspirations.

Qualitative evidence highlights key outcomes: enhanced self-awareness, reduced apathy, and a reframing of work as a source of identity and meaning rather than mere income. The project also demonstrates a strong relational dimension, fostering trust and peer-driven engagement. Policy implications suggest the institutionalization of personalized guidance figures within education systems, alongside integrated models combining education and work. The case supports a shift from placement-oriented policies toward holistic approaches that address underlying causes of youth inactivity.

**JEL Codes:** J13

## Gender equality without leadership commitment? evidence from a regional policy

**G. Falavigna - V. Giannini - R. Ippoliti**

Gender equality is a key priority for international and national institutions, yet persistent disparities remain in labor markets and corporate governance. Among the policy tools addressing these gaps, gender equality certification has gained attention as a signal of firms' commitment to inclusive practices (Cacace et al., 2024). However, its diffusion is still limited due to insufficient investments for organizational change (Stigzelius & Mark-Herbert, 2009; Arévalo & Aravind, 2011), a shortage of skilled human resources (Cacace et al., 2024; Sentuti et al., 2025), and weak leadership commitment (O'Donovan, 2018).

Against this background, the study examines the role of leadership commitment in adopting gender equality certification and evaluates a regional policy intervention. It focuses on the ZHEROGAP policy introduced by the Lombardy Region in 2022, which provides financial incentives to SMEs through vouchers covering consultancy and certification costs.

Using a novel dataset that combines administrative and firm-level data on SMEs applying for funding in 2023-2024, the analysis investigates both the impact of financial incentives and internal governance dynamics. Results show that higher financial support increases the likelihood of certification. Leadership characteristics also matter: board diversity strengthens commitment when the president is female, while low diversity may weaken it under male leadership.

Overall, financial incentives promote certification, but their effectiveness depends on internal governance. The study highlights leadership commitment as a critical factor and offers policy implications for more targeted interventions.

**JEL Codes:** J16

## Consuming the future, deciding today: toward an ex ante liability framework

**S. Severino**

Contemporary economic rationality tends to equate rationality with short-term, measurable, and monetary outcomes, shaping corporate governance and decision-making processes accordingly (Sen, Caillé). However, this framework is not neutral: it reflects a legal-institutional architecture that determines what is considered visible, evaluable, and actionable (North; Simon). As a result, many strategic decisions generate irreversible environmental, social, and economic consequences without the loss of future options being recognized as legally relevant harm.

This paper critically examines the limits of current governance models, which primarily address negative externalities through ex post regulation, such as compensation or sanctions (Weber). Such approaches are insufficient when dealing with irreversible effects, as corrective interventions often occur after alternatives have already been foreclosed. The analysis draws on interdisciplinary perspectives, including the capabilities approach and civil economy, emphasizing the importance of trust, relational well-being (Becchetti), and multidimensional indicators beyond GDP.

Building on these insights, the paper proposes the introduction of an ex ante liability framework for the loss of future options. This approach requires that decision-makers explicitly assess not only expected benefits but also the irreversible consequences and opportunities foreclosed by their choices. The proposal aligns with emerging legal developments in environmental justice and intergenerational responsibility, as reflected in recent jurisprudence and constitutional principles. By reframing responsibility in temporal terms, the study contributes to ongoing debates on sustainability and corporate governance, suggesting that integrating long-term accountability into decision-making processes is essential to ensure alignment between economic rationality, environmental protection, and the common good.

**JEL Codes:** K00

## Can solidarity be imposed on for-profit companies? A constitutional perspective

**Emanuele Cusa**

This paper investigates whether for-profit companies can be legally required to pursue a solidaristic purpose without undermining their profit-oriented nature. Moving beyond soft law and voluntary corporate social responsibility, it argues for the need of clear and binding legal rules to ensure that firms contribute to social cohesion and sustainable development.

The analysis is grounded in the Italian constitutional framework, particularly Articles 2, 3, and 41. It shows that for-profit companies may qualify as “social formations” when they contribute to human dignity and substantive equality (Giampieretti, 2008; Castorina, 2020; Rigano & Terzi, 2022). Even when they do not meet this threshold, they remain part of the broader “State-community” and are therefore subject to solidaristic duties (Antonini, 2022).

The paper examines the constitutional conditions under which the legislator may restrict economic freedom. Article 41 allows constraints on private economic initiative when justified by “social utility” (Libertini, 2019), understood as promoting equality, human dignity, and collective well-being. Within this framework, solidarity may be imposed through legislation, provided that constitutional principles and proportionality are respected (Irti, 1998).

Building on this interpretation, the paper proposes introducing a mandatory, although limited, solidaristic obligation for for-profit companies. This approach would strengthen the role of private actors in achieving social objectives, complementing public action in the context of constrained state capacity. The study contributes to the debate on corporate purpose by proposing a shift from voluntary to mandatory solidarity, aligning economic activity with constitutional values and the common good.

**JEL Codes:** K22

## The Buona Impresa paradigm: rethinking the role of business in society

**Michele Alessi Anghini**

The *Buona Impresa* paradigm proposes an alternative vision of the firm, grounded in the idea that a business functions effectively only when it generates value for all stakeholders involved. Developed through entrepreneurial experience and formalized in the *Buona Impresa Manifesto*, this approach challenges profit-maximization models by emphasizing the integration of economic, social, and ethical dimensions.

The paper outlines the key principles of the paradigm. First, the purpose of the firm is defined as its long-term success, understood as both the outcome and the condition for creating value for investors, employees, and users. Second, the firm is conceived as a system in which product, labor, and profit are interdependent elements, rejecting any form of profit absolutism. Third, a humanistic perspective is adopted, according to which individuals are always ends in themselves and never merely means.

Furthermore, the paradigm highlights the inclusive nature of business, which requires balancing diverse stakeholder interests through dialogue, transparency, and shared purpose. Finally, it redefines the social role of firms, arguing that businesses contribute to the common good primarily through their core activities, such as creating employment, producing useful goods and services, and generating economic value.

The study contributes to current debates on corporate purpose and responsible business by proposing a normative framework that aligns entrepreneurial activity with broader societal objectives.

**JEL Codes:** L21

## From profit maximization to relational value creation: A stakeholder-oriented

**Stefano Botta**

Over recent decades, profit maximization as the firm's dominant objective function has been increasingly questioned in light of rising inequalities, environmental degradation, and declining workers' well-being. In response, a variety of organizational forms – including cooperatives, social enterprises, benefit corporations, and hybrid organizations – have emerged, experimenting with stakeholder-oriented governance and broader objective functions. This paper aims to rethink the firm's objective function by developing a relational perspective on value creation.

The study adopts a conceptual and theory-building approach, integrating stakeholder theory (Freeman, 1984), institutional economics and the economics of well-being (Sen, 1999). It develops a framework linking other-regarding preferences and prosocial motivations at the micro level with governance arrangements at the meso level, generating multidimensional outcomes in terms of workers' well-being, stakeholder value, and socio-environmental sustainability.

The paper advances three main arguments. First, the firm's objective function is reconceptualized as plural and relational, where profit represents a necessary condition for sustainability rather than the sole measure of success. Second, stakeholder-oriented organizational forms are interpreted as alternative institutional configurations through which relational value is generated, depending on governance structures and incentive alignment. Third, economic value is understood as an emergent outcome of structured relationships among actors, rather than as a residual of profit maximization. The study contributes to the debate on the “Renaissance in Economics” by offering a unified relational framework that connects governance, motivations, and socio-economic outcomes, and by highlighting the role of organizations as key agents of sustainable and inclusive development.

**JEL Codes:** L21

## From shareholders to stakeholders: corporate diversity in think tanks as meso-economic drivers of Value

**Caterina Ferrara**

Economic literature has widely criticized the paradigm of profit maximization for shareholders but has provided limited empirical evidence on the mechanisms through which stakeholder-oriented models generate measurable economic and social value. This paper proposes an integrated approach that interprets organizational diversity as a mechanism generating the transition from a shareholder-oriented model to a stakeholder-centered paradigm, with particular attention to the role of mission-driven think tanks as meso-economic actors (Bruni, 2016; Becchetti, 2023).

Through a comparative analysis of three international think tanks, *AURORA* (Italy), *Green Alliance* (United Kingdom) and *Global Institute for Tomorrow* (GIFT, Asia), the paper examines how inclusive governance models, structured stakeholder engagement strategies and integrated social mission practices produce interconnected economic, social and environmental effects (Koundouri, 2022; Freeman, Harrison & Wicks, 2007). The methodology is based on a comparative qualitative analysis of organizational practices and a multidimensional impact measurement framework, aimed at explaining the causal mechanisms that link organizational diversity to the creation of shared value (Porter & Kramer, 2011).

The results highlight how corporate diversity operates at the meso-economic level by reducing coordination costs, strengthening trust and producing social capital, generating positive-sum cooperation dynamics (Putnam, 1993; Ostrom, 1990). The paper proposes replicable analytical and operational principles for managers, policymakers and researchers, contributing to the debate on the Renaissance in Economics and, in particular, to overcoming the paradigm of profit maximization as the sole objective of economic organization (Van Parijs, 2013; Sen, 1999).

**JEL Codes:** L25

## Rethinking entrepreneurship in emerging markets: social value creation beyond profit maximization

**Dridi Nour Elhouda**

This research aligns with the conference themes “Beyond Profit Maximization” and “Toward Civic Engagement” and examines the transformative shift in the Algerian economic landscape following recent legal reforms (2020–2022) that introduced the “Startup Label.” The study explores how young entrepreneurs are moving away from the traditional Homo Oeconomicus model toward a more holistic, civic-oriented approach.

The core argument is that, in emerging economies such as Algeria, entrepreneurship is no longer merely a vehicle for individual wealth, but a tool for social resilience. In this perspective, two research questions guide the analysis: a) how digital platforms in the AgriTech and SocialTech sectors contribute to civic engagement in inland regions such as Souk Ahras; b) to what extent the “Label” system can foster a “New Economy” that prioritizes community impact over pure GDP growth.

At the micro level, the research focuses on individual startup founders who integrate social impact as a key performance indicator (KPI). At the meso level, it examines how regional innovation hubs contribute to the emergence of a “civic economy” by bridging the gap between local producers and national markets.

The Algerian case suggests that economic paradigms are shifting: the “New Economy” is not only a theoretical construct, but an emerging practice in which civic engagement and social value become central drivers of sustainable development.

**JEL Codes:** L26

## Re-generational trajectories in family SMEs: between self-determination and social progress

**Angela De Marco - Samantha Di Laura - Alina Ignatieva**

This paper investigates generational change in Italian family-owned SMEs, traditionally analysed as a succession problem, and reframes it as a socially embedded and regenerative process. Family SMEs represent a core component of the Italian productive system but remain structurally vulnerable during intergenerational transitions, with implications extending beyond the firm to the broader territorial and social fabric (TEHA-Chiomenti, 2025).

The study positions generational change at the intersection of family business research and regenerative economics, addressing two questions: what role family SMEs play in fostering social progress, and under what conditions generational change becomes a re-generational trajectory rather than a rupture. Moving beyond succession-based approaches, the paper conceptualises regeneration as a continuous process of reconfiguration, where enterprises evolve through interactions across generations, roles, and territories.

Adopting an abductive research-action methodology, the study combines qualitative fieldwork on 11 SMEs with interviews with interdisciplinary experts. Findings show that generational continuity increasingly depends on self-determination rather than obligation, with freedom acting as a generative condition (Bonomi, 2026; Gancitano, 2026). Meaning and purpose enhance belonging and commitment, while their explicit articulation through organisational narratives facilitates participation and attractiveness (La Cecla, 2025). Governance emerges as a key site of regeneration, enabling distributed leadership and responsibility (Zicchitella, 2026). Regenerative trajectories are further strengthened by openness to external actors and by mentorship processes, supporting identity formation and intergenerational co-evolution (Kotlar, 2026). Ultimately, generational change appears as a distributed and collective process, where enterprises function as social infrastructures capable of sustaining territorial development and social progress.

**JEL Codes:** L26

## Territorial specialization and functional diversity in the Italian third sector progress

**Carlotta Bottai - Francesco Trentini**

This study examines the relationship between territorial context and functional specialization in the Italian Third Sector, using data from the Single National Register of the Third Sector (RUNTS). It frames the Social Economy as a structural pillar of a “generative economy” rather than a residual sector (Salamon & Sokolowski 2016; Bassi 2025), highlighting the growing relevance of administrative data for empirical analysis (Bottai & Trentini 2025).

The analysis is based on 89,279 organizations (2025) and employs Correspondence Analysis (Benzécri 1973) combined with hierarchical clustering to explore the link between organizational activities and territorial classification under the National Strategy for Inner Areas (Lucatelli 2015). Results show a strong center-periphery gradient, with the first latent factor explaining 91,6 % of total variance, indicating that geography shapes both the distribution and type of activities.

Urban areas are associated with knowledge-intensive and advocacy functions, such as research, higher education, and rights promotion. In contrast, ultra-peripheral areas concentrate on civil protection, environmental interventions, and cultural heritage. Intermediate areas display more generic service provision, especially in sports and health.

These findings suggest a functional bifurcation consistent with prior evidence (Della Queva et al. 2023), pointing to a territorially embedded division of roles. However, the analysis remains exploratory, as it relies on self-declared data and information limited to registered offices. Further research is needed to clarify whether these patterns reflect demand-side conditions or organizational strategies.

**JEL Codes:** L31

## Social procurement as a transformative policy instrument for social economy: lessons from the Italian context

**Tommaso Tropeano - Filippo Cavaliere - Giulia Rossi**

This study examines social procurement as a policy instrument to advance the objectives of the Social Economy Action Plan (SEAP), focusing on how normative principles - such as inclusion, equity, and sustainability - are translated into practice. Social procurement aligns economic transactions with public value creation (Barraket et al. 2015; Bozeman 2019), yet its implementation remains uneven and insufficiently understood (Roy et al. 2025; Cappellano et al. 2023).

The research adopts a formative evaluation approach (Mazzei et al. 2025), based on 25 semi-structured interviews (Yin 2018) and direct observation of co-design processes and pilot initiatives in Italy. Procurement is interpreted as a learning infrastructure where values are negotiated and embedded into organizational routines.

Findings show that SEAP acts as a legitimizing framework, but its operationalization is fragmented. Intermediary organizations play a key role in facilitating coordination, building trust, and bridging actors. Social procurement is more effective when conceived as a relational and exploratory process, rather than a purely transactional mechanism.

Organizational readiness is uneven: corporations face internal misalignments, social economy organizations display heterogeneous capacities, and public administrations remain constrained by price-based logics. Measurement also represents a major barrier, due to the lack of accessible and standardized tools. Overall, social procurement can be transformative only under specific conditions, including intermediary support, organizational learning, and robust evaluation systems. Otherwise, it risks superficial adoption and social washing (Donaldson & Dunfee 1999; Varga & Hayday 2023).

**JEL Codes:** L38

## From purpose statements to moral integrity: rethinking corporate purpose through metaprofit

**Giorgio Mion - Cristian R. Loza Adauí**

In recent years, corporate purpose has gained centrality in academic and managerial debates, yet its proliferation has not resolved the tension between declared intentions and actual practices (Suddaby et al. 2023). Purpose statements often risk remaining symbolic, raising concerns about decoupling between formal commitments and organizational behavior (Bromley & Powell 2012).

This paper argues that the debate remains limited when focused on legal forms or formal declarations. Drawing on the concept of metaprofit (Loza Adauí & Mion 2016), it proposes a shift from purpose as a statement to purpose as a driver of moral integrity. Profit is reframed as an instrumental means for pursuing broader social and moral ends, rather than as an ultimate goal.

While shareholder primacy (Friedman 1970) continues to influence managerial practices, alternative perspectives—such as stakeholder theory (Freeman et al. 2010; Phillips et al. 2003)—have challenged this view. However, the persistence of categorical distinctions between “purpose-driven” and “non-purpose-driven” firms risks obscuring the complexity of contemporary organizational forms (Arias et al. 2024; Hollensbe et al. 2014).

The metaprofit perspective interprets decoupling as a moral issue: authenticity depends on the alignment between declared purpose and actual decision-making (Fiss & Zajac 2006). Corporate purpose is thus not guaranteed by legal structures but emerges from the moral agency of organizational actors. Ultimately, the paper connects corporate purpose to the tradition of the common good (Argandoña 1998; Zamagni 2020), proposing metaprofit as a framework to integrate economic activity within a broader ethical horizon and to overcome the profit/nonprofit divide.

**JEL Codes:** M

## Cooperative platforms and domestic work: a model for fairer labor conditions?

**Pietro Ghirlanda - Ivana Pais**

A growing body of literature has explored platform cooperativism as an alternative to mainstream platform models, aiming to provide fairer labor conditions and enhance workers' opportunities for human flourishing (Ghirlanda 2025). Platform cooperatives rely on democratic decision-making and shared ownership (Scholz 2023) and can take the form of either digital-native co-ops or cooperative-run platforms (Mannan & Pek 2021).

This paper focuses on cooperative-run platforms, arguing that some structural challenges faced by platform co-ops - such as high technological costs, network effects, and free-riding - can be mitigated by leveraging established cooperatives and existing relational networks (Ghirlanda & Kirov 2024).

Despite the expansion of platform cooperativism across sectors (Bunders et al. 2022), its presence in domestic work remains limited, particularly in Europe, where platformization is increasing and stronger worker protection is needed.

The paper presents a qualitative case study of an Italian platform, co-founded by a network of cooperatives and adopted by local administrations to match demand and supply for temporary personal assistance services. While incorporating typical platform features - such as flexibility in working hours - it also introduces distinctive elements, including restricted access through training, formal employment contracts, and improved working conditions.

Findings highlight both the potential and limitations of this model. The study concludes by discussing the conditions under which cooperative platforms can be scaled and adapted to other contexts, contributing to the debate on fairer labor arrangements in the platform economy.

**JEL Codes:** M14

## Global sustainability in an interconnected world: the role of the EU in trade and value chains

**Luca Lodi - Annalisa Caloffi - Remy Micheal Nuñez  
Thong Ho Quoc - Mario Biggeri**

This paper explores how sustainability transitions are unfolding within Global Value Chains (GVCs) and Global Production Networks (GPNs), focusing on how environmental and social costs, governance capacity, and value capture are unevenly distributed across sectors and territories. Drawing from case studies in Peru, Vietnam, and Italy, we examine how sustainability is shaped by sector-specific dynamics and the interplay between global standards, local institutions, and innovation systems. We develop an integrated analytical framework combining GVC/GPN theory, global sociotechnical regimes, and the Sustainable Human Development (SHD) approach, structured around the 5Ps (People, Planet, Prosperity, Peace, and Partnership). Our findings reveal three core mechanisms driving sustainability tensions: (1) asymmetrical distribution of costs and risks, (2) institutional misalignment between global norms and local capabilities, and (3) lead-firm control over upgrading opportunities. We show how these mechanisms reinforce inequality and limit inclusive, ecological upgrading, particularly in Global South regions. The paper concludes by outlining actionable policy levers, at EU, national, and multilateral levels, to promote fairer, more sustainable competitiveness in global production systems.

**JEL Codes:** Q01

## Limits and opportunities to accelerate the adoption of circular bioeconomy solutions among agricultural and forestry SMEs in Italy

**Laura Silici - Paola Cassiano - Maurizia Castellari  
Susanna De Benedetti - Flavia Fusconi - Matteo Mancini**

The transition towards a circular bioeconomy is increasingly recognized as a key strategy to enhance sustainability and resource efficiency within agri-food and forestry systems. Small and medium-sized enterprises (SMEs) play a central role in this transition, yet they often face structural barriers that limit the adoption of circular solutions. This article presents the results of a participatory need assessment conducted in Italy within the framework of the thERBN project, aimed at identifying priority biomass streams, current management practices, and the main constraints and opportunities affecting residue valorization.

The analysis is based on 18 semi-structured interviews with farmers, foresters, livestock breeders, cooperatives and small agri-food enterprises, complemented by a validation exercise involving 14 experts from the Agricultural Knowledge and Information System (AKIS). The findings highlight a set of seasonally concentrated and underutilized residues—such as olive mill by-products, agricultural pruning's, livestock manure and forest biomass—and show that, despite the availability of technically viable solutions, adoption is hindered primarily by systemic barriers. These include knowledge gaps, limited advisory support, fragmented value chains, access to finance constraints and regulatory uncertainty. The paper concludes by discussing policy implications, emphasizing the need for territorial integrated approaches that combine financial incentives with knowledge transfer, collective organizational models and regulatory coherence. It also emphasizes the need to set an overarching vision that takes into account more consistently primary sector SMEs' needs, in view of enabling a circular bioeconomy transitions guided by principles of sustainability and valorization of local nutrients and resources.

**JEL Codes:** Q16

## More than services: social enterprises as community builders

**Giuseppina Olivieri - Maria Carmela Annosi**

**Marcello De Rosa - Sara Roversi - Teresa Del Giudice**

Traditional economic approaches tend to conceptualize entrepreneurship as an individualistic and goal-oriented activity, often detached from its relational and contextual embeddedness (Morris et al., 2011; Brown et al., 2023). This limitation is particularly evident in the study of social enterprises, which operate beyond profit maximization and are deeply intertwined with local communities and collective value creation (Welter, 2011; McKeever et al., 2015; Slitine et al., 2024). Building on Granovetter's concept of embeddedness (1985), this study develops a dynamic and processual understanding of community-enterprise relations, conceptualized as evolving and recursive processes shaped by interaction, reflexivity, and mutual adaptation. Communities are thus interpreted not as passive contexts, but as active co-producers of entrepreneurial processes, resources, and meanings (Welter & Baker, 2021).

The empirical analysis focuses on a qualitative case study (Yin, 2018) of Pollica, a rural municipality in Southern Italy affected by structural challenges such as depopulation and limited services. Through a public-private partnership, place-based initiatives were developed to activate local resources via education, innovation, and community engagement.

Findings show that different phases of the initiative required different forms of social ties, from informal trust-building to more structured collaborations. Local actors emerged as active contributors shaping legitimacy and outcomes. Over time, relational processes enabled resource mobilization, collective action, and early signs of territorial revitalization. These results highlight the central role of trust, ongoing engagement, and bottom-up participation in the functioning of social enterprises, challenging purely profit-driven perspectives and emphasizing their civic role in fostering social innovation and community resilience.

**JEL Codes:** F18

## Digital challenges in the Italian judicial system

**Anastasia Katsivelos**

In recent years, the Italian judicial system has been undergoing a dual transformation: pressure to reduce case duration and backlogs under the National Recovery and Resilience Plan (PNRR), alongside the diffusion of digital tools and artificial intelligence applied to legal processes. In this context, “predictive justice” – based on algorithms trained on large volumes of judicial decisions – is often presented as a solution to make decisions faster and more consistent.

However, growing concerns emerge regarding its impact on fundamental rights, legal certainty, and the centrality of human decision-making, as reflected in the European Ethical Charter on AI in judicial systems and recent regulatory developments. National case law has also set limits on the use of AI, reaffirming judicial responsibility and warning against uncritical reliance on algorithmic outputs.

This research project critically examines predictive justice in civil litigation, focusing not on whether AI should be introduced, but under what conditions it can improve judicial functioning without undermining procedural guarantees and human oversight.

Adopting an empirically grounded approach (Yin, 2018), the study analyzes courts characterized by high congestion and combines three methodological strands: construction of structured datasets, empirical evaluation of organizational performance, and normative analysis in light of European frameworks. Preliminary expectations suggest that predictive tools, without adequate data governance and professional training, risk reinforcing systemic biases rather than reducing inefficiencies. The study proposes principles for responsible algorithmic governance, emphasizing transparency and human oversight.

**JEL Codes:** K

## Global food market concentration: emerging patterns and unresolved questions

**Jampel Dell'Angelo - Donatella Saccone - Elena Vallino**

The paper examines the increasing concentration of market power in global agrifood supply chains and its implications for food security. It highlights how profit-maximizing corporations generate social and environmental externalities that domestic institutions often struggle to address, a problem exacerbated by the concentration of power in a few multinational firms that shape production, pricing, distribution, and consumer choices, affecting food availability, access, utilization, and stability .

Although knowledge on this topic has expanded, the evidence remains highly fragmented. Existing studies mainly focus on specific countries, commodities, or segments of the value chain and rely largely on qualitative approaches, limiting robust and comparable measures of concentration across regions and sectors (IPES-Food, 2017; Clapp, 2021; Deconinck, 2021; Crespi and MacDonald, 2022; Slater et al. 2024; Clapp et al., 2025) .

To address these limitations, the paper conducts a systematic literature review and provides preliminary quantitative estimates of market concentration based on firms' market shares using the Euromonitor International Passport dataset, covering several major food categories .

Preliminary results identify two main gaps: the need for systematic cross-country and cross-regional comparative studies based on harmonized indicators, and for a more rigorous analysis of causal relationships between concentration and food security indicators, including price volatility, undernourishment, micronutrient deficiencies, and obesity .

Addressing these gaps is essential to identify structural trends and inform policies aimed at more equitable and sustainable food systems.

**JEL Codes:** L1

## Migration and local development in Italy's inner areas

**Marina De Angelis - Andrea Faccini**

This paper examines the relationship between international migration and socio-economic development in Italy's inner areas, characterized by structural decline, population loss, and limited access to services. Drawing on European and international literature (Adams & Page, 2005; Ambrosini, 2020; Basile & Cavallo, 2020), it explores the territorial factors that attract and retain migrants and the conditions under which migrant presence can foster local development .

Migration is framed as having a dual role: migrants face barriers to labor market integration (ISMU, 2016), but also contribute to economic vitality through entrepreneurship, skill transfer, and demographic renewal (Bratti et al., 2014; Constant et al., 2007; JRC, 2019), particularly in areas affected by outmigration and aging .

The empirical analysis covers 128 Italian inner areas and uses linear regression models and propensity score matching, considering income (IRPEF), employment rate, firm density, foreign-led businesses, housing availability, non-profit activity, and quality of local services. Results show that migrants are more present in economically stronger areas with better employment and housing conditions, and where reception facilities are available (Lacomba & Lagos, 2010) .

However, between 2020 and 2023 migrant populations increased more in weaker and less serviced areas, likely due to lower living costs (Cattacin et al., 2021). A positive association emerges between migrant presence, average income, and firm density, confirming their contribution to local economic development (Vandor, 2009; Batista & Umblijs, 2015) . The findings highlight a mutually reinforcing relationship between migration and local development and stress the importance of integrated policy frameworks (Balbo, 2020).

**JEL Codes:** O15, F22, R11

## An ecosocialist constitution

**Dr. Jamin Andreas Hübner**

This paper argues that addressing contemporary socio-economic challenges requires structural change, which in modern societies implies changes to constitutional law, the primary interface for social organization. Building on the Manifesto for a Renaissance, it contends that piecemeal reforms are insufficient to tackle wealth inequality, ecological crisis, state capture, and social fragmentation, and that constitutions remain largely outdated in confronting these issues.

Most existing constitutions lack legal foundations to address ecological disaster, economic exploitation, and concentration of power, often enabling executive overreach and elite capture. The paper stresses that constitutional reform should occur in peacetime and be designed by qualified experts rather than political or economic elites.

The proposed Democratic Ecosocialist Constitution offers an enforceability-oriented framework grounded in familiar constitutional structures. It identifies key gaps: absence of binding ecological mandates, insufficient mechanisms to limit wealth concentration, lack of recognition of cooperative economic models, incomplete protection of rights, and ineffective democratic systems.

To address these issues, the proposal introduces institutional innovations, including a Labor Council as a fifth branch of government, hybrid democratic representation combining elected officials and sortition, direct popular veto, constitutional prioritization of cooperative ownership, universal sentient rights, enforceable ecological principles, and strategic planning requirements beyond GDP. The paper concludes that markets, corporations, and property rights are legal constructs defined by constitutional law, and that meaningful transformation toward a sustainable and democratic economy requires deliberate constitutional design rather than reactive reform under crisis conditions.

**JEL Codes:** P48

## Hot property: a spatial analysis of temperature and housing prices in Spain

**Adrian Fernandez-Pereza - Marta Gómez-Puigb**

**Simón Sosvilla-Riveroc**

This study examines the impact of extreme temperatures on housing price dynamics in Spain, considering both direct and indirect effects across geographic space. Using panel data at the provincial level and a spatial econometric model, we find that an increase in the number of days with maximum temperatures exceeding 35 °C (95°F) over the past year is significantly associated with a decline in both sale and rental prices within the affected province. However, we also identify a positive indirect effect on housing markets in more distant provinces, particularly in the rental sector, consistent with a pattern of temperature-induced house price premium in cooler regions. These findings highlight the importance of incorporating climate-related factors into real estate market analysis and the design of adaptation policies.

**JEL Codes:** C23

## “Profit beyond profit” in Italy: between tax incentives, sustainability, and EU constraints

**Loredana Strianese**

The paper examines a shift from short-term profit maximization toward a broader objective of sustainable value creation, conceptualized as “profit beyond profit.” It frames this transition as a multi-level governance problem—micro (firm), meso (supply chains/territories), and macro (public policy)—where fiscal incentives play a central coordinating role .

At the analytical core, the firm’s objective function is redefined as a multi-dimensional optimization ( $\Pi + \alpha S + \beta E$ ), integrating economic, social, and environmental outcomes. At the micro level, this requires embedding sustainability into managerial control systems (e.g., governance, KPIs, reporting), supported by fiscal tools such as R&D tax credits (Decreto 26 maggio 2020, MISE) aligned with OECD standards (Frascati/Oslo). Additional instruments include Transizione 5.0 (decreto-legge 21 novembre 2025, n. 175), which ties incentives to measurable energy reductions, and the New Patent Box, which enhances R&D-related intangible investments .

At the meso level, coordination across supply chains is crucial to avoid opportunistic use of incentives (e.g., cost duplication, artificial project fragmentation), promoting shared standards and joint investments. At the macro level, fiscal policy operates within EU State aid constraints (art.107 TFEU) and the *de minimis* regime (Regolamento (UE) 2023/2831), with transparency ensured by the National State Aid Register (RNA) .

The paper concludes that fiscal incentives should be interpreted not as isolated financial tools but as integral components of impact governance, requiring robust compliance, documentation, and auditing mechanisms to ensure credibility and long-term effectiveness.

**JEL Codes:** Not indicated

## Beyond efficiency wages, the role of the civil worker, the union, and participatory management. The model of circular organizational subsidiarity in a study with the CISL union

**Leonardo Becchetti - Alessia Panella - Luca Raffaele Lorenzo Semplici**

This study begins with the theory of the “civil worker,” an individual driven by intrinsic motivation and a strong generative potential, who actively contributes to the organization and the community. The goal is to understand the motivations for work engagement in contexts with imperfect monitoring, moving beyond traditional models based exclusively on external incentives and sanctions (efficiency wages).

Through econometric estimates (SEM models), the research demonstrates that generativity reduces quiet quitting, while participation—strongly supported by union action and shared management—improves organizational well-being, significantly reducing the risk of turnover. The results confirm the validity of a “generative efficiency” model, which shifts the focus from fear and coercion to the co-construction of a shared sense of work. The firm thus emerges as a true community founded on organizational circular subsidiarity, in which participation and well-being generate a virtuous cycle of shared productivity and human development. Central are the skills of those who, such as intermediate bodies, have the role of facilitating the emergence of the basic skills related to the multiple intelligences that constitute the heart of the potential for generativity.

Our results suggest that effort can be sustained even in the absence of strong monitoring or wage rewards, through internalized motivations linked to participation and meaning. This provides an extension to the efficiency wage literature by identifying a non-pecuniary pathway to efficiency that relies on intrinsic rather than disciplinary mechanisms. These findings have important implications for both theory and practice, highlighting the role of participatory governance and workplace meaning as substitutes for traditional incentive schemes.

**JEL codes:** D91, J24, J41

## Evaluating QTE with machine learning: An application to the informal sector wage gap

**Francesco Dotto**

Estimating treatment effects in observational studies with high-dimensional data is particularly challenging when treatment assignment is complex and non-linear. This issue is especially relevant for the study of labor market segmentation, where selection mechanisms may substantially affect estimated wage differentials. This paper examines whether machine learning—specifically Gradient Boosting Machine (GBM)—can improve the estimation of Quantile Treatment Effects (QTEs) in the analysis of the informal-formal wage gap in South Africa. Using the 2017 wave of the National Income Dynamics Study (NIDS), the analysis considers 43 covariates covering demographic characteristics, labour market conditions, income sources, and job-related features. The study adapts Firpo's two-step procedure for unconditional QTE estimation. In the first step, propensity scores are estimated through logistic regression, Generalized Additive Models (GAM), and GBM. In the second step, these scores are used as inverse probability weights in quantile regressions. A simulation study further compares the performance of alternative propensity score estimators under controlled conditions. GBM outperforms the competing models in classification accuracy and produces more precise and stable QTE estimates. While all methods confirm a wage penalty for informal workers, logistic regression and GAM yield substantially larger penalties than GBM. The latter indicates a smaller but persistent negative effect, suggesting that traditional models may overstate the wage gap because of weaker covariate balancing. GBM-based propensity score estimation improves the robustness of QTE analysis in high-dimensional settings and yields a more accurate assessment of the informal wage penalty, with relevant implications for policies aimed at reducing labour market inequality.

**JEL Codes:** C40

## Modelling fiscal drag in a DSGE environment\*

**Monica Varlese - Marina Albanese - Francesco Busato**

Fiscal drag arises when inflation and nominal income growth push taxpayers into higher tax brackets, increasing effective taxation even in the absence of real income gains. In progressive tax systems, this mechanism may operate as a hidden form of fiscal tightening, with relevant implications for household welfare, income distribution, and public finances. Despite extensive empirical evidence on bracket creep and tax indexation, its macroeconomic effects remain underexplored in structural dynamic models. This paper investigates the effects of fiscal drag in the U.S. economy within a Two-Agent New Keynesian (TANK) model with sticky prices, monopolistic competition, and labor income taxation. The analysis introduces progressive taxation through a smooth polynomial approximation of the U.S. federal tax schedule, designed to preserve the differentiability required for DSGE analysis while capturing bracket creep. To isolate the role of fiscal drag, the paper compares a progressive tax regime subject to inflation-induced bracket creep with an alternative regime featuring a fixed proportional tax rate. A permanent increase in inflation raises nominal labor income and, under progressive taxation, increases effective tax rates. Fiscal drag disproportionately affects hand-to-mouth households, who face stronger wage growth and greater exposure to rising tax liabilities, while forward-looking savers partially mitigate the effect through intertemporal adjustment. At the aggregate level, fiscal drag increases government revenues and reduces public debt, acting as a passive fiscal consolidation mechanism. Fiscal drag is a quantitatively significant channel linking inflation, tax progressivity, and heterogeneous household behavior. Accounting for this mechanism is essential to assess the distributional and macroeconomic consequences of inflation.

**JEL Codes:** D6, E31, E44, E58, H6

## Lobbying in the US: companies' reaction to an unexpected political change

**Emanuele Caggiano**

This study examines the relationship between campaign donations and lobbying, utilizing a comprehensive dataset to track firms' economic and political engagements. I test the hypothesis that firms use electoral campaign financing as an insurance strategy using an event study framework. My results show that firms that did not finance the electoral campaign increased their lobbying expenditures by 47 % following the unexpected election of Donald Trump in 2016, in contrast to the non-reactive behavior observed after Obama's 2012 election. Additional analyses confirm the central hypothesis, indicating that firms adjust their lobbying based on electoral outcomes. The study also incorporates a heterogeneity analysis using public procurement data to understand how firm revenue dependencies with the public sector affect the decision to increase lobbying expenditure.

**JEL Codes:** D72, G32

## No penalty in publication counts, gendered penalties in self-assessed productivity: parenthood and care in academia

**Matteo A. Ruberto - Ludovica Alesci - Salvatore Maione  
Valentina Rotondi**

The relationship between parenthood and academic productivity has attracted increasing attention in recent years, reflecting broader concerns about gender equality and work-life balance in higher education. While earlier studies emphasized a motherhood penalty, more recent evidence suggests that the effects of parenthood are heterogeneous and depend on institutional settings, social norms, and the intensity of caregiving responsibilities. This study combines meta-analytic and original survey evidence to examine the association between parenthood and scholarly output. Four meta-analyses compare parents and non-parents, mothers and childless women, fathers and childless men, and mothers and fathers. In addition, a survey of 231 academics from North America, Europe, and other regions collects information on parental status, number of children, caregiving intensity, professional role, and perceived productivity changes. Objective performance is measured through a standardized real-effort task capturing precision and time efficiency. Across all meta-analytic comparisons, pooled effect sizes are not statistically significant and heterogeneity is very high, indicating that parenthood does not exert a uniform effect on productivity. The survey similarly shows no significant difference in task performance between parents and non-parents. However, women report a greater perceived impact of parenthood on work, particularly during the first year after childbirth, and higher caregiving burdens than men. Parenthood is also positively associated with social connectedness and, to a lesser extent, empathy. Non-linear patterns emerge with respect to the number of children. Parenthood influences academic productivity through a complex interaction of gender norms, caregiving intensity, and institutional support. Policies promoting parental leave, flexible work arrangements, and accessible childcare may reduce inequalities and support more equitable academic careers.

**JEL Codes:** J13, J16

## Beyond the profit: social finance and feminist economics towards new welfare paradigms

**Rosaria Acquaviva**

The present research aims to delineate a theoretical and operative alliance between social finance, ethical and sustainable finance, and feminist economics, drawing an alternative and critical economical paradigm in respect to the neoclassical model, with the common objective to overcome the profit maximization as the single performance metrics. Contributing to the debate on the tensions between the “publicization of finance” and the “financialization of the public,” on the gender implications, and on defending the role of public services and social infrastructure from privatization and market forces.

Framing the analysis from an intersectional feminist perspective, recent studies have shown that there could be a risk that social finance itself, could contribute to the financialization of the social sphere without subverting the social order founded on neoliberal rationality, encouraging debt dependence and the delegation of responsibility, particularly to women.

This research addresses the following key unresolved issues: first, it explores whether the social value produced by social finance represents an effective redistribution of benefits to the community or a new form of value extractivism benefiting an elite; second, it examines whether and how financial instruments aimed at women’s empowerment can be repurposed for emancipation, overcoming victimhood, paternalism, and market logic; finally, it highlights the role of social finance and financial intermediaries investing in personal services in preventing the so-called global care chains: that is, when the reproductive work of care is outsourced and transferred to other women, reproducing inequalities of class, gender, and race, increasing supply but without resolving it.

**JEL Codes:** G23, B54

## The responsibility of large corporations in the ecological crisis: sustainability analysis of eni s.p.a. and enel s.p.a. and presentation of policies for the ecological transition of large corporations and markets

**Simone Gennari**

The growing urgency of the climate crisis today demands a profound reorganization of economic systems, with the need to reorient them toward more sustainable and equitable development and business models. This thesis analyzes the differentiated responsibilities of various economic actors in the environmental crisis and proposes criteria for a fair distribution of the costs and efforts associated with the ecological transition of markets. By examining the role of large corporations, with an in-depth study of the cases of Eni S.p.A. and Enel S.p.A., and public institutions, it will present climate policy possibilities, highlighting the importance of developing governance capable of combining environmental sustainability, social justice, and economic stability.

**JEL Codes:** Q0, Q56

## Social procurement as a transformative policy instrument for social economy: lessons from the Italian context

**Tommaso Tropeano - Filippo Cavaliere - Giulia Rossi**

Social procurement can be a transformative policy strategy for promoting personal, social and economic value creation in the social economy, leveraging the purchasing power of public and productive organizations (Barraket et al., 2015). Yet, despite this strategic potential, the empirical understanding of how social procurement is interpreted, enacted, and sustained within organizational fields remain limited (Roy et al. 2024). To address this gap, the study formulates the following research question: What mechanisms and conditions allow social procurement to function as an effective instrument for achieving the political and normative objectives of the European Commission's Social Economy Action Plan (SEAP)?

This paper examines whether the application of social procurement constitutes an effective instrument to achieve the political and normative objectives of the SEAP. The paper investigates which normative values are promoted through social procurement, how these are perceived and enacted by public and private actors, and whether procurement processes generate deliberative arenas that enhance the legitimacy of such values (Donaldson and Dunfee, 1999).

Taken together, the preliminary findings suggest that social procurement is perceived as a significant tool for value creation within the social economy, but only under specific enabling conditions. When supported by relational infrastructures, intermediary capacities, organizational learning processes, and credible evaluation mechanisms, procurement provides a space for actors to negotiate, legitimise, and institutionalise shared normative commitments. When these conditions are absent, however, procurement risks remaining superficial, contributing little to the transformative objectives of the SEAP.

**JEL Codes:** L38, H57

## A legal blueprint for dignity: the cooperative framework as an alternative to algorithmic management

**Ludovica Scarselli**

The rapid growth of the platform economy across Europe has revealed a deep contradiction in the way work is organized today. Digital platforms are extremely efficient in managing logistics and allocating tasks through algorithms, yet this efficiency often comes at the cost of precarious working conditions, lack of transparency, and the exclusion of workers from any real participation in enterprise governance. Individuals formally classified as independent contractors remain, in practice, fully dependent on opaque digital systems regulated by unilateral Terms of Service (ToS) that they cannot negotiate, influence, or even fully understand.

This study argues that a concrete and legally robust alternative already exists, particularly in the Italian cooperative framework. Rather than proposing new theoretical models, this paper shows how existing legal tools regulating worker cooperative, especially the legal status of the worker-member (socio-lavoratore) under Law 142/2001 and the system of Mutualistic Funds under Law 59/1992, function as a form of legal design for impact. More importantly, the cooperative model embodies relational intelligence by structuring work around participation, shared governance and collective responsibility.

Through the analysis of Laws 142/2001 and 59/1992, the examination of practical case studies and the connection with the Manifesto's relational dimension, this study tries to demonstrate how cooperative legal design offers a concrete response to the limits of the gig economy. The transition toward a new economic paradigm requires a new way of using existing legal tools to embed democratic participation, generative capital and relational intelligence into digital infrastructures.

**JEL Codes:** J54, K31

## Beyond neoclassical IAMs: a post-keynesian alternative to the DICE model

Laura Colli - Emiliano Brancaccio - Tiziano Distefano

Integrated Assessment Models (IAMs) represent the most prominent instruments upon which IPCC assessment reports are based. Among these, the DICE model (Nordhaus, 2023) stands as one of the most influential. However, a substantial body of literature criticizes both, targeting the underlying assumptions of dominant economic models. Considering the prominent role of IAMs in shaping climate discourse, it is of fundamental importance to scrutinize them and consider alternative, more pluralistic approaches.

In this paper, we outline the main features of IAMs and the limitations of the DICE model, and we develop an alternative model based on two simple modifications: an exogenous growth rate consistent with the post-Keynesian principle of effective demand, and an exogenous profit rate shaped by the conflict between capitalists and workers. The key divergence concerns the rate of profit. In two of our scenarios, the base rate of profit is reduced in proportion to climate damages and abatement costs. The model also demonstrates that the principle of effective demand entails underutilization of productive resources.

Additionally, we assess the material and energetic dimensions of production, which the original DICE model overlooks. The Energy Intensity and Material Intensity indices confirm steep and sustained increases in the material dimensions of production, revealing the inherent flaws of frameworks grounded in techno-optimism.

Rather than optimizing within capitalism's profit-maximizing logic, these models can serve the essential purpose of guiding ecosocial planning, facilitating collective democratic decisions of organized producers regarding production levels, sectoral composition, and technological choices aligned with both social welfare and ecological sustainability.

**JEL Codes:** Q57, E12, B50

## Scaling impact: alternative routes for growth-agnostic sustainable businesses

Sujay Hammanavar

Hegemonic norms of economic growth and capitalism have influenced businesses to pursue exponential growth in profits, with less concern towards social and environmental extraction that comes along. Research has shown that alternative forms of business, that are “growth-agnostic” and radically “sustainable” in practice, are emerging. While mainstream business argues that growth fuels the impact they create on society, post-growth organisations aim to create and scale impact, without relying on exponential growth. Limited empirical studies exist on the scaling strategies used by post-growth businesses. Thus, this study aims to examine the strategies that “growth-agnostic sustainable businesses” (GASBs) use to scale their positive social and environmental impacts, without catering to conventional growth tactics. Using a qualitative approach (desk-based review and interviews) a pool of 14 GASBs was created, and their scaling strategies were analysed using previously established scaling typologies. 3 business cases from the pool were interviewed to uncover deeper insights into their scaling strategies. The analysis showed that GASBs from the pool showcased the use of one or more of the pre-established strategies, at different stages of their development, and strive to spread their ideas/models/values to other businesses, aiming towards systemic changes. GASBs exemplified radical ways of doing business and exemplified 3 other strategies beyond those mentioned in scaling frameworks, indicating the need to create more robust frameworks to evaluate and analyse the scaling of impacts by post-growth organisations. Thus, the study presents 11 impact scaling strategies, with examples of how they were operationalized, which other GASBs can use.

**JEL Codes:** J54, K31

## Informality in business, survival modes, and state absence in Somalia

**Adan Ahmed Bulale - Mohamed Isse Ibrahim**

In a country with an estimated gross domestic product (GDP) of \$ 10.633 billion, only 7000 businesses are formalized and operating with state-provided documents. This study examines the factors behind Somalia's economic informality and the government's role in taxation, support for informal businesses, regulations, and enterprises' formalization. We interviewed 17 stakeholders, encompassing policy experts, investors, cooperatives, and informal business owners with an average 18+ years of experience. The findings reveal that security, informal business owners' short-term thinking, mistrust between the state and informal business owners, and the requirement to separately register each business portfolio are reasons behind the widespread informality in Somalia's economy. We also determine that credit facilities, cooperatives, and informal insurance support mechanisms are sufficient to sustain the status quo but not effective for formal transformation because of limited accessibility, the high cost of maintaining an informal business, fear of indebtedness, and poor government leadership commitment. Furthermore, the findings indicate that apart from a small and medium-sized enterprise policy passed by Somalia's cabinet, the day-to-day operations of the informal sector are run under customary laws (*Xeer-dhaqan*) that are enforced by market-based committees. Therefore, our main policy recommendations are to facilitate the partial formalization of high-growth sectors by waiving registration fees and providing tax exemptions in initial years and integrate informal businesses operating under *Xeer-dhaqan* into the formal system as semiformal entities through incentives such as access to state/donor-sponsored grants and loans combined with awareness, training, and public-private dialogue.

**JEL Codes:** E26, D24, H26, L26, O17

## Financialization and food price dynamics: a machine learning analysis

**Vincenzo Pacelli - Maria Melania Povia - Dayana Mariano**

Financialisation is one of the most significant structural processes of the last 50 years, as it operates on a transnational scale, reshapes the relationship between state sovereignty and global market dynamics, and has a systemic impact on economic and social conditions. Raw materials and food commodities are particularly important, as their growing integration into financial circuits raises the hypothesis that price dynamics may show deviations from the physical fundamentals of supply and demand. The proposed research examines these dynamics, placing them in the broader debate that considers financialisation as a channel for the production and intensification of inequalities.

The analytical contribution focuses on the comparative evolution of food and commodity price indices in relation to the Equity Risk Premium (ERP) at national level, based on a sample of 84 countries observed over the period 2000-2024. The analysis uses econometric models that exploit the temporal variation of observations, aimed at capturing the relationship between price dynamics and equity risk, controlling for unobserved heterogeneity and key macro-financial factors.

The research questions are organized into three areas: (i) to identify cross-country differences in the ERP response to changes in food and commodity prices; (ii) to examine whether increases in price indices are linked to changes in production volumes; and (iii) to evaluate whether, under certain conditions, the size and persistence of price spikes are more consistent with financial amplification mechanisms. The paper argues that traditional macroeconomic metrics should be complemented by a multidimensional welfare perspective that considers both value creation and distributive equity.

**JEL Codes:** G15, O47

## Repositioning technical education for territorial renewal: evidence from Italy's ITS system (2013–2023)

**Francesco Manfredi - Pierluigi Toma - Chiara Colamartino**

The resilience of contemporary economies increasingly depends on the alignment among education systems, labour market dynamics, and territorial development needs. Rather than treating post-secondary education solely as a driver of aggregate growth, this study conceptualises technical tertiary education as a place-based institution capable of generating multidimensional and territorial value. Italy's Istituti Tecnici Superiori (ITS) provide a valuable case for assessing the contribution of non-academic tertiary education to reducing structural inequalities, improving workforce readiness, and promoting inclusive growth.

This paper contends that ITS functions as a hybrid relational infrastructure connecting education providers, firms, and local institutions, and that their effectiveness depends on the quality of these territorial linkages rather than on generic national expansion. To investigate this, new empirical evidence is introduced, derived from an original dataset provided by INDIRE, including data on more than 17,000 ITS graduates from 2013 to 2023.

The study addresses three research questions: (i) How do territorial contexts influence the probability and quality of employment outcomes for ITS graduates? (ii) To what extent do mobility, internships, and individual academic performance affect stable and coherent job matches? (iii) Do ITS pathways mitigate or reproduce structural inequalities, particularly along gender and regional lines?

The findings support a shift from a purely growth-oriented evaluation of education systems toward a multidimensional and relational perspective centred on stability, coherence, equity, and territorial embeddedness. The study contributes to broader debates on how to reconfigure post-secondary education to mitigate spatial inequalities, strengthen local productive systems, and enhance long-term labour market resilience.

**JEL Codes:** I23, R58

## Debt, dependency, and diplomacy: a critical analysis of china's belt and road initiative

**Shreenidhi Rangarajana - Siddharth Rathorea**

This article critically examines the financial dynamics of China's Belt and Road Initiative (BRI) infrastructure projects, focusing on loan restructuring and default patterns. Using a comparative case study methodology across eight recipient nations, the research analyses loan terms, interest rates, and macroeconomic vulnerabilities to identify the mechanisms linking debt distress to large-scale infrastructure financing. The analysis reveals that most countries entering BRI contracts were already experiencing serious financial difficulties and unmanageable debt. Large-scale infrastructure projects exacerbated these vulnerabilities, leading to underperformance and raising concerns about commercial viability. This situation exemplifies the debt-development paradox, where urgent infrastructure needs pursued through extensive external borrowing create unsustainable debt burdens and dependency cycles. The primary driver of debt unsustainability is less about unfair loan terms, but rather the immense project scale relative to borrowing country's economic capacity and inadequate planning. However, strategically important projects like Sri Lanka's Hambantota Port, were financed at 6.3 % despite weak revenue prospects and later resulting in a 99-year lease to China, indicate that geopolitical considerations can sometimes outweigh commercial ones. The paper contrasts the BRI model with alternative financing initiatives, including the EU's Global Gateway and India's IMEC, offering policy recommendations to mitigate the debt-development paradox.

**JEL Codes:** F34, F65, G15, O16

## Emerging models of working time organisation and the promotion of gender equality

**Matilde Biagiotti**

The research explores gender equality as a central element in understanding and overcoming structural inequalities within organizations, with particular attention to the legal, economic and social challenges entailed by the professional inclusion of women. Despite regulatory progress and the implementation of policies promoting equality, women continue facing multiple obstacles in accessing the labour market and advancing in their professional careers.

The research takes place within the context of a labour market undergoing significant digital, environmental and demographic transitions, as well as an increasing focus on Diversity, Equity & Inclusion (DE&I) models implemented by companies and stakeholders to foster fairer working environments. To propose an innovative legal approach to the topic, the research combines the analysis of best practices with an examination of current legislation in a comparative perspective. The argument put forward is the need for an integrated and multi-level approach to ensure genuine gender equality in the field of employment: a model capable of coordinating legal instruments, enabling social policies and dedicated organisational practices. Moreover, as evidenced by the spread of DE&I models, the fight against discrimination and the pursuit of equal opportunities can themselves contribute to the same transformation of the current labour market and the traditional organisation of work performance in general.

**JEL Codes:** J7

## Rethinking the optimum population. A functional-structural model within civil economy

**Carmine Marcacci**

This project develops a conceptual and formal model for determining optimal population size by integrating two evaluative dimensions: aggregate well-being and social structural integrity. It departs from the standard assumption in classical optimal population theory that all morally relevant information is contained in the distribution of individual well-being. Instead, it advances a dual-level framework in which population size is assessed both functionally—through aggregative welfare criteria—and structurally—through emergent relational properties that characterize the population as a social system.

The framework is articulated through two demographic logics, represented by the allegorical cities of Armilla and Ersilia. Armilla represents the functional logic: a population understood primarily as a set of individuals whose welfare depends on resource availability and allocation. Ersilia represents the structural logic: a population understood as a web of social relations, whose value depends on the quality and configuration of interconnectedness among its members.

The central contribution of the paper is the definition of an *Optimum Optimorum*: a population size that results from integrating the functional and structural evaluations into a single assessment rule. By formally distinguishing and then integrating functional and structural logics, the model offers a reinterpretation of the optimum population problem. It preserves the analytical rigor of classical welfare theory while extending the evaluative space to include emergent social properties. In doing so, it reframes the question of demographic optimality: not merely “How many individuals maximize welfare?” but “What population size sustains both human flourishing and the civil structure within which flourishing becomes possible?”

**JEL Codes:** D60, D63, J1

## Energy diversification in Central Asia: a comparative NARDL study

**Kasimov Otabek**

Central Asia's energy landscape is characterized by abundant hydrocarbon reserves, Soviet-era infrastructure legacies, and growing climate vulnerabilities, making the expansion of renewable electricity output (REG, % of total electricity output) critical for sustainable development and economic diversification. Kazakhstan, Uzbekistan, and Tajikistan represent distinct development trajectories. This paper investigates whether positive and negative shocks to renewable technology costs, urbanization, energy intensity, fossil fuel dependency, economic growth, and trade openness exert symmetric or asymmetric effects on renewable electricity deployment. Identifying these non-linearities provides essential guidance for calibrating solar and wind investment strategies and fossil fuel phase-out timelines in resource-dependent transition economies.

We implement the Nonlinear Autoregressive Distributed Lag (NARDL) model to quarterly interpolated data (1990–2024), decomposing independent variables into positive and negative partial sum processes to detect hidden cointegration overlooked by linear specifications. The NARDL framework accommodates mixed integration orders characteristic of Central Asian macroeconomic data and imposes no ex-ante symmetry restrictions.

The results invalidate one-size-fits-all regional energy transition frameworks. Kazakhstan requires aggressive subsidies for both solar and wind during technology cost decline phases. Uzbekistan mandate that urban renewable energy reliability including distributed solar and grid resilience must be ensured before fossil fuel phase-outs. Tajikistan demands prioritized international climate finance for urban solar microgrids and small-scale wind systems, alongside urban energy infrastructure hardening. Across all three countries, the presence of technology cost asymmetries validates strategic timing of renewable procurement that concentrates large-scale solar and wind installations during global technology cost decline phases to maximize deployment impacts per dollar invested.

**JEL Codes:** Q42, C32, C51, P28, Q43, O33

## Title to be defined

**Xingrui Pan**

This paper investigates how fascist organizations in Italy constructed and institutionalized a specific notion of progress and wellbeing that operated beyond economic growth and market-based indicators. The fascist regime promoted a multidimensional understanding of wellbeing grounded in symbolic value, emotional integration, collective identity, and spatial transformation. Through cultural, urban, and communicative institutions, fascism articulated a model of progress centred on *Romanità*, monumental modernity, and the performative integration of society into a shared political and aesthetic project.

By analysing a historical case in which wellbeing was explicitly decoupled from economic growth, the paper contributes to contemporary debates on the limits and risks of multidimensional wellbeing frameworks when they are not embedded in democratic participation and social justice. The fascist case offers a critical perspective on how alternative indicators of progress—such as order, grandeur, cohesion, and visibility—can be institutionally produced and socially internalized, while generating profound social, spatial, and moral externalities.

The study adopts a qualitative, historical, and interpretive methodology. It is based on a multi-scalar analysis combining meso-level institutional dynamics with macro-level narratives of progress and micro-level experiences of space and participation. The research employs discourse analysis, visual analysis, and spatial analysis to examine how fascist organizations disseminated their conception of progress.

The paper concludes that the fascist case demonstrates both the power and the danger of multidimensional wellbeing frameworks when they are detached from democratic accountability.

**JEL Codes:** I30

## PILLAR 3

### Beyond GDP

Pillar 3, “Beyond GDP,” focuses on the need to measure progress through multidimensional, ethical, and sustainable lenses. The research collected in this section challenges GDP not simply as a statistical measure, but as a “performative device” that reductively models economic reality.

Much research adopts the Italian BES (Equitable and Sustainable Well-Being) framework to analyze social participation and regional excellence, demonstrating that GDP often overestimates real well-being (e.g., in the US) or masks regional asymmetries. Other studies test “Doughnut Economics” at the national scale to identify the “balance point” between social thresholds and ecological ceilings.

Inspired by Amartya Sen’s Capabilities approach, several studies propose individual (rather than aggregate) human development indices to reveal inequalities hidden within national averages. Specific forms of deprivation, such as food poverty and transport poverty in Italy, are analyzed, along with how the integration of “beyond GDP” indicators into political decision-making processes remains weak, while decision-oriented frameworks (Decision-Grade) can make well-being data truly operational for decision makers.

Finally, several abstracts explore non-economic drivers of quality of life, such as the impact of masculinity norms on men’s mental health or the paradox whereby growth in per capita income does not always translate into increased prosocial behaviors (donating, volunteering) and biophysical impacts. They analyze how extreme climate events (e.g., droughts in Europe or heatwaves in Spain) affect corporate profitability and house prices. The concept of multidimensional Eco-Efficiency emerges to evaluate European regions.



## The quest for meeting sustainable health and well-being in Nigeria: towards improving the case note practice/model of healthcare delivery

**Francis Ilenloa Igberaese - Charles Osahon Imaru**

Sustainable Development Goal 3 is aimed at ensuring healthy lives and promoting well-being for all, towards global inclusive development by 2030 but Nigeria and other many developing countries face critical health challenges in meeting its targets. This paper examines these countries' pathway towards SDG 3, using the case of, and observation, in Nigeria. It adopts qualitative approach; thematic content analysis with evidence-based stylized facts. Findings reveal among others; high maternal and under-five mortality, high Out-of Pocket health expenditure and inequality of health outcomes in the different regions. These lead to the call for improvement on the Case Note practice, observed in Irrua Specialist Teaching Hospital, an innovative model of healthcare delivery for Nigeria. This model ensures that the country relies less on healthcare delivery models from format labour tight economies, which hardly succeed in informal labour surplus economies of the developing countries. It also examines the pathways towards SDG 3 in Nigeria by taking lessons of health reforms from some other countries; towards international best practices. It concludes that achieving SDG 3 in the developing countries requires among others, scaling up public health financing with the Nigerian Case Note model; strengthening primary health care, expanding health insurance coverage, and institutionalizing sustainable financing. It suggests holistic intervention by government and internal health concerns to reposition these countries on the path towards realizing SDG 3.

**JEL Codes:** 118



## Family = Happiness? Types, commitment and multidimensional wellbeing

Dalila de Rosa - Pierluigi Murro - Matteo Rizzolli

Matteo Ruberto

The relationship between family and happiness has long been studied, often relying on simple characterizations of family types on one side of the equation and using only one or two measures of wellbeing on the other side. In this paper we articulate both the complexity of family types and the different dimensions of subjective wellbeing. In particular we test whether family types such as single, cohabiting and married, with their differing commitments to the union proxied by the presence of children and religious observance, impact the dimensions of subjective wellbeing (satisfaction with economic conditions, health, family relations, friendships, leisure time and work) by using Italian data between 1993 and 2023. Our findings show that couples consistently display a higher probability of being satisfied with health and relationships with family and friends, whereas singles display a higher probability of satisfaction with leisure time and work. Married partners have higher levels of wellbeing than cohabiters across all domains except leisure; religious commitment increases satisfaction in most domains. Children, however, have an ambivalent impact on wellbeing depending both on family type and the domain of satisfaction considered.

**JEL Codes:** I31

## Cohesion policies and employment rates across age and gender. NUTS3 Evidence from Italy

Marinella Boccia - Sergio Destefanis

This paper examines the effects of EU cohesion policy on young women's employment rates in Italy during the 2007-2013 and 2014-2020 programming periods, addressing a gap in the literature that has largely focused on aggregate or regional outcomes rather than gender and age-specific dynamics. Building on previous studies on cohesion policy and labor markets (Porro and Salis, 2017; Cerqua and Pellegrini, 2018; Cerciello, Agovino, and Garofalo, 2019), the analysis uses ISTAT and Open Coesione data at the NUTS3 level to investigate whether EU Structural Funds enhance young female labor market participation and reduce regional disparities between North-Center and South and Islands .

The empirical strategy combines descriptive analysis with fixed-effects and spatial econometric models, in particular a Spatial Durbin Model, to account for spillover effects and territorial heterogeneity. The analysis includes total funds, labour funds, and competitiveness funds, alongside control variables such as population density, human capital, GDP, R&D, ICT, and number of firms.

Preliminary results show significant spatial dependence and confirm that Structural Funds affect employment outcomes through different mechanisms across macro-areas. In the North-Center, employment is mainly driven by total and labour funds, with additional spillover effects from competitiveness funds. In the South and Islands, positive indirect effects are associated with total funds, particularly in promoting youth employment. Overall, the findings suggest heterogeneous and context-dependent effects of cohesion policy, highlighting the importance of place-based interventions and the need for further research on ICT and sector-specific dynamics to improve policy effectiveness.

**JEL Codes:** I38

## A Strategic model for sustainable tourism development of destinations

**Simon Iskajyan**

This paper develops a strategic model for sustainable tourism development in host communities, with particular relevance for developing or newly emerging destinations. Tourism is framed as a multi-layered and dynamic sector whose impacts extend beyond economic outcomes to social structures and the environment, often generating challenges such as resource overexploitation, social inequality, and transformations of cultural identity.

Although the literature on sustainable tourism has expanded, existing approaches tend to focus on individual dimensions—economic, environmental, or cultural—resulting in the absence of a comprehensive and practically applicable model for integrated assessment at the destination level.

The proposed model integrates three core components: the socio-economic interests of local residents, the expectations of tourists, and environmental protection. It is based on a combined assessment of these dimensions and evaluates the impact of tourism development on each of them, with the aim of ensuring long-term community development rather than short-term growth.

Methodologically, the model emphasizes practical applicability through analytical tools and artificial intelligence to identify thresholds within which tourism growth remains sustainable and beneficial over time. The framework can support strategic management and evidence-based decision-making, treating tourism as an integral part of overall community development.

Overall, the model is flexible and adaptable to different territorial contexts, providing a useful tool for policymakers, managers, and researchers engaged in sustainable tourism planning.

**JEL Codes:** O21

## Do survey data on social capital reflect real facts?

**Stefano Bartolini - Paola Bordandini - Luca Bortolotti  
Francesco Sarracino**

Whether survey data on social capital reflects real facts is crucial, given their widespread use in influential literature linking social capital to social cohesion, political stability, democratic quality, economic performance, health, and subjective well-being. However, the limited evidence on the convergence of survey data with objective measures of social capital could undermine this literature. We provide evidence of meaningful correlations between them. Using cross-country, cross-regional, and time-series European data on blood donations, voter turnout, and newspaper reading, we validate survey indicators of social capital. We further extend the analysis by examining the relationship between survey measures and semi-objective indicators derived from European Social Survey meta-data, specifically interviewers' assessments of respondent cooperation. Our findings support the validity of survey-based social capital measures, challenging the suspicion that the social capital literature rests on fragile empirical foundations.

**JEL Codes:** A13

## Debt and asset waves: Why focusing only on debt surges? Rethinking the foundations of debt sustainability assessment

**Giovanni Piersanti**

This paper argues for a fundamental revision of debt sustainability assessment by shifting from conventional output-based indicators to a balance-sheet perspective that jointly considers assets and liabilities. The dominant debt-to-GDP ratio (DGR) is criticized on conceptual grounds: it compares a stock (debt) with a flow (GDP), uses an imperfect proxy for repayment capacity, and ignores the asset side of national balance sheets (e.g., Arrow et al., 2012; Stiglitz, 2016).

Using global data since 2000, the paper shows that while debt has increased significantly, asset accumulation has expanded even more rapidly. As highlighted in the figures (pp. 10-12), global assets reached about \$511 trillion in 2024, exceeding 460 % of GDP, consistently outpacing debt ratios. This parallel growth reflects structural factors such as higher savings, inequality, and precautionary behavior (Summers, 2014; Rachel and Summers, 2019).

Building on this evidence, the author introduces a wealth-based indicator—the debt-to-wealth ratio (DWR)—which compares stocks with stocks and provides a more theoretically consistent measure of sustainability. Empirically, DWRs are stable or declining in most advanced economies, indicating substantial asset buffers, while emerging markets show more heterogeneous and sometimes rising vulnerabilities.

Overall, the wealth-based approach yields a less alarmist interpretation of global debt dynamics, suggesting that current debt levels are more manageable than implied by DGR-based analyses. The paper concludes that integrating wealth into sustainability assessments can improve policy design, reduce uncertainty, and avoid misleading conclusions about fiscal risk.

**JEL Codes:** B22

## Assessing development projects through the lens of the capability approach: how a more comprehensive methodology can help to reshape evaluation

**Enrica Chiappero-Martinetti - Pietro Ghirlanda**

This paper critically examines current practices in project evaluation, arguing that the debate often conflates conceptual and empirical dimensions. To address this, it proposes an analytical framework distinguishing multiple evaluative levels—ethical, explicative, technical, and anankastic—clarifying the difference between methodological approaches and specific methods (Basso & Alexandrova, 2015; Chiappero-Martinetti & Moroni, 2007).

The analysis focuses on development projects, with particular attention to randomised controlled trials (RCTs), widely regarded as the “gold standard” in development economics (Angrist & Pischke, 2010; Banerjee & Duflo, 2011). While acknowledging their strengths in causal inference, the paper highlights their limitations in capturing broader dimensions of well-being and participatory processes.

To overcome these limits, the paper compares RCTs with the capability approach (Sen, 1999), arguing that the latter provides a richer and more comprehensive informational basis for evaluation. This approach enables both impact assessment—changes in beneficiaries’ well-being—and operational evaluation, including stakeholder participation and governance processes (Khandker et al., 2010).

Empirically, the capability approach is applied to a maternal and neonatal health project in Kenya, using a mixed-method design combining interviews and questionnaires. Evaluation is structured around six dimensions: ownership, participation, agency, multidimensional impacts, spillovers, and sustainability. The findings suggest that the capability approach, operationalised through complementary methods, can overcome key shortcomings of mainstream evaluation techniques. Overall, the paper advocates a shift toward more holistic, participatory, and multidimensional assessment frameworks, better aligned with well-being and development goals.

**JEL Codes:** B41

## Cultural Values and Macroeconomic Performance

**Alessio Emanuele Biondo - Gianluca Cannata**

This paper investigates the role of cultural values - particularly work-related norms - in shaping macroeconomic performance, arguing that long-run economic outcomes cannot be fully explained by institutions, technology, or policies alone. Culture, understood as shared beliefs and behavioral norms (Hofstede, 2001; Schwartz, 1999), acts as a deep determinant influencing trust, cooperation, human capital accumulation, and labor supply (Guiso et al., 2015).

Focusing on the centrality of work in economic and social life (Marshall, 1920; Polanyi, 2002), the paper develops a novel Work Ethic Indicator (WEI) to capture cross-country and regional differences in labor-related cultural traits. The indicator is constructed through Principal Component Analysis (PCA) using three domains: labor market participation, human capital investment, and attitudes toward work, including effort and responsibility. Empirical evidence reveals substantial heterogeneity in work ethic across European regions, even within the same institutional framework, suggesting that cultural factors independently contribute to economic divergence. To explore these dynamics, the paper incorporates the WEI into an agent-based macroeconomic model calibrated for Italy and a representative European economy.

The model shows how culturally driven behavioral differences affect key macroeconomic outcomes - such as productivity, employment, and income distribution - through micro-level interactions. In particular, the Italian case demonstrates that cultural heterogeneity alone can generate persistent regional disparities despite uniform institutions and policies. Overall, the paper provides a structural interpretation of how culture influences economic performance, highlighting its role as a source of long-term divergence and suggesting that policy analysis should account for culturally embedded behavioral patterns.

**JEL Codes:** Not indicated

## Courts and inequality

**Pierluigi Murro - Valentina Peruzzi**

This paper examines the causal impact of judicial efficiency on local income inequality, addressing a gap in the literature that has mainly focused on growth rather than distribution. Judicial enforcement affects inequality through channels such as access to credit, firm dynamics, labor markets, and the ability to enforce economic rights.

The analysis exploits a 2013 reform of the Italian civil court system, which reorganized jurisdictions and generated exogenous variation in judicial efficiency across municipalities. Using administrative tax data and court-level information on case congestion and trial duration (2012-2016), the study constructs detailed inequality measures (e.g., Gini, Theil, percentile ratios) and uses expected trial length as an indicator of judicial efficiency.

The empirical strategy combines an instrumental variables approach with a spatial border design, comparing neighboring municipalities exposed to different enforcement shocks. Results show that longer trial duration - i.e., lower judicial efficiency - causally increases income inequality. The effect is driven by gains at the top of the distribution, while lower-income groups stagnate or decline.

Additional evidence suggests that these effects operate through credit constraints and firm dynamics, disproportionately affecting weaker agents. Average income is only mildly impacted, indicating that judicial inefficiency mainly affects distribution rather than aggregate output.

Overall, the paper provides causal evidence that judicial efficiency is a key determinant of income distribution, highlighting the importance of legal institutions for inclusive growth.

**JEL Codes:** D31

## Intimate partner violence as multiple capability deprivations: a fuzzy and counting approach

**Fernando Flores Tavaresa - Francesco Isola - Gianni Betti**

This paper proposes a novel method to measure intimate partner violence (IPV) as a multidimensional form of capability deprivation, grounded in the capability approach (Sen, 1999; Nussbaum, 2005). It argues that IPV is not only a deprivation in itself but also a factor that constrains multiple dimensions of well-being, including health, agency, and social participation. Building on the Alkire-Foster framework (Alkire and Foster, 2011) and the Bettio et al. (2019) fuzzy approach, the paper develops an index that goes beyond simple prevalence by incorporating intensity. Specifically, the measure accounts for the number of violent acts, their frequency, and their socially evaluated severity, thus capturing the breadth and depth of deprivation.

Methodologically, the index combines a counting approach with fuzzy-set techniques. Violence is represented as a continuum rather than a binary condition, allowing for a more nuanced assessment of individual deprivation. Severity weights are derived from prevalence and correlation patterns, while frequency weights capture the chronic nature of repeated violence. The resulting measure provides both individual-level deprivation scores and aggregate indicators of adjusted prevalence.

Empirically, the method is applied to different data sources, including European surveys, regional datasets, and administrative records from anti-violence centres. These applications show that the proposed index reveals patterns of IPV that standard prevalence measures fail to detect. Overall, the paper contributes by operationalising IPV within a capability framework and offering a flexible, multidimensional measurement tool. This approach improves the understanding of violence as a complex deprivation and supports more informed, evidence-based policy design.

**JEL Codes:** I

## Causal interaction between petty and grand corruption: a threshold non-linear analysis

**Fredj Fhima - Ridha Nouira - Khalid Sekkat**

This paper examines the causal interaction between petty and grand corruption, two distinct yet potentially interconnected dimensions of corruption. While the literature has extensively explored the causes, consequences, and remedies of corruption, empirical evidence on the relationship between these two forms remains limited (Alfano et al., 2023; Sekkat, 2018).

Corruption is commonly defined as the abuse of entrusted power for private gain (World Bank, 1997; Jain, 2001; Treisman, 2000). It manifests in multiple forms and levels. The distinction between petty and grand corruption is based on the rank of the actors involved: petty corruption refers to small payments to low-level officials (Andvig and Fjeldstad, 2001), whereas grand corruption involves high-ranking political actors and large financial transactions, often linked to phenomena such as state capture (Shah and Schacter, 2004; Dávid-Barrett, 2023). Both forms produce harmful effects, but their coexistence can generate systemic corruption that is particularly difficult to address (Bauhr et al., 2010; Persson et al., 2013).

The paper contributes by empirically assessing the direction of causality between petty and grand corruption using a panel dataset of 133 countries over the period 1948–2021. The findings show that petty corruption Granger-causes grand corruption, while the reverse relationship is not robustly supported.

These results have important policy implications: targeting petty corruption may generate indirect benefits by reducing grand corruption, thereby helping to disrupt systemic corruption equilibria and improving the effectiveness of anti-corruption strategies (Sekkat, 2022; Herzfeld and Weiss, 2007).

**JEL Codes:** D73

## Beyond GDP and toward active citizenship: the impact of BES components on social participation in Italian regions

**Massimo Arnone - Alberto Costantiello - Carlo Drago  
Angelo Leogrande**

This paper examines the relationship between multidimensional wellbeing and social participation across Italian regions, moving beyond the limitations of Gross Domestic Product (GDP) as a measure of societal progress. It adopts the Benessere Equo e Sostenibile (BES) framework developed by ISTAT and CNEL, which captures economic, social, environmental, and relational dimensions of wellbeing (Plata, 2022; Bacchini et al., 2021).

Drawing on the Renaissance in Economics perspective, the study conceptualizes social participation as both a component and a driver of wellbeing, contributing to trust, cooperation, and social capital. Wellbeing is thus understood as a relational construct shaped by social interactions and institutional contexts rather than solely by income or consumption.

The empirical analysis investigates whether differences in BES components - such as education, health, environment, social relations, and institutional quality - are associated with variations in social participation across the 20 Italian regions. Using a balanced panel dataset from ISTAT, the study combines panel econometric models with machine learning techniques (e.g. random forest, gradient boosting) and clustering analysis to capture both linear and nonlinear relationships and identify regional patterns.

Preliminary findings indicate that education, social relations, institutional quality, and environmental conditions significantly influence social participation, while economic indicators show weaker or ambiguous effects. The study contributes to the debate on wellbeing metrics and highlights the policy relevance of BES indicators for fostering active citizenship and sustainable development.

**JEL Codes:** I31

## Analyzing countries ability to transform their resources into well-being using world happiness report data

**Nikos Rigas - Kelsey O' Connor - Francesco Sarracino**

This paper examines countries' ability to transform available resources into subjective well-being by introducing the concept of *well-being productivity*. Unlike standard measures, this approach captures not only efficiency levels but also how this capacity evolves over time.

The analysis is grounded in eudaimonic theory and Sen's capability approach, which emphasize that well-being depends not merely on resource availability but on individuals' and societies' ability to use those resources effectively. From this perspective, improvements in well-being can be achieved without increasing resources, through greater efficiency in their use.

Empirically, the study relies on a panel dataset of 121 countries over the period 2006–2023, drawing on data from the World Happiness Report and the Gallup World Poll. Well-being efficiency is estimated using Data Envelopment Analysis (DEA), while well-being productivity is measured through a Malmquist-type index, allowing the assessment of changes over time. The output variable is life satisfaction (life ladder), and inputs include GDP per capita, health, social support, freedom, absence of corruption, and generosity.

The results indicate that, although higher levels of well-being are generally associated with greater efficiency, significant exceptions persist. Some low well-being countries exhibit relatively high efficiency, while many others could enhance well-being without increasing resources. Over time, well-being productivity declined slightly prior to the COVID-19 pandemic and subsequently stabilized, with marked regional heterogeneity. Overall, the findings highlight the importance of dynamic, efficiency-based perspectives in understanding development.

**JEL Codes:** I31

## Economic possibilities for our grandchildren reloaded

**Francesco Sarracino - Giulia Slater**

This paper revisits Keynes' vision of a future in which economic growth would free individuals from material constraints, allowing a shift toward leisure and well-being. While growth has been achieved, this transformation has not materialized. Instead, modern societies remain characterized by high consumption, long working hours, and increasing environmental and social pressures.

The authors argue that contemporary growth is inherently unsustainable and introduce the concept of defensive growth (Bartolini and Sarracino, 2024). A substantial share of consumption is driven by the need to offset negative externalities - such as pollution, insecurity, and social isolation - rather than by the pursuit of well-being. This generates a self-reinforcing cycle in which environmental degradation increases consumption and work effort, further undermining well-being.

Empirical evidence shows that defensive consumption reduces life satisfaction and increases working hours, with negative effects on health, social capital, and inequality (Bartolini et al., 2023). The paper provides one of the first quantitative estimates of this mechanism, linking environmental degradation - measured through temperature changes from CO<sub>2</sub> emissions - to higher consumption levels (Jones et al., 2023).

Importantly, unsustainability is interpreted not as a consequence of individual greed, but as a coordination failure: individuals adopt defensive consumption strategies because declining trust and social capital hinder collective solutions (Ostrom, 2009; Bartolini and Sarracino, 2018). As an alternative, the authors propose *neo-humanism*, a framework that places well-being, social relations, and environmental sustainability at the center of policy (Sarracino and O'Connor, 2023).

**JEL Codes:** I31

## Civilisation erasure? A comparison of sustainable and inclusive wellbeing across the Atlantic

**Peter Benczur**

This paper compares the United States and the European Union in terms of sustainable and inclusive wellbeing, challenging the use of GDP per capita as the primary indicator of progress. Despite the US reporting approximately 30 % higher income levels, it performs worse in key dimensions such as life expectancy and inequality, suggesting that income alone provides an incomplete picture of societal well-being.

To address this limitation, the paper adopts a multidimensional framework of sustainable and inclusive wellbeing (SIWB), which incorporates current well-being, sustainability of future resources, inclusiveness, and institutional quality. Three complementary approaches are used: a composite wellbeing index, subjective life satisfaction, and a monetary measure based on the equivalent income framework.

The results show that, while GDP per capita grew more rapidly in the US between 2010 and 2023, broader measures of well-being improved in the EU and declined or stagnated in the US. The EU overtakes the US in both current wellbeing and overall SIWB, while the US maintains an advantage in resources for the future. Moreover, the gap in subjective life satisfaction between the two regions has significantly narrowed over time.

Overall, the findings demonstrate that GDP overestimates well-being progress in the US and underestimates it in the EU. A multidimensional perspective substantially alters the transatlantic comparison and highlights the need for alternative metrics that account for distribution, sustainability, and quality of life.

**JEL Codes:** I31

## Local banking and prosperity: some empirical evidence for Italy

**Guglielmo Maria Caporale - Matteo Alessi**

This paper investigates the relationship between local banking and prosperity at the municipal level in Italy over the period 2011–2021. Prosperity is measured using the Index of Widespread Prosperity proposed by Sen (1976), which combines average income and income inequality, in line with the capability approach (Sen, 1985, 1986).

The study contributes to the literature on well-being beyond GDP and on the role of local banking in socio-economic development (Caporale et al., 2016; Coccoresse and Shaffer, 2021). Using a panel dataset of Italian municipalities, the authors estimate both static and dynamic models to assess the impact of Cooperative Credit Banks (CCBs) on local prosperity.

Empirically, the analysis combines data from the Italian Ministry of Economy and Finance, Federcasse, and ISTAT. Local banking is proxied by the share of CCB branches, alongside control variables such as population, employment, and productive units. The empirical strategy includes panel regressions and dynamic estimation using the Generalized Method of Moments (Arellano and Bond, 1991).

The results show a positive and statistically significant association between the presence of local banks and prosperity. This relationship is robust across alternative specifications and measures of local banking. The main transmission channel appears to be employment, which positively affects both income levels and income distribution.

Overall, the findings suggest that cooperative banks play a key role in promoting local prosperity and reducing inequality. The paper highlights the importance of preserving cooperative banking structures within a diversified financial system aimed at fostering inclusive and sustainable development.

**JEL Codes:** I31

## Beyond GDP – But for real: a decision-grade framework for multidimensional well-being indicators

**Stefano Botta**

This paper addresses a key limitation of the “Beyond GDP” agenda: while multidimensional well-being indicators - such as the Italian Benessere Equo e Sostenibile (BES) and the OECD framework - are well established, their integration into actual policy decision-making remains weak. Despite strong theoretical foundations (Stiglitz, Sen, & Fitoussi, 2009; Stiglitz, Fitoussi, & Durand, 2018; OECD, 2020), indicators are often used descriptively rather than to guide allocation, evaluation, and accountability processes.

The paper identifies two main risks: “indicator washing”, where metrics serve symbolic purposes, and opaque aggregation, where trade-offs remain implicit (Saltelli, 2007; OECD, 2008). To address this gap, it proposes the DGWI (Decision-Grade Well-being Indicators) framework—a conceptual and auditable protocol designed not to create new indices, but to make existing ones operational for decision-making.

The DGWI framework defines minimum conditions for decision usability, including credibility (transparent data and metadata), salience (relevance to policy decisions), legitimacy (explicit trade-offs), actionability (targets and thresholds), equity (distributional and territorial analysis), and robustness (sensitivity to uncertainty). These elements are embedded in a decision pipeline linking policy questions, indicator design, targets, and ex post evaluation. The paper argues that the Beyond GDP challenge is now operational: indicators must be embedded in decision routines. It also highlights the complementarity between BES—offering institutional anchoring and territorial granularity—and OECD frameworks, which provide comparability. Ultimately, the study emphasizes that well-being measurement entails normative choices, requiring transparency and accountability (Boulangier, 2008).

**JEL Codes:** I31

## Analyzing food poverty in vulnerable Italian households: A multidimensional posetric approach

**I. Benedetti - Chiara Grazini**

This paper proposes a novel framework for measuring food poverty in Italy by applying a multidimensional, non-compensatory approach based on partially ordered set (posetric) theory. Building on the limitations of traditional unidimensional and compensatory methods—such as expenditure-based indicators and Alkire-Foster indices (Alkire and Foster, 2011)—the study addresses the need to capture the complex and intersecting nature of deprivation (Sen, 1999; Fattore et al., 2011).

Using microdata from the 2022 Italian Household Budget Survey (HBS), the analysis integrates both objective and subjective indicators, including food expenditure, At-Risk-of-Food-Poverty (ARoFP), the share of food expenditure (SHEoF), and self-reported reductions in food quality and quantity. Unlike conventional approaches, the posetric method avoids aggregation and arbitrary weighting, instead comparing multidimensional achievement profiles and preserving incomparability across households (Fattore and Arcagni, 2018).

Empirical findings reveal a substantially lower incidence of severe food poverty (4.89%) compared to unidimensional estimates (approximately 19.6%), reflecting the stricter identification of households experiencing simultaneous deprivations. The results also highlight significant socio-demographic and territorial disparities, with higher vulnerability among households with children, single-parent families, and those with foreign members, as well as in Southern regions. The study contributes both empirically and methodologically by providing the first application of a posetric framework to food poverty in Italy and demonstrating its capacity to capture both incidence and severity of deprivation. The findings suggest that multidimensional, non-compensatory approaches offer a more accurate basis for designing targeted and effective policy interventions.

**JEL Codes:** I32

## Power, war and economics: A new paradigm for development and conflict

**Elise S. Brezis**

This paper challenges standard economic growth models by arguing that they systematically neglect the role of war, despite its historical prevalence. Traditional frameworks assume that governments maximize output and individuals maximize consumption, implicitly operating in a context of peace. In contrast, this study introduces a new paradigm in which economic decisions are shaped by national sovereignty, power, and identity.

Building on identity economics (Akerlof and Kranton, 2000; 2010) and social identity theory (Tajfel and Turner, 1979), the paper incorporates national identity into the utility function, alongside material welfare. In this framework, individuals derive utility not only from consumption but also from the status and strength of their nation (Metzl, 2019). This extension leads to multiple equilibria in development outcomes.

The model identifies two distinct trajectories. Developing countries tend to be characterized by high fertility rates, low human capital, and a large youth population, which increases the likelihood of conflict (Urdal, 2006). Developed countries, by contrast, exhibit low fertility, higher education and investment, and lower probabilities of war. Empirical evidence shows that countries with fertility rates above five children per woman face up to a 75% probability of conflict, compared to less than 8% in low-fertility contexts.

The paper highlights a bidirectional relationship between demography and conflict: high fertility increases the risk of war, while war, through mortality and identity-driven dynamics, sustains high fertility. This interaction generates a self-reinforcing “conflict trap”. The framework offers new insights for policy, suggesting pathways to shift economies from high-conflict to low-conflict equilibria.

**JEL Codes:** J13

## Re/conceptualizing well-being: a capability-based analysis of female homeworkers in global football supply chains

**Farah Naz**

This paper examines the well-being of female homeworkers at the invisible margins of global production networks, using the global football supply chain in Sialkot, Pakistan as a case study. Conventional analyses of industrial homework rely on externally defined indicators such as formal employment that often obscure how informal workers themselves perceive their work within specific social, cultural, and institutional contexts. Using the capability approach, this study conceives well-being not as material consumption alone, but as the expansion of substantive freedoms within constrained opportunity structures.

With an exploratory qualitative design with narrative life history interviews with women football stitchers and local stakeholders, the paper inductively identifies the capabilities homeworkers deem relevant to their well-being across three overlapping dimensions: economic, social, and individual. Central among these is the capability to earn cash income under conditions of restricted mobility. Despite low wages and absence of social protection, income from home-based stitching is widely valued as a source of dignity and recognition within the household, representing a shift from unpaid agricultural labour toward paid work.

The analysis reveals that industrial homework enables socially acceptable forms of agency, allowing women to renegotiate gender roles incrementally without openly challenging patriarchal norms. However, capability gains in income and psychological dimensions are accompanied by reductions in health and educational capabilities, highlighting the trade-offs embedded in informal work.

The paper develops a context-specific capability list for evaluating home-based workers' well-being and challenges CSR frameworks that equate well-being with formalization or compliance.

**JEL Codes:** J81

## Beyond aggregates: the individual human development index as an alternative framework for ethical and inclusive economic development

**Jins Varkey**

The Human Development Index (HDI), introduced by the UNDP in 1990, shifted development discourse from economic growth toward a multidimensional conception of well-being encompassing health, education, and living standards. Yet its construction at the national or regional level relies on averaged data that systematically conceal inequalities within populations. High HDI scores can thus coexist with severe individual-level deprivation, as illustrated by the case of India and, within it, the state of Kerala.

This paper proposes an Individual Human Development Index (IHDI) as a micro-level alternative grounded in Amartya Sen's capability approach. Retaining the three core dimensions of the HDI, the IHDI replaces aggregate indicators with individual-level data like Body Mass Index, Waist-Hip Ratio, and Disease Prevalence Score for health; Actual Years of Schooling for education; and per capita Average Household Income for living standards. Dimension indices are normalised to a 0-1 scale and combined through the geometric mean, capturing multiplicative trade-offs across capabilities.

Two case studies from marginalised communities in Palakkad district, Kerala, demonstrate the index in practice. Despite residing in India's highest-HDI state, both individuals score in the low human development range, with educational deprivation emerging as the most binding constraint on overall capability. The findings expose structural inequalities that remain hidden beneath macro-level success narratives.

The IHDI offers a diagnostic tool for targeted policy design, capable of identifying capability gaps at the community and individual levels and of informing development interventions aligned with the Sustainable Development Goals.

**JEL Codes:** O15, C43, I31, D63

## Sociology of survival: reciprocity networks and everyday economic strategies in the West Bank

**Charlie Barnao - Luigi Bisceglia**

This paper presents the initial theoretical and methodological developments of the research project “Sociology of Survival”, a study examining the everyday adaptive strategies of Palestinian communities living under military occupation in the West Bank. The investigation focuses on two contrasting sites - a rural community in Area C and an urban neighbourhood in Hebron’s H2 zone - both characterised by structural uncertainty, restricted mobility, territorial fragmentation and endemic violence.

The central argument is that occupied communities are not passive or disorganised: their members develop selective survival strategies rooted in reciprocity networks, moral economies and relational practices that continuously redefine the boundaries between economy, family, community and politics. The research aims to illuminate the micro-social mechanisms through which prolonged exposure to military control generates forms of everyday resilience reducible neither to political resistance nor to passive adaptation.

Theoretically, the study draws on an interdisciplinary framework combining economic sociology, economic anthropology and social theory. Key references include Mauss’s gift theory, Polanyi’s concept of economic embeddedness, Weber’s approach to stratification, Homans’s small group theory and Boissevain’s work on social brokers. The concept of social capital - in Pizzorno’s relational reading - and Wacquant’s sociology of the flesh complement perspectives from development economics on risk-sharing and informal insurance mechanisms.

Methodologically, the research uses qualitative instruments such as interviews and focus groups combined with network analysis to map relational structures, resource flows and key nodes within each community. This methodological combination links subjective narratives with the relational structures within which they take shape.

**JEL Codes:** O35, O53

## Fighting misinformation in times of uncertainty: data platforms to navigate the energy transition

**L. Saccone - A. Barbabella - C. Montanini - K. Lee  
V. Guerrera - G. Ceriani**

Achieving climate neutrality requires not only ambitious targets and robust policy frameworks, but also transparent and accessible data systems capable of supporting evidence-based decision-making and informed public debate. This contribution presents three complementary digital platforms developed within the Italy for Climate initiative, aimed at monitoring progress, countering misinformation and providing a comprehensive picture of Italy’s pathway toward climate neutrality. CIRO (Climate Indicators for Italian RegiOns) is an online database developed in collaboration with ISPRA and integrated into the national statistical system SISTAN. It organises 26 official indicators across eight thematic areas - including greenhouse gas emissions, renewable energy deployment, buildings, transport and climate vulnerability - enabling territorial comparisons among Italian regions and supporting policy design at both regional and national levels.

The False Myth on Renewables platform deconstructs five misconceptions about renewable energy through more than 40 analyses grounded in official data, peer-reviewed evidence and interactive visualizations. It is addressed to journalists, educators, policymakers and citizens, for a more evidence-based public debate on the energy transition.

ATENA (National Energy Transition Atlas) offers a systemic overview of Italy’s progress toward climate neutrality, combining historical trends, current indicators and forward-looking benchmarks across electricity, transport, industry and buildings’ sectors. Using official statistics from ISPRA, Eurostat and national operators, ATENA allows users to assess structural challenges and compare Italy’s performance with other European Countries. Together, the three platforms form an integrated knowledge ecosystem designed to close the information gap in climate governance and strengthen transparent, inclusive participation in the energy transition.

**JEL Codes:** L1, Q13

## Territorial interconnections in food systems: A relational and spatial analysis of food- related vulnerabilities in Italy

**F. Scannavacca - A. Giacardi - D. Bernaschi - D. Marino F. Felici - L. Caputo - L. Orlandi - I. Manetti**

Contemporary food systems are increasingly recognised as complex socio-ecological configurations in which production, distribution and consumption interact with territorial inequalities, sustainability challenges and social vulnerability. This paper addresses the tension between the growing emphasis on local food systems as drivers of environmental sustainability and social cohesion, and the persistent unevenness of food access and dietary quality across Italian regions.

The study consists of a relational and territorially grounded analytical framework that treats food-related conditions as a multidimensional component of wellbeing, shaped by the interaction between economic access to food, reliance on food assistance, local food environments and broader socio-economic structures. Rather than reducing food security to a single outcome or economic proxy, within the framework food vulnerability is a structurally embedded and relational phenomenon.

The empirical analysis proceeds in two complementary steps. First, a regional correlation analysis examines relationships among food-related and socio-economic indicators, synthesised through a heatmap representation that reveals clusters of co-occurring vulnerabilities. Second, a spatial analysis maps both individual indicators and relational patterns, detecting geographically clustered configurations of food deprivation, spatial autocorrelation and territorial spillovers.

Findings reveal pronounced territorial asymmetries across Italian regions, with several contexts showing closely interconnected dimensions of food insecurity, challenging simplified narratives about local food systems and policy approaches that rely on aggregate economic indicators. The paper concludes with a place-based diagnostic framework aligned with the SDGs, designed to support integrated policy responses beyond GDP-oriented benchmarks.

**JEL Codes:** Q18, R11

## What if we change the ingredients? Revisiting countries' doughnut profiles with an expanded dataset of multiple indicators

**G. Gucciardi - G. Cori - F. Rosa - T. Luzzati**

The Doughnut Economics framework, theorized by Raworth in 2017, defines a “safe and just space” for humanity bounded externally by ecological ceilings and internally by minimum social requirements. Despite its growing influence, empirical operationalisation at the national level remains limited: existing studies rely on a small set of indicators, typically one per dimension, raising questions about sensitivity to indicator selection.

This paper advances a robustness assessment of national-level Doughnut analyses through a substantially expanded dataset. Using SDG-related sources and internationally recognised databases, the authors compile a cross-sectional dataset covering 130 Countries with 85 indicators: 53 across 13 social dimensions and 32 across 8 environmental dimensions with each one represented by two to seven indicators rather than a single measure.

The analysis constructs three alternative scenarios - indulgent, strict and balanced - reflecting a Country's best, worst and average performance across indicators within each dimension. Aggregation is tested using multiple weighting schemes and aggregation functions.

Results confirm that no Country simultaneously meets all social and environmental thresholds under strict assumptions. High-income Countries consistently overshoot ecological ceilings; lower-income Countries remain within ecological limits but fall short of social minimum.

The findings carry an important methodological implication: favourable indicator selection can artificially place Countries within the Doughnut, making transparent and explicit guidance on indicator choice essential to prevent opportunistic use of the framework.

**JEL Codes:** Q56, I31

## Exploring economic and social drivers of transport poverty in Italy

**Luca Correani - Patrizio Morganti - Roberta Sestini**

Transport Poverty (TP) refers to various forms of inequality related to the affordability, availability and accessibility of transport. In many developed Countries, a significant share of households spend a disproportionate portion of their income on transportation, often in conditions of car dependency, where access to alternative modes is so limited that private car use becomes essential. This situation is compounded by the uneven environmental costs of transport, with disadvantaged populations disproportionately exposed to air pollution and emissions.

This paper addresses the limited empirical research on the socio-economic drivers of TP in Italy. Using regional panel data for the period 2014-2023 and random and fixed effects models, the study examines economic and social factors affecting TP, with a focus on the affordability dimension - that is, the inability to meet costs associated with public and private transport.

Key findings show that TP is negatively associated with unemployment rates and positively correlated with GDP per capita. Crucially, the relationship between TP and regional GDP growth follows an inverted-U pattern: TP is low at both low growth levels, due to reduced transport spending and high growth levels, where rising incomes more than offset expenditure while peaking at intermediate levels. This may reflect the transition to low-carbon mobility, as high-income regions appear better positioned to decouple car use from economic growth through modal shift.

Results also indicate that TP decreases with higher quality public and rail transport, increases with employment in primary and secondary sectors, and declined during the COVID-19 pandemic.

**JEL Codes:** Q56, K32

## Innovative economies and urban regeneration: toward a new indicator set for evaluation

**Giovanna Acampa - Fabrizio Finucci - Mariolina Grasso  
Antonella G. Masanotti - Daniele Mazzoni - Alessio Pino**

Urban regeneration processes are increasingly expected to extend beyond the physical improvement of the built environment, integrating social innovation and economic sustainability alongside active community participation and bottom-up initiatives. In this context, proximity economies - economic forms centred on local relationships, shared resources and territorially embedded actors - are gaining recognition as drivers of innovation and resilience within urban transformation processes.

This paper argues for the development and application of alternative indicators capable of capturing the contribution of proximity-based economic forms to urban regeneration. Alongside consolidated monetary measures such as GDP per capita, employment levels and investment flows, the study identifies non-monetary indicators drawn from five analytical frameworks: Inclusive Growth, Well-being Economy, Doughnut Economics, Community Wealth Building and Foundational Economy. Each framework contributes distinct indicator categories, ranging from poverty reduction and composite wellbeing indices to urban morphology metrics and assessments of cooperative ownership and essential service quality.

Two key differences distinguish conventional from alternative indicators. First, measurement methods: alternative indicators require a more capillary, bottom-up mapping of informal and cooperative practices, rather than drawing from already-institutionalised data sources. Second, the type of focus: while conventional indicators scale proportionally from the collective to the individual, alternative indicators require a holistic, community-level analysis.

The paper concludes by drawing a research agenda aimed at operationalizing these indicators within standard evaluation models for urban plans and programmes, making visible economic forms that are currently overlooked or only generically described in decision-making processes.

**JEL Codes:** Not indicated

## Religion, resilience and wellbeing: an empirical analysis for Italian regions

**Luigi Aldieri - Sara Balestri - Luca Esposito - Marcello Signorelli**

Over the past decades, religious participation in Italy has undergone profound transformation, with a progressive decline in engagement with religious institutions and a steady rise in the share of non-practicing or religiously indifferent individuals. This trajectory reflects a broader process of “secularization”, defined as the gradual shift of religion from the public to the private sphere, and accompanied by a growing emphasis on individual autonomy and secular rationality in the interpretation of social life.

Secularization, however, is neither uniform nor linear. Its intensity varies considerably across Italian regions, shaped by differences in economic development, urbanisation, levels of education and cultural traditions. Some regions maintain relatively high levels of religious participation linked to strong community ties, while others display more marked declines associated with urbanization and greater social mobility.

This paper analyses data on religious participation across Italian regions over the period 2005-2024, examining how secularization interacts with three key dimensions of social life: health, economic dynamics and environmental attitudes. Religion has historically played a role in building support networks, defining ethical norms and fostering collective responsibility. A reduction in religious participation may therefore weaken social cohesion, reshape environmental ethics and alter economic behaviour.

Using panel data methods, the study estimates the degree of regional resilience, meaning the capacity to maintain social cohesion, economic stability and quality of life under conditions of change. The findings aim to inform policy strategies that account for ongoing cultural transformations, beyond conventional economic indicators.

**JEL Codes:** Z12, O1, R11

## The green transition as a territorial challenge in Greece: vulnerability, inequality, and policy implications

**Panagiotis Artelaris**

The European Union’s green transition has emerged as a cornerstone of contemporary economic and policy discourse, yet its territorial effects remain highly uneven. While the socio-economic implications of climate policy have attracted growing attention at the national level, the regional dimension of this debate remains underdeveloped.

Using regional-level analysis across Greece, this paper examines the spatial footprint of green transition policies and demonstrates that their socio-economic effects are highly differentiated across regions. Regions vary markedly in their exposure to transition-related costs and benefits due to differences in economic structures, labour-market composition, income levels, demographic characteristics, and institutional capacity. These disparities imply that uniform, top-down policy frameworks risk exacerbating existing territorial inequalities.

The study adopts a multidimensional vulnerability framework integrating economic, social, and demographic indicators to capture regions’ capacity to absorb and adapt to green transition shocks. By focusing on vulnerability rather than growth alone, the analysis highlights dimensions of regional resilience and fragility that remain invisible in conventional macroeconomic assessments and supports a typology of regions facing different transition risks.

Research shows a spatial pattern: regions with lower income levels, weaker labour markets, and limited institutional capacity are more likely to face adverse short- to medium-term impacts from the green transition, while more diversified and institutionally robust regions are better positioned to capitalise on new green investment opportunities.

From a policy standpoint, the paper argues that fairness and effectiveness require territorially sensitive governance, combining EU climate objectives with place-based strategies tailored to regional vulnerabilities, thereby advancing an inclusive, resilient, and just green transition.

**JEL Codes:** Q01, R11

## A Unified theory of sustainability

**Claudio Pirrone - Stefano Fricano - Gioacchino Fazio**

This paper finds system-intrinsic mathematical definitions of sustainability, development, and sustainable development to be properties of dynamical system trajectories in coupled social-ecological-economic systems. Rather than imposing external criteria such as thresholds or utility targets, sustainability properties are derived directly from system dynamics. Sustainability is defined as the non-collapse property, development as motion that increases societal evaluation, and sustainable development as their intersection.

To operationalize these definitions, the paper constructs a tripartite dynamical framework integrating Earth, Human, and Production subsystems governed by coupled stochastic differential equations. Key innovations include endogenous biodiversity dynamics, reflexive evaluation functions that evolve with capabilities, and explicit separation of human capabilities from economic production.

The framework derives necessary and sufficient conditions for sustainability, characterizes regime transitions, and quantifies development-sustainability trade-offs. The analysis shows that higher volatility monotonically shrinks the sustainability basin, providing a mathematical rationale for precautionary policy approaches. The weak versus strong sustainability debate is reframed as a question of societal evaluation weights rather than ontological claims about capital substitutability.

Four primary theoretical contributions are made: mathematical definitions of sustainability and development as trajectory properties; a tripartite dynamical framework integrating ecological economics, capability theory, and endogenous growth theory; complete characterization of sustainability conditions; and formal quantification of the development-sustainability trade-off. The framework provides foundations for analyzing sustainability trajectories in coupled systems, enabling rigorous comparative analysis across normative frameworks and informing evidence-based sustainability policy.

**JEL Codes:** Q01, Q56

## The vitality of people and places: a perspective on the backward and forward linkages of capabilities

**Silvia Sacchetti - Roger Sugden**

This paper proposes economic vitality as a foundational concept for studying the nature and outcomes of production systems and the wellbeing of those who inhabit them. Economic vitality is defined as the capacity of a socio-economic context and its institutions to enable people to identify what they have reason to value, in view of both personal fulfilment and the common good.

The vitality approach complements Sen's capability framework by focusing on how people come to value one functioning over another, and how capabilities can be mobilized for the benefit of communities as a whole. Using Dewey's theory of publics, the paper argues that preferences over pursued aims are not predefined but shaped through life experience and deliberative practices. The framework further integrates Maslow's notion of individual fulfilment with the generation of common good at the collective level.

The paper formalizes economic vitality through a valued aims capability set, distinguishing between what a person can do (Sen's broader capability set) and what a person has discovered is worth doing through an ongoing discovery process. This distinction captures the dynamics of capability lock-in and capability expansion under varying institutional conditions. Poor institutional quality is shown to constrain the discovery process, stabilizing the capability set at suboptimal levels.

The analysis draws on complementary traditions in economics, pragmatist philosophy, and humanistic psychology. The paper concludes with methodological considerations and an application to the production of basic music education, illustrating how economic vitality can be empirically operationalized in a territorial context.

**JEL Codes:** B52, D63

## Youth unemployment and institutional determinants: european north-south divide

**Majid Taghavi**

Youth unemployment remains persistently high in southern Europe, with nearly one in four young people across the European Union currently unemployed. While much existing research attributes this to macroeconomic factors such as economic growth and government spending, this paper argues that institutional quality is a primary driver of youth unemployment and that its role has been systematically underestimated.

Using panel data for six large European economies (France, Germany, and the United Kingdom in the north, and Italy, Portugal, and Spain in the south) covering the period 2000-2024, the paper employs two-stage least squares estimation to investigate the extent and structural causes of the north-south divide in youth unemployment.

The findings confirm a significant and persistent divergence, driven primarily by institutional factors. Ease of doing business and labour market flexibility emerge as the main determinants of this divide. In southern Europe, persistently high business set-up costs, attributable to inefficient legal and administrative frameworks, suppress domestic investment and foreign direct investment limiting the creation of new employment opportunities for young people. Besides, general government spending is found not to significantly improve youth unemployment outcomes in these Countries.

The paper concludes that demand or supply-side fiscal policies alone are unlikely to resolve this structural challenge. Governments in southern Europe must prioritize institutional reform aimed at fostering a regulatory environment conducive to domestic and foreign investment, particularly in sectors capable of providing training programmes and sustained employment for young job seekers.

**JEL Codes:** C12, C33, J68

## Frontier technology adoption, energy equity, and environmental quality of life in Sub-Saharan Africa

**Isaac K. Ofori**

This study faces three interconnected gaps in the literature on frontier technology adoption and socioeconomic development in Sub-Saharan Africa (SSA). First, it examines how frontier technology adoption (FTR) affects environmental quality of life, operationalized as a composite indicator. Second, it investigates whether rural-urban equity in electricity access constitutes a significant transmission channel amplifying the environmental wellbeing gains from FTR. Third, it assesses whether these benefits are evenly distributed across the spectrum of environmental conditions.

Drawing on data from 32 SSA countries and employing quantile regression, instrumental variable regression, and Driscoll-Kraay fixed-effect estimators, the study produces compelling evidence that FTR significantly enhances environmental quality of life. The analysis further shows that bridging rural-urban disparities in electricity access generates positive synergies with FTR, amplifying environmental wellbeing gains beyond what either factor achieves independently. However, the benefits are not uniformly distributed: quantile regression results reveal marked heterogeneity, with the effect at the 90th quantile 18.2% higher than at the median, indicating that countries already performing better on environmental outcomes capture disproportionately larger gains.

These findings carry clear policy implications. SSA governments are urged to pursue a two-pronged strategy combining frontier technology diffusion with targeted investment in rural electrification and equitable energy access.

Development agencies such as the African Development Bank and the World Bank can amplify progress by de-risking investment and scaling results-based financing, while private sector actors are encouraged to prioritise clean technologies and responsible disposal of technological waste.

**JEL Codes:** I31, O55, Q01, Q43, Q55, Q56

## Good debt, bad debt: how paid family leave shapes intra-household borrowing after childbirth

**Tracey Freiberg - Ning Li**

This paper examines how state-level paid family leave (PFL) programs in the United States shape household debt accumulation, with a focus on gendered and marital status effects. Using the Survey of Income and Program Participation (SIPP) from 2013 to 2020, and applying a difference-in-differences strategy, the study tracks households experiencing the birth of a new child and investigates how PFL policies affect both secured and unsecured debt at the household and individual level.

At the household level, new parents in PFL states are significantly more likely to accumulate home debt, a form of secured borrowing consistent with the idea that income replacement facilitates asset acquisition for growing families. However, when the analysis is restricted to employed new parents, non-married working mothers in PFL states are more likely to take on other debt, a residual category capturing credit union loans and informal borrowing from family and friends.

These gendered patterns deepen when marital status is considered: married respondents predominantly accumulate secured debt, while non-married respondents drive the unsecured debt results, raising concerns about default risk and long-term financial vulnerability. The households most likely to benefit from a safety-net policy are single, non-married new mothers. They appear to be those for whom PFL generates the least favourable debt outcomes.

The findings contribute to debates on household debt, intrahousehold economic dynamics, and the distributional limits of gender-neutral social policies, with implications for the design of a future federal PFL program in the United States.

**JEL Codes:** J38, D13, B54

## Cohesion policies and the mezzogiorno: a multidimensional perspective

**Gianluigi Coppola - Sergio Destefanis**

The paper examines the effectiveness of cohesion policies, with particular reference to EU Cohesion Policy, in the context of Southern Italy (Mezzogiorno), with a multidimensional and long-run perspective. The authors argue that a proper understanding of this issue requires two departures from standard approaches: adopting a long-run lens that highlights the role of so-called spiritual capital - understood as the territorial heritage of strategic vision, sense of responsibility, and capacity for planning - and moving beyond GDP as the primary outcome variable.

The analysis begins with a review of the Cassa per il Mezzogiorno experience, the only historical phase in which the Southern economy genuinely converged toward the national average. Its effectiveness was concentrated in a period of strategic investment in infrastructure and industrial modernisation, before giving way to fragmented income-support interventions lacking strategic vision.

Regarding EU Cohesion Policy, the empirical literature produces mixed results. European-level studies tend to be more favourable than Italian-level ones, possibly reflecting a contrast between high Solow-type convergence potential and low institutional and technological capacity in the Mezzogiorno. EU funds appear to have a significant effect on GDP per capita in Italy, while national cohesion funds generally do not, suggesting that multilevel governance and multi-annual programming have partly offset local institutional weaknesses.

The paper calls for analytical frameworks that account for trade-offs between GDP, employment and broader socioeconomic indicators, while integrating a richer conception of institutional quality to better assess the true impact of cohesion policies.

**JEL Codes:** R58, O11

## Exploring hidden patterns in macroeconomic data series with the fast iterative filtering algorithm\*

**Audrey De Dominicis - Paolo Canofari - Giovanni Piersanti  
Antonio Cicone - Mirko Piersanti**

Understanding the temporal dynamics of macroeconomic data is vital for analysing economic systems. Traditional methods face limitations with the non-stationary and non-linear nature of financial and economic time series. To address these challenges, this paper presents an innovative approach combining Fast Iterative Filtering, a technique tailored for nonlinear, nonstationary, and stochastic processes, with multiscale statistical analysis using the Standardized Mean Test. Applied to macroeconomic series like the US industrial production index and real GDP, this method effectively identifies temporal scales associated with long-, medium-, and short-run dynamics, providing a superior trend-cycle decomposition compared to traditional filters such as the Hodrick Prescott, Baxter-King, and Hamilton filters. Key contributions include: 1) measuring potential output changes from temporary shocks, crucial for output gap decomposition; 2) resolving the deterministic vs. stochastic trend debate; 3) exploring the intricate interplay between trends, gaps, and cycles. Entirely data-driven, this method does not require predefined basis functions. It is empirical, time-localized, and self-adaptive to the signal's characteristics, offering a powerful and flexible tool for analyzing and interpreting complex economic time series.

**JEL Codes:** E32, C82

## Searching for an eco-fiscal double dividend: how does the shadow economy reshape the optimal policy?

**Gianluigi Cisco - Monica Varlese - Francesco Busato  
Giovanni Ferri**

Carbon pricing is central to climate policy because it internalizes environmental externalities and may generate revenues to finance compensation and complementary measures. However, higher carbon prices do not necessarily imply proportionally higher revenues, as firms may adjust through abatement, evasion, or sectoral reallocation. This non-linearity, captured by the Carbon Laffer Curve (CLC), may be especially relevant in economies with a sizable shadow sector. This paper develops a novel Dynamic Stochastic General Equilibrium (DSGE) model that integrates underground economic activity, carbon emissions, and environmental policy. Firms can conceal part of their production from regulatory oversight and choose among paying the carbon price, investing in green innovation, or shifting emissions to the shadow economy. Calibrated to the Italian economy, the model evaluates the interaction between carbon pricing, enforcement, fiscal policy, and green state aid within a more broader climate-policy mix. The findings support the existence of a CLC: increases in carbon prices do not lead to proportional revenue gains. Enforcement plays a crucial role in shaping both the revenue potential of carbon taxation and emissions outcomes. More efficient abatement technologies and higher green state aid reduce unreported emissions but also weaken the revenue capacity of carbon pricing. The optimal response to a positive increase in green state aid is generally stronger enforcement, although this response becomes less aggressive when abatement technologies improve. Effective and fiscally sustainable climate policy requires coordinated policy mixes that explicitly account for informality, compliance constraints, and enforcement capacity.

**JEL Codes:** E32

## The evolution of monetary-fiscal policy interaction in the united states: a regime-switching approach

**Noemi Giampaoli**

This paper analyzes the evolving interaction between monetary and fiscal policies in the United States from 1968 Q1 to 2024 Q4 using a Markov-switching framework. We identify four regimes arising from the joint behavior of the two authorities: passive monetary and passive fiscal policy (macroeconomic uncertainty), active monetary and passive fiscal policy (monetary dominance), passive monetary and active fiscal policy (fiscal dominance), and active monetary and active fiscal policy (policy conflict). The results reveal a close correspondence between the estimated regimes and the major turning points in U.S. macroeconomic history. A structural break emerges around the early 2000s: since then, monetary and fiscal authorities have increasingly responded in real time to common shocks and market expectations, leading to shorter-lived dominance phases and more frequent periods of temporary uncertainty. These findings suggest that the modern U.S. policy mix has evolved toward a more complex framework, capable of preserving dominance and macroeconomic stability through continuous adjustment and implicit coordination, even under conditions of uncertainty.

**JEL Codes:** E63, H5

## Inequality and redistribution under inefficient public provision of private goods

**Thomas Moutos - Margarita Katsimi**

The relationship between inequality and redistribution is usually studied under the assumption that the government collects different amounts of taxes from each citizen (voter) but gives back the same amount (in cash or in kind) to everyone. In this paper we consider what happens if the government can redistribute through both sides of its budget (revenue and expenditure). We study the effects of inequality on the size (and structure) of redistributive programs in both perfectly competitive and monopolistic settings. We find that the presence of monopoly results in a higher tax rate than in the competitive case and that in the latter case an increase in inequality can be associated with a fall in the tax rate. We find also that although the median voter may not vote for a positive tax rate in the presence of public sector inefficiency under perfect competition, she may prefer – ceteris paribus – a positive tax rate in the presence of monopoly.

**JEL Codes:** H23, H42

## Masculinity norms and mental health

**Giovanni Righetto - Sveva Vitellozzi**

Masculinity norms refer to rigid societal expectations about how men should behave. Although they can impose significant psychological burdens, their broader impact on mental health remains underexplored. This paper assesses how restrictive masculinity norms differently affect men's and women's mental health outcomes. Employing an epidemiological approach, we exploit variation in masculinity norms across the countries of ancestry of second-generation immigrants. Matching the 2012 European Social Survey with measures of masculinity norms—proxied by female labor force participation and subindicators of the Social Institutions and Gender Index—we disentangle cultural influences from local institutional factors. Our findings reveal that men originating from countries with stronger breadwinner expectations or greater tolerance for male dominance exhibit higher levels of depressive symptoms, while no significant effect emerges for women. We confirm these results using both alternative indicators of gender norms and an alternative dataset, reinforcing the negative effects of norms on mental well-being. Overall, the evidence suggests that internalizing restrictive masculinity norms imposes psychological costs on men across different institutional contexts.

**JEL Codes:** I19, I31, J16, Z10

## Asymmetric influence of economic growth on income inequality: evidence from west Africa

**Bernard-Didier Benissan - Augustin Foster Chabossou**

Most developing countries achieve economic growth and, however, suffer from unequal distribution of subsequent resources. This study investigates the influence of economic growth on income inequality in west African countries over the 1990-2023 period. Using the QARDL and KRLS techniques, our results revealed that economic growth initially has no effect on income inequality while in the long run, it reduces significantly income inequality. Moreover, this reducing effect is more pronounced in lower quantiles of inequalities meaning that economic growth reduces more income inequality in countries that experience lower levels of inequality. This finding suggests the significance of even income distributional effect of growth only in countries where institutions are still responsive as result of moderate inequality. Finally, this study reported evidence of a bidirectional causality between economic growth and income inequality in west Africa. These results highlight the need of policymakers to enhance institutional quality and the redistributive capacity in developing countries, while promoting inclusive development.

**JEL Codes:** C21, D63, O15, O47

## Fiscal illusion and state-dominance in Indonesia: a static CGE model

**Yudi Saputra - Herbert Wibert Victor Hasudungan**

Under the current administration, Indonesia has seen a significant shift toward state-led development. However, despite rising government expenditures, there is growing evidence of a “structural disconnect” where macroeconomic growth is captured by the public bureaucracy rather than trickling down to the broader economy. Standard models often overlook this state-dominance, failing to explain why fiscal expansion frequently leads to household income erosion. This paper investigates the phenomenon of state-dominance and fiscal illusion in Indonesia using a static computable general equilibrium (CGE) model. Calibrated to the 2022 Social Accounting Matrix (SAM), the study evaluates how a state-led expansion of public services, intended to boost human capital, fails to translate into household welfare due to structural rigidities and distortionary financing.

Using a static CGE model, a uniform 10 per cent increase in government demand for social services is simulated under three fiscal closures: (1) flexible government expenditure cuts, (2) uniform activity-tax financing, and (3) uniform household income-tax financing.

This study demonstrates that Indonesia’s current economic structure suffers from chronic state-dominance, where fiscal expansion serves as an internal loop for the public sector. The findings suggest that without shifting away from distortionary financing and bureaucratic concentration, public spending will continue to create a fiscal illusion of growth while exacerbating structural imbalances and suppressing household income.

**JEL Codes:** C68, H50, H50, D31, O15

## Economic and financial abuse as gendered control: a critical systematic review of quantitative evidence (2010–2025)

**Vincenzo Scardigno - Mariantonietta Intonti**

Economic abuse refers to patterns of behaviour through which another person restricts, controls, or exploits a woman’s access to financial resources, economic opportunities, or decision-making power, thereby undermining her autonomy. This paper presents a systematic review of quantitative research on economic abuse published between 2010 and 2025. Following PRISMA 2020 procedures, 82 studies were identified that quantitatively measure financial control, economic restriction, coerced debt, interference with employment or related behaviours.

Across the included studies, economic abuse is rarely treated as a standalone construct. Rather, it is consistently situated within broader constellations of intimate partner violence. Whether captured through dedicated scales or through instruments that incorporate economic items, financial restriction systematically co-occurs with psychological, emotional and physical forms of partner aggression.

The review also documents the socioeconomic conditions most frequently analysed in the quantitative literature. Education, employment, income and indicators of hardship appear repeatedly as correlates of economic abuse, although associations differ across studies and do not allow for causal interpretation. A major limitation of the evidence concerns measurement: coerced debt, asset ownership, decision-making power and access to financial products are included inconsistently or omitted entirely, restricting comparability across contexts. Methodological constraints, especially the predominance of cross-sectional designs, further limit the ability to examine temporal dynamics.

Overall, the review provides a descriptive map of how economic abuse has been operationalised in quantitative research and highlights the need for clearer measures, broader financial indicators and longitudinal approaches capable of capturing how economic restriction unfolds within intimate relationships.

**JEL Codes:** J16, J12



## Beyond GDP in Europe: a probabilistic analysis of multidimensional well-being

**Usman Ali - Kamal Tasiu Abdullahi**

The dominance of Gross Domestic Product (GDP) as the principal indicator of economic progress has increasingly been questioned, particularly in Europe, where high income levels coexist with social exclusion, environmental stress, and economic vulnerability. Recent crises including the COVID-19 pandemic, the energy shock, and the accelerating climate transition have highlighted the limitations of GDP-centered frameworks in capturing lived economic realities. This study contributes in advancing an empirical approach that conceptualizes well-being as a multidimensional and probabilistic outcome, rather than as a direct function of output growth or GDP.

The study focuses on European countries and investigates the determinants of multidimensional well-being by modeling the probability that individuals achieve minimum standards across economic, social, and living-condition dimensions. The analysis adopts a threshold-based approach that reflects whether individuals experience adequate well-being or remain at risk of deprivation. The analysis relies on European Union Statistics on Income and Living Conditions (EU-SILC) harmonized survey data, this data structure naturally lends itself to binary well-being outcomes, making Probit and Logit regression models the most appropriate estimation techniques.

The findings are expected to demonstrate that well-being outcomes in Europe depend not only on income levels, but also on employment stability, access to services, and institutional quality. Lastly, the study emphasizes how important it is for EU policies to specifically take into account how living conditions, social protection, and economic performance interact. The EU's ability to create policies that improve resilience, social cohesion, and long-term sustainability can be strengthened by shifting from GDP to probabilistic well-being assessment.

**JEL Codes:** E01, I31, Q56, O43

## Mental health and multidimensional poverty in four low- and middle-income countries

**Nicolas Barrantes Gamba**

Mental health has evolved from a neglected issue in international development to a global priority, reflected in its inclusion in the Sustainable Development Goals. The social determinants of mental health framework posit that multiple dimensions of socioeconomic deprivation shape the unequal distribution of mental disorders. While monetary poverty is robustly linked to mental disorders, literature reviews recognise poverty as multidimensional, with dimensions such as education, food insecurity, and housing showing a more consistent association with depression and anxiety than income or consumption poverty. However, cross-country comparative analyses remain rare.

My research addresses the question: How do mental disorders relate to multidimensional poverty in low- and middle-income countries (LMICs)? Using individual-level, nationally representative survey data from four LMICs, I estimate the relationship between common mental disorders and multidimensional poverty. I use nationally representative survey data from four LMICs: Bangladesh, Lesotho, Mozambique, and Peru.

I derive two measures: a continuous deprivation score, calculated as the weighted sum of deprivations (0-100 %), and a binary indicator of multidimensional poverty (deprivation score  $\geq 0.33$ ). As an alternative, I use the DHS wealth index, constructed from household assets, housing conditions and access to basic facilities. I estimate linear regression models in which mental health outcomes are regressed on multidimensional poverty (or wealth), controlling for sex, age, age squared, household size, urban-rural residence, and subnational fixed effects. The findings reveal substantial heterogeneity in both the strength and direction of these associations.

**JEL Codes:** I14, I32

## Multidimensional eco-efficiency and the role of eco-innovations in European regions

**Adam Francescutto**

This paper develops and applies a novel framework to analyze the relationship between multidimensional eco-efficiency, eco-innovation, and regional development across Europe over the period 2010–2019. Against the backdrop of escalating environmental pressures, rising social inequalities, and increasing recognition of the limitations of growth-centered development paradigms, the study responds to calls for more holistic approaches to assessing regional development. It contributes to the literature by reconceptualizing eco-efficiency as a multidimensional construct that simultaneously accounts for social progress and environmental impacts, and by empirically examining the contextual conditions under which eco-innovation contributes to inclusive and sustainable development.

The first objective of the study is to measure multidimensional eco-efficiency (M-EE) for European regions by jointly considering classical production inputs, socially desirable outcomes, and environmentally undesirable outputs. The second objective of the paper is to empirically assess the role of eco-innovation in shaping multidimensional eco-efficiency and to examine how this relationship is moderated by regional income levels, development categories, institutional quality, civic participation, and sectoral structure.

The results reveal pronounced spatial disparities in multidimensional eco-efficiency across Europe. Econometric findings show that the relationship between eco-innovation and multidimensional eco-efficiency is highly conditional. Taken together, the findings challenge linear assumptions that innovation and growth will automatically deliver sustainability. Instead, they point to the importance of context, institutions, and directionality in shaping development outcomes. By integrating eco-efficiency with multidimensional social progress, the paper offers a framework for rethinking regional competitiveness as the capacity to generate well-being within ecological limits.

**JEL Codes:** R11, Q56 015, 031

## Impacts of renewable and non-renewable energy on sustainable current account balance in MENAT countries using the PMG-ARDL model: do foreign direct investment and institutional quality matter?

**Rihab Bousnina**

This study examines the relationship between non-renewable and renewable energy consumption and the current account balance in 12 Middle East-North African and Türkiye (MENAT) countries from 1995 to 2022. To achieve this objective, we utilized the pooled mean group autoregressive distributed lag panel (ARDL-PMG) model proposed by Pesaran et al. (1999). Our empirical findings reveal that all variables exhibit long-term effects. A noteworthy finding is the presence of an asymmetric effect between current account balance and renewable energy consumption, evident in both the short and long run. Additionally, a unidirectional relationship between non-renewable energy consumption and the current account balance was found. The study also found evidence of a causal relationship between institutional quality and renewable energy adoption. These findings hold significant implications for policymakers in the MENAT region, suggesting that continued efforts in technology transfer, the development of new economic models, and the mobilization of financing are essential for a successful transition to renewable energy. This aligns with the United Nations Sustainable Development Goals (SDGs), particularly Goal 7—Affordable and Clean Energy—and Goal 13—Climate Action, emphasizing the importance of sustainable energy consumption and climate mitigation strategies for long-term economic and environmental stability.

**JEL Codes:** Q43, Q42, F32

## House for sale: real estate sales strategies on social media, a comparative analysis using AI between high-end and affordable homes in Mexico

**Cristian Eduardo Perez Chavez**

Access to housing in Mexico represents one of the country's most significant social and economic challenges, despite being constitutionally recognized as a fundamental right. Structural factors such as income inequality, territorial disparities, and unequal access to financing continue to limit the ability of a large portion of the population to acquire homeownership. As a result, the Mexican housing market has become increasingly segmented, particularly between high-end residential developments and affordable housing. This segmentation is not only expressed spatially and economically, but also through the digital strategies used to promote and sell housing in online environments

The present study conducts a comparative analysis of real estate sales strategies for high-end and affordable housing on social media in Mexico, using artificial intelligence tools as methodological support to identify narrative, visual, and discursive patterns. The research is grounded in a theoretical framework that integrates concepts from sales theory, digital marketing, communication strategies, artificial intelligence, and the socioeconomic analysis of housing access.

The research presents a spatial quantitative analysis of housing value, housing stock, and access to credit revealing a strong territorial concentration. The qualitative component focuses on the analysis of four real estate promotion videos published on YouTube and reveals clear differences in digital communication strategies between high-end housing versus affordable housing. The study demonstrates that artificial intelligence tools provide a viable and innovative methodological contribution to the analysis of digital content, enabling the systematic identification of discursive patterns and their relationship to broader economic and spatial variables.

**JEL Codes:** A14, A13

## Narratives and systemic financial stress: high-frequency early warning signals from news and financial data

**Dmytro Diachkov**

Timely detection of systemic financial stress remains a central challenge for macroprudential surveillance due to rapid market dynamics and nonlinear interactions. This paper extends a high-frequency early-warning framework for systemic financial stress in Europe by incorporating daily news-based narrative indicators extracted using a large language model (LLM). The companion (baseline) study develops and validates a machine-learning pipeline that predicts short-horizon increases in systemic stress using daily financial, banking, macro-financial, and sentiment indicators. The present paper adds an information channel-structured measures derived from business news text and evaluates whether narrative signals provide incremental predictive content beyond market-based variables, particularly in the early stages of stress accumulation.

The contribution is therefore methodological and empirical: it proposes a disciplined way to convert daily news coverage into transparent, low-dimensional predictors suitable for real-time early-warning settings, and it quantifies their added value under strict temporal constraints, improving systemic stress predictions.

The results indicate that LLM-extracted news indicators might contain economically interpretable information that complements market-based predictors. Their incremental contribution might be observed during periods when stress is building, but not yet fully reflected in financial prices, consistent with the idea that narrative shifts can precede broad market repricing.

The findings support the use of LLM-based text analysis as a structured input to high-frequency systemic stress monitoring when implemented with strict temporal discipline and transparency. The proposed approach does not replace established macroprudential tools; rather, it augments them by incorporating a systematically measured narrative channel that can enhance real-time detection of emerging financial stress.

**JEL Codes:** E44, C53

## Measuring polycentrism with the H-D framework: an Italian NUTS-3 regions case study

**Mario Mistretta - Salvatore Greco - Gianpiero Torrì**

In recent decades, the phenomenon of polycentrism has gained momentum for both policymakers and academics. It refers to urban and regional systems with a more balanced and distributed spatial organisation, where multiple centres coexist and interact functionally. This complexity poses challenges for how we define, measure, and plan urban systems. Recent literature has highlighted 'Polycentric Urban Development' (PUD) as a cornerstone of contemporary urban studies. This study adopts the Benessere Equo e Sostenibile (BES) framework to redefine the concept of regional excellence, shifting the focus from purely economic output to a multidimensional assessment of performance.

By utilising a dataset of 36 indicators across the 107 Italian NUTS-3 provinces, the model encompasses the multidimensionality of wellbeing through 11 key domains. By shifting the analytical focus from aggregate production to the multidimensional quality of life, the study redefines polycentrism as a functionally distributed network of wellbeing.

Our analysis captures a significant performance gap: provinces in Northern and Central Italy consistently exhibit higher performance values compared to their Southern counterparts. The model reveals that the South suffers from a systemic wellbeing deficit that spans from environmental quality to social services and research infrastructure.

The proposed methodology, while offering a novel tool to assess and measure the extent of PUD, offers a robust, data-driven tool for policymakers to monitor territorial cohesion in the 'beyond GDP' era. Hence, strengthening intermediate centres (NUTS-3) is essential to reduce the regional performance gap and to build a more resilient and equitable nation.

**JEL Codes:** C43, R11

## Does economic growth foster prosocial behaviour? Evidence from global country panels

**Giulia Slater - Kelsey O'Connor - Francesco Sarracino  
Fengyu Wu**

Volunteering, helping strangers and donating are all prosocial behaviours (PSB) that are key social resources and important components of social capital. Indeed, they support subjective well-being (Helliwell et al., 2017), lower deaths of despair (O'Connor et al., 2025), strengthen social cohesion, and may help societies solve collective-action problems (Beaton et al., 2005).

Research frequently found evidence of a positive cross-sectional correlation between social capital and economic growth. The relationship between economic development and prosociality however is understudied and may be more complex than commonly assumed.

Our analysis starts by observing that there exists a robust positive relationship between household income and PSB in individual level data worldwide from the Gallup World Poll. This correlation emerges both across countries and within countries over time. This motivates our core question: does the same logic hold at the aggregate level? We test this using a global country panel from 2009 to 2023.

Empirically, we replicate the positive cross-sectional association between income levels and PSB. However, we find little evidence that increases in GDP per capita translate into higher PSB over time. This result mirrors the paradox documented in the social capital literature for which interpersonal trust and GDP are positively correlated across countries, but in the long run, GDP hampers it (Sarracino and Slater, 2025).

We interpret these results as the net outcome of offsetting mechanisms. Rising incomes may facilitate giving and participation, but growth can simultaneously reshape social life reducing the time, motivation, or social embeddedness needed for prosocial behaviors.

**JEL Codes:** I31, Z13, O47, O50, O43

## Who benefits from culture? Social capital shaping the effects of cultural participation on life satisfaction

**Alessandro de Cristofaro**

Cultural participation has long been recognized as a significant contributor to individual wellbeing. While existing research has documented a positive association between cultural participation and subjective wellbeing, the extent to which social capital moderates this relationship has not been systematically examined. This study addresses this gap by analysing the effects of cultural participation on life satisfaction among Italian adults, with explicit attention to the moderating role of social capital.

This study hypothesises that social resources condition the extent to which individuals benefit from cultural engagement. Two competing mechanisms are considered: a substitution effect, whereby cultural participation compensates for lower social resources, and a cumulative advantage mechanism, whereby individuals already endowed with higher bonding social capital derive greater life satisfaction returns from cultural engagement.

This study analyses original survey data collected in 2025 from a nationally representative sample of 10,000 Italian adults. A series of OLS and logistic regression models is estimated, predicting life satisfaction as a function of cultural participation, testing two-way interactions with social capital and with relevant controls.

The findings consistently show that the variables are positively and significantly associated across all measures, while the moderating role of social capital reveals two distinct and coexisting mechanisms depending on how wellbeing is measured.

As policy implications: interventions aimed at expanding access to cultural participation may be particularly effective as a tool for social inclusion. More broadly, the effects of cultural participation outside home on life satisfaction are shaped by the broader social context in which individuals are embedded.

**JEL Codes:** D71

## Title to be defined

**Marcela Pizzella**

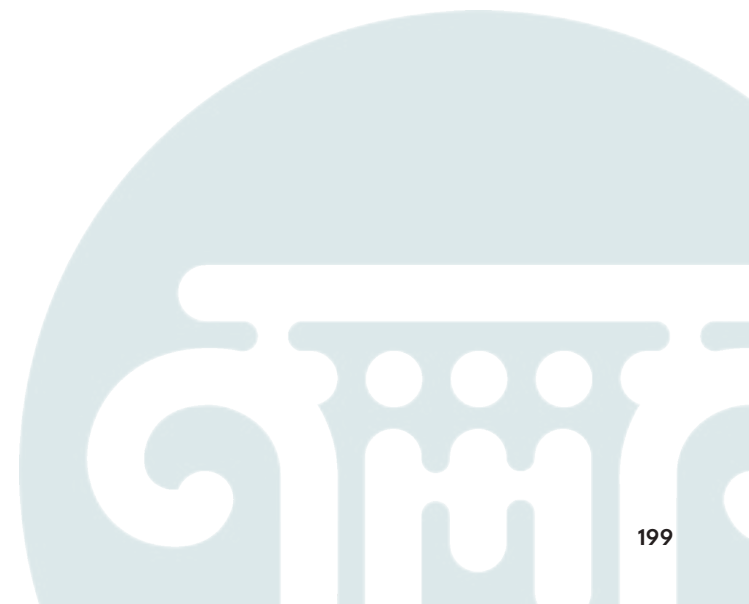
The debate over measuring the progress of nations has long highlighted the inadequacy of Gross Domestic Product (GDP) as the sole indicator of collective well-being. Originally conceived within national accounting, GDP systematically fails to capture the qualitative dimension of growth and the distributional dynamics of wealth. This metric paradoxically includes negative externalities, while excluding factors essential to human dignity.

This paper aims to answer three fundamental questions: How can moving beyond the purely quantitative logic of income redefine the concept of “human development”? What is the effective role of models of participatory democracy in strengthening a sense of belonging and institutional trust? How can these bonds be consolidated through “communicative democracy”?

The research begins by deconstructing the paradigm that equates productive growth with social progress and reinterpreting development as a process of expanding fundamental human freedoms. Subsequently, the study examines the transition to models of participatory democracy as a necessary response to the legitimacy crisis affecting traditional politics.

The research concludes that revitalizing institutions requires a profound rethinking of participatory mechanisms. A nation’s well-being cannot be derived solely from national income; it lies in the country’s ability to value each citizen as an integral, active, and informed part of the community. Only through the integration of multidimensional metrics, inclusive participation, and communication technologies will it be possible to pave the way to true democracy, making it a space for the authentic expansion of human capabilities and demographic resilience in the face of future challenges.

**JEL Codes:** D71



## PILLAR 4

### Beyond the state-citizen gap

Pillar 4 focuses on circular subsidiarity, where citizens are no longer viewed as passive recipients of public policies, but as active agents in the co-design and co-management of common well-being; the concept of the citizen as a “customer” or “subject” is transcended in favor of a leading role.

The abstracts presented outline a new model of political economy that transcends the State-Market dichotomy, seeking a shift from exclusively top-down decision-making models to participatory and dialogic ones. Concrete examples include the participatory management of plant health crises (such as Xylella) or the creation of shared economic infrastructures in peripheral neighborhoods (e.g., Bottega Quarticciolo in Rome).

The role of trade unions and intermediary organizations as facilitators of a subsidiarity that integrates labor, participatory management, and social responsibility is explored. Innovative tools to stimulate cooperation are analyzed, including “conscious taxation” and the use of public financing mechanisms that promote local ownership and poverty reduction (e.g., cooperation projects in Kenya).

Many studies focus on “left-behind” neighborhoods, where subsidiarity translates into the creation of laboratories, energy communities, and civil economy networks that activate endogenous capacities to combat the illicit economy. The study explores how the temporal orientation of policymakers (linked to life expectancy) influences environmental investments and how social procurement policies can create lasting public value.





## Achieving social well-being: civic participation and conscious taxation

**Martina Rianna**

The paper situates itself within the critical debate on contemporary political economy, challenging exclusively top-down decision-making models in which public choices remain in institutional hands, reducing citizens to passive recipients. The thesis is the conviction that social progress and the pursuit of individual and collective wellbeing require a fundamental rethinking of economic and institutional governance, centred on an anthropocentric vision in which the individual becomes an active subject through participation and dialogue.

This humanist project requires instruments capable of stimulating cooperation and civic engagement, fostering a relationship of mutual trust between citizens and institutions. Overcoming rigid top-down political economy does not imply marginalising institutions, but recalibrating their role: through targeted social policies, they can reaffirm the centrality of the individual as an active agent in collective action.

A central focus is the Italian institution of purpose-based local taxes (“tributi di scopo”), levied by municipalities to finance specific public works or services. Unlike conventional fiscal extraction, these instruments establish a direct and visible link between taxpayer contribution and the resulting public benefit, transforming taxation from a coercive obligation into a mechanism of genuine civic participation. By enabling citizens to observe the outcomes of their fiscal contributions - whether in road maintenance, public services, cultural heritage, or environmental protection - purpose taxes reduce the perceived distance between citizens and public administrations, strengthening institutional trust and generating positive-sum cooperative dynamics.

The paper suggests that purpose-based taxation can serve as fertile ground for a solidaristic and relational reimagining of political economy.

**JEL Codes:** Not indicated

## Non-transferable utility coalitions in common-pool resource management: insights from polycentric governance

**Giovanna Bimonte - Andrea Gatto - Luigi Senatore**

This paper studies coalition formation for common-pool resource (CPR) governance within non-transferable utility (NTU) games, where side payments are infeasible and utility cannot be redistributed. Building on insights from polycentric governance, the authors develop a static model that characterises the decentralised non-cooperative equilibrium, defines feasible utility sets and NTU solution concepts, and analyses conditions under which coordination can improve upon decentralised outcomes.

The analysis proves the uniqueness and inefficiency of the decentralised Nash equilibrium relative to the cooperative frontier. The paper then examines fixed-share rules combined with a system-wide buffer, a reserved stock that cannot be unilaterally appropriated. Under this buffer discipline, the coordinated profile can satisfy incentive compatibility and, depending on parameters and sharing weights, individual rationality and core stability.

The policy implications are concrete. Stability must be built around the primitives of benefit and congestion cost, not transfers. A proportional sharing rule with an enforced buffer acts as an institutional conservation reserve, steepening marginal costs near overuse and deterring unilateral deviation. The participation baseline, whether autarky or the decentralised Nash, should be made explicit, as it determines how demanding individual rationality constraints become. When proportional shares fail to satisfy these constraints, rebalancing weights through minimum guarantees or need-based adjustments can restore feasibility without side payments.

The framework integrates naturally with polycentric governance: local centres can tailor buffer sizes and monitoring to ecological and social conditions, while higher-level institutions provide legitimacy without imposing transfers, offering a tractable, transfer-free pathway to sustainable CPR governance.

**JEL Codes:** C71, Q57, Q56, H49, B52

## The institutional dynamics of international agreements

**Massimiliano Marletta - Gaia Taiani**

The paper addresses a fundamental paradox in international economic governance: although transaction-cost economics identifies treaty-contracts as the first-best institutional arrangement for managing cross-border interactions, states systematically rely on normative treaty-law to regulate the most critical domains of the global economy. The coexistence of contractual and normative architectures, and the systematic shift toward second-best regulatory regimes, has been largely unexplained in the literature.

To address this gap, the authors develop a formal model of the dynamic evolution of international trade agreements, explicitly distinguishing between contractual and normative typologies. Applying a nonlinear ordinary differential equation framework and bifurcation theory, the model captures how international cooperation evolves over time in response to variations in institutional quality and international political pressure.

The analysis identifies two distinct regimes. Under positive political pressure even deteriorating domestic institutions cannot prevent trade cooperation, as external pressure sustains treaty compliance along a continuous soft-to-hard law trajectory. Under negative political pressure, a hysteresis gap emerges. High transaction costs render soft normative treaties unfeasible, trapping the system in a non-cooperative equilibrium. A transition to full compliance occurs only when institutional quality surpasses a critical threshold, at which point the system discontinuously shifts to a highly binding contractual regime.

By endogenizing the treaty form, the paper offers a unified framework for understanding the life cycle of international agreements, from the gradual hardening of GATT into the WTO to the fragility of trade relations in a fragmented geopolitical order.

**JEL Codes:** D02, F53

## Rethinking Europe's social contract: towards a just economy

**Salvatore Monni - Massimo Pallottino**

Europe is confronting a convergence of social, ecological, democratic and demographic crises within a rapidly transforming geopolitical landscape. The erosion of Europe's relative economic dominance, driven by the reframing of global powers and intensified international competition, has weakened a social contract historically sustained by expanding wealth and social protection. As economic resources become more constrained and inequalities widen, the risk of political instability, democratic erosion and social fragmentation increases. It is also recognized that European prosperity, from a sustainability perspective, cannot be promoted at the expense of other parts of the world. Under these conditions, renewing Europe's social contract is no longer a political choice but a structural necessity.

This paper argues that social cohesion, democratic stability, the care for the biosphere and responsibility as a global actor can no longer be secured through the growth-oriented economic models that have shaped the last eighty years. These frameworks, once capable of delivering rising prosperity, are now structurally unfit to address today's ecological limits, social imbalances and geopolitical shifts. New ideas are therefore needed to define how prosperity can be shared in a context where traditional growth pathways are increasingly exhausted.

Instead, Europe must anchor its future in a just economy centred on human dignity, ecological responsibility, democratic participation and social solidarity. Far from being merely a normative aspiration, this humanist approach represents Europe's most viable response to global power shifts and the growing threat of political instability.

**JEL Codes:** D63, P16, H11, Q01

## Economic inequality delusion and the limits of electoral accountability: a microeconomic extension of the economic voter theory

**Mostafa Raeisi Sarkandiz**

This paper introduces the concept of "economic inequality delusion" and develops a microeconomic political-economy model to study how electoral accountability can weaken even when voters correctly observe their income, behave rationally, and experience improving economic conditions. The analysis extends the 1957 economic voter theory of Downs by relaxing the feasibility-anchoring assumption without modifying preferences, information, or rationality.

The key distinction is between realised economic welfare, derived from optimisation within the true budget set, and the politically relevant utility benchmark, defined over a perceived opportunity set that may exceed economic feasibility. Economic inequality delusion arises when this perceived set is strictly larger than the feasible one, generating dissatisfaction even under income growth and correct optimisation. The distortion parameter governing the perceived opportunity set evolves endogenously in response to political-institutional signals such as policy announcements, distributional narratives, and reference-group comparisons.

The paper establishes three main results: economic inequality delusion arises if and only if perceived opportunity exceeds feasibility; politically relevant utility can decline despite income growth; and improving economic performance does not guarantee increased incumbent support when evaluative benchmarks drift independently of economic constraints.

By grounding the mechanism in a standard microeconomic structure while preserving rationality and stable preferences, the paper offers a mathematically rigorous clarification of an implicit boundary condition in Downs' theory, with implications for understanding electoral volatility and the limits of retrospective voting in contexts of rising inequality perceptions.

**JEL Codes:** D72, D63

## How should macroeconomists think about AI and the labor market?

**Edoardo Gaffeo**

This paper develops a unified theoretical framework to study the labour-market and growth implications of artificial intelligence, integrating task-based models of automation with cognitive approaches that treat AI as a technology of prediction and judgment support. The central premise is that generative AI represents a qualitative departure from earlier waves of digital automation: rather than mechanising well-defined routines, modern machine-learning systems operate by improving prediction, inference, and information processing.

The framework adopts a task-specific primitive capturing the sensitivity of output to prediction errors. AI-driven improvements in prediction raise effective labour productivity most strongly in tasks where misprediction is costly, such as diagnosis, coordination, and judgment-intensive decision-making. Assuming task-specific wages and imperfect labour mobility, the model delivers a transparent expression for cross-task wage variance. When tasks are gross substitutes, positive covariance between baseline productivity and augmentation amplifies wage dispersion through a “Matthew effect”; when tasks are gross complements, the same covariance compresses wages. Wage polarisation is therefore not an inevitable consequence of AI adoption but depends on the interaction between task-level technologies and production structure.

The paper shows that a stable labour share requires coordination between capital productivity growth in automated tasks and labour augmentation growth in non-automated tasks. Endogenous task creation enabled by AI relaxing cognitive constraints provides an additional stabilising margin, reinstating labour in new activities without requiring automation to slow down.

Since private incentives favour easily appropriable automation, public policy should steer AI toward cognitive augmentation and task creation, tilting innovation toward complementarity rather than displacement.

**JEL Codes:** E24, J24

## Commodity price shocks, financial fragility, and state-dependent macroeconomic dynamics

**Felipe Silva**

This paper aims to understand how the macroeconomic effects of commodity price shocks depend on the prevailing financial environment, using a state-dependent local projections framework applied to Brazil and the United States. Rather than imposing a single average transmission mechanism, the empirical strategy allows impulse responses to vary with the level of lagged financial fragility, capturing nonlinear amplification effects consistent with Minskyan dynamics.

The results reveal a robust pattern of short-run neutrality: economic activity and interest rates respond only weakly on impact, ruling out a mechanical transmission from commodity prices to the real economy. Real effects materialise gradually and conditionally. At medium and long horizons, output contracts persistently when financial fragility is high, while remaining statistically indistinguishable from zero under low fragility. This asymmetry is particularly pronounced in Brazil but also emerges in the United States at longer horizons.

Under high fragility, commodity price shocks reinforces output contraction. Inflation responses are comparatively modest and delayed, indicating that cost-push pressures play a secondary role. Monetary policy itself is an endogenous component of the amplification mechanism: in Brazil, policy tightening under high fragility precedes and deepens the real contraction; in the United States, an initial tightening is partially reversed, mitigating but not eliminating long-run effects.

Overall, the evidence supports a macro-financial view in which commodity markets, balance sheets, and monetary policy jointly determine the dynamics of growth and stability, with commodity shocks becoming macroeconomically disruptive not because of their intrinsic size, but because of the fragile financial environments in which they occur.

**JEL Codes:** E44, E32, E52, F41, Q02, C32

## Evaluating development projects financed through the Kenya-Italy debt for development programme (KIDDP): a human development and capability approach-based analysis

**Pietro Ghirlanda - Gianni Vaggi**

This paper evaluates a series of development interventions funded by the Italian Agency for Development Cooperation (AICS) under the Kenya-Italy Debt for Development Programme (KIDDP), using the human development and capability approach as its evaluative framework. The KIDDP, signed in October 2006, converted bilateral debt owed by the Kenyan government to Italy into 44 million euros for project implementation across four fields - urban development, health, water and sanitation, and education - financing 134 projects over a fifteen-year period ending in 2022.

The paper argues that the human development and capability approach offers a more comprehensive evaluative benchmark than traditional instruments, structured around six dimensions: ownership of development projects, governance and community participation, individual and collective empowerment, tangible and intangible effects, cross-sector spillovers, and sustainability. The empirical analysis covers 26 selected projects (19.5% of the total, representing 24.6% of the overall budget) across four areas: Nairobi, Nyandarua, Tharaka-Nithi, and Kilifi. A retrospective ethnographic inquiry conducted through four field missions in 2023 involved interviews and focus groups with 15 government officers, representatives of 10 local management committees, and more than 120 beneficiaries.

The findings reveal both best practices and areas for improvement. The long implementation timeframe and participatory governance structure proved effective, particularly in Korogocho (Nairobi), where concentrated intervention yielded strong results in poverty reduction and local ownership. However, excessive fragmentation of resources outside Korogocho limited beneficiary participation in project selection, and high staff rotation constrained programme effectiveness.

**JEL Codes:** F34, O2

## Challenging the exclusivity of top-down approaches: toward an innovative political economy

**Oussama Chaib - Mustapha Ziky - Khalid Ahmed Zyat**

This paper examines the Moroccan government's use of sale and leaseback (SLB) arrangements as an innovative public financing mechanism, analysing the motivations underlying its adoption, the associated risks, and the conditions required for its long-term sustainability. Introduced in Morocco's 2019 Finance Law, SLB has rapidly become a central instrument in public financing strategy, mobilising more than 70 billion dirhams between 2019 and 2023 through the transfer of over 330 public buildings, with projections reaching 140 billion dirhams by 2025 in a context where public debt exceeded 1,000 billion dirhams and reached 67.7% of GDP by end-2024.

The theoretical framework draws on public finance theory, financial innovation theory, pecking order theory, and new public management, positioning SLB as a rational response to fiscal space constraints that enables governments to generate immediate liquidity from immobilised assets without directly increasing conventional debt indicators.

Adopting a qualitative and interpretivist approach, the analysis is based on semi-structured interviews with 32 public finance experts, treasury controllers, and tax inspectors, examined through thematic and textual analysis. The results identify three key themes. The primary motivation for SLB adoption is debt avoidance and reduced dependence on international financial institutions. Identified risks include rising public service costs, potential loss of asset control, corruption exposure due to the absence of public procurement requirements, and intergenerational fiscal pressure. Interviewees recommend establishing a clear legal framework, excluding sensitive social sectors such as education and health, and broadening recourse to public entities over private institutions.

**JEL Codes:** H50, H60, B26

## Politics, the Individual and Society: a holistic approach

**Chiara Pollina**

The paper proposes a holistic, interdisciplinary approach to analysing the interrelated phenomena of social anger, political polarisation, populism, and electoral abstention that characterise contemporary democratic societies. The central argument is that existing research, while rich within individual disciplines, lacks an integrated interpretive framework capable of capturing how political, social, psychological, and cultural dynamics mutually reinforce one another.

The analysis identifies a structural failure of public administrations to represent the diversity of the populations they govern. Political and bureaucratic actors tend to operate through simplified, binary readings of social reality that reflect mainstream groups and those with greater institutional influence, effectively marginalising more fragile segments of the population. Using Watzlawick's communication theory, this exclusion constitutes a form of disconfirmation - a pathological denial of the existence and voice of certain social groups. Benjamin's concept of recognition further illuminates how political decisions that fail to acknowledge difference inflict symbolic violence on those who do not fit the dominant framework.

When unmet needs are met with institutional silence, individuals respond following Hirschman through voice or exit, though both options often prove ineffective for marginalised groups. The resulting frustration coalesces through social media, where algorithmic amplification radicalises positions and deepens distrust toward traditional political actors, fuelling abstention or protest votes directed at authoritarian populist figures.

The paper affirms that overcoming this vicious cycle requires analytical tools and policy frameworks capable of integrating multi-level complexity, addressing the needs of marginalised populations, and rebuilding institutional recognition as a precondition for democratic legitimacy.

**JEL Codes:** H75, I38

## Macroeconomic models, financial investments and the objectives of the ecological transition

**Antonio De Chiara**

The need to design macroeconomic models adequate to the EU's green transition has stimulated a growing body of Keynesian research. In contrast to the neoclassical tradition, which is rooted in weak sustainability, Keynesian economists have developed models grounded in strong sustainability, integrating financial variables into the cycle of economic and environmental sustainability and assessing their impact on the social sphere and the common good.

This paper draws on stock-flow consistent modelling to examine the convergence between central bank economic culture and the evolving literature on the ecological transition. A central focus is the role of the European Central Bank (ECB), which already supports the expansionary phases triggered by the European Commission's Green Deal and is increasingly called upon to integrate climate risk into its decision-making processes. The paper reviews instruments developed to this end, including climate stress tests, which assess the resilience of financial institutions to different climate scenarios, and the incorporation of climate-related financial risks into the assessment models of non-financial rating agencies, strengthening their role in directing capital toward more sustainable sectors.

The paper shows potential benefits of embedding these growth models into the institutional planning frameworks of the European Commission, and it highlights the need of green monetary instruments such as green bonds and preferential refinancing mechanisms.

Also, international coordination among central banks, financial institutions, and governments is indispensable for addressing the global dimension of climate change, and that Keynesian macroeconomic theory provides a basis for developing inclusive monetary policies aligned with ecological transition objectives.

**JEL Codes:** F55

## Inclusive growth and development as collective capabilities

**Matteo Migheli**

This paper argues that inclusive growth (IG) and inclusive development (ID) are best understood as collective capabilities - that is, outcomes that require the active cooperation of multiple agents and cannot be achieved through top-down prescription alone. The paper identifies four key pillars of inclusiveness - poverty reduction, unemployment reduction, income inequality reduction, and income growth - and demonstrates that each constitutes a collective capability in the sense developed by Sen and Nussbaum, thereby extending the capability approach from the individual to the social level.

The main theoretical contribution is that framing inclusiveness as a collective capability broadens the scope of the capability approach and strengthens its normative foundations. From an implication perspective, policies aimed at promoting inclusiveness must themselves be inclusive, involving the people they target in every phase of the process from design and implementation to evaluation. Because collective capabilities require cooperation among diverse agents, inclusive growth programmes cannot be conceived without the meaningful participation of the communities they seek to benefit.

The empirical evidence is provided with a comparative analysis of advanced and developing economies. Advanced economies appear to possess institutional arrangements capable of sustaining inclusiveness beyond income redistribution and job creation, while developing Countries rely more heavily on the four pillars identified in the paper. These findings point to the importance of institutional strength and development in rendering growth genuinely inclusive.

Future research should explore Country-specific institutional constraints that may limit the implementation of effective inclusion.

**JEL Codes:** O15, O21

## Machine learning finance: how artificial intelligence will affect economic policy- introductory thoughts

**Jorg Orgeldinger**

This paper examines the impact of artificial intelligence on economic policy, with a focus on technological progress, welfare, and taxation. AI-driven automation holds significant potential to enhance productivity and economic growth, but it also introduces structural challenges: labour displacement, rising inequality, and the erosion of traditional tax bases as automation reduces the labour tax base while concentrating wealth in AI-intensive industries.

The analysis explores the relationship between technological progress and welfare, emphasizing the need for efficient resource allocation and equitable redistribution to ensure that the gains from AI are broadly shared. In contexts of market imperfections and costly redistribution, the standard assumption of Pareto-improving technological change requires careful qualification. The paper examines how production efficiency gains interact with distributional trade-offs, and what conditions allow technological progress to support broad welfare improvements.

The paper identifies the limitations of traditional tax systems in an AI-dominated economy and proposes alternative strategies, including automation taxes, Pigouvian taxes, and data taxation, to restore the capacity for redistribution. It underlines that technological progress through targeted policy interventions is essential to align AI development with social goals, incentivising beneficial applications and discouraging harmful ones.

The paper calls for a balanced approach combining conventional redistribution mechanisms with innovative pre-distribution strategies such as education reform and labour market regulation, to promote economic equity and social stability in the AI era.

**JEL Codes:** O33, H20, I38

## RELEASE AfCEN: a practical debt-for-climate mechanism for the coalition of finance ministers for climate action (Africa)

**Roberto Ridolfi**

This paper presents RELEASE AfCEN (RELEASing debt for climate - Africa Climate and Energy Nexus), a sovereign debt conversion framework designed to simultaneously reduce debt vulnerabilities and expand fiscal space for climate investments across African nations. The mechanism allows debtor Countries, in agreement with creditors, to redirect scheduled external debt repayments in foreign currency into a national Climate and Energy Nexus Fund denominated in local currency, avoiding foreign exchange pressure while generating capital for climate-aligned investments.

Rather than adding new external borrowing, RELEASE AfCEN converts existing debt service obligations into guarantees and co-investment capital, channelled through an AI-powered appraisal platform that reduces project appraisal time by approximately 90% and cost by 70%. Governance remains firmly with the Ministry of Finance, with creditor participation in oversight but no veto rights. All investments are aligned with national development plans, Nationally Determined Contributions, SDG and ESG standards.

The framework is structured around seven operational steps, from political mandate and debt diagnostic through pipeline creation, to Coalition-level peer learning and scale-up. It is explicitly designed to be flexible, politically feasible, and compatible with Paris Club and non-Paris Club creditors, including BRICS+ and Gulf sovereign funds.

The paper claims that RELEASE AfCEN creates a virtuous cycle: reduced debt service generates increased investment, higher resilience, and improved creditworthiness. Its adoption by the Coalition of Finance Ministers for Climate Action, already endorsed in principle by Italy for 225 million USD of credits to least developed Countries, offers a replicable and scalable model aligned with the Helsinki Principles.

**JEL Codes:** Q54, H63

## Addressing the climate crisis in real estate: beyond financialized capitalism

**Fedra Vanhuyse**

This paper argues that the persistent failure to scale climate action in real estate and urban environments cannot be explained primarily by a lack of capital or innovative instruments. Instead, climate finance is failing because the binding constraints are governance and collective authority under conditions of financialized development. Climate action has become legible through collateral values, cash-flow expectations, and bankability screens, creating a governance failure mode in which disclosure and risk analytics rarely alter the upstream political decisions that generate exposure, allowing risks to accumulate until repricing becomes abrupt and destabilising.

The paper identifies a structural loop linking land-use governance, housing and asset-market financialization, insurance and credit intermediation, and the state's role as residual risk bearer. Housing scarcity and protection gaps amplify this loop by increasing political incentives to develop marginal land and shifting residual losses onto public balance sheets. Many climate adaptation measures operate at district scale, where benefits spill across parcels and networks while costs fall on particular owners, utilities, or municipal budgets, generating classic collective action failures.

To break this loop, the paper proposes a governance-first framework structured around five state variables: spillover intensity, project lumpiness, observability and verifiability, commitment enforceability, and distributional conflict. Using public-goods mechanism design, polycentric governance, and contract theory, it develops a typology of collaboration archetypes matched to different configurations of the five variables.

The contribution moves beyond top-down political economy by inserting polycentric decision rights, representation, and accountability as constitutive elements of climate investment, rather than considering them as ex post stakeholder management.

**JEL Codes:** Q54, R31

## Advancing clean energy transition in MENA enterprises through awareness, feasibility, and perceived efficiency

**Giorgia Giovannetti - Enrico Marvasi - Chahir Zaki**

This paper investigates the factors driving clean energy adoption by firms in the Middle East and North Africa (MENA) region, a vulnerable area to climate change where firm-level analysis of the energy transition is underexplored. The study addresses a critical gap: if policymakers do not understand the mechanisms shaping firms' adoption decisions, they risk delaying the green transition and compounding long-term socioeconomic costs.

The paper proposes a conceptual framework that organises the determinants of adoption into three distinct drivers: awareness (firms' knowledge of available clean technologies), feasibility, and perceived efficiency (expectations about profitability and efficiency gains). Clean energy adoption is modelled as the outcome of a structured cost-benefit evaluation proceeding through these three stages. The framework is empirically tested using firm-level data from four MENA Countries - Egypt, Jordan, Tunisia, and Morocco - making this one of the first cross-Country quantitative analyses of clean energy adoption in the region.

The results show that awareness is the most important determinant, outweighing both feasibility and perceived efficiency. Its effect is significantly amplified for firms managed by women and for firms integrated into global value chains (GVCs), suggesting that both managerial diversity and international exposure enhance firms' capacity to identify and act on clean technology opportunities. By contrast, the awareness of government policies does not significantly moderate adoption decisions.

These findings carry direct policy implications: accelerating the clean energy transition in MENA requires targeted information campaigns and GVC integration strategies, while also highlighting the underexplored role of female leadership in advancing corporate sustainability.

**JEL Codes:** Q55, Q56, D22, F14

## Good deeds take time: a dynamic analysis of the environmental effectiveness of the Kyoto protocol

**Sabrina Auci - Andrea Pronti - Marco Quatrosi**

This paper evaluates the effectiveness of the Kyoto Protocol in reducing greenhouse gas emissions and its impact on biocapacity using an extensive sample of signatory and accession Countries over the period 1990-2019. Despite its status as the first legally binding international agreement to curb emissions, the Protocol has been heavily criticised for its design and implementation. The methodological approach adopted addresses potential biases arising from dynamic treatment timing and diversified policy impacts, ensuring the robustness of findings across a long-time horizon.

The results reveal an asymmetric pattern of environmental effects. Reductions in CO<sub>2</sub> emissions per capita emerge only with a significant lag, approximately 10 years in the unconditional model and 14-18 years in the conditional specification, reflecting the inertia of existing energy infrastructure, the time required for domestic policy transposition, and the slow diffusion of low-carbon technologies. Decoupling of CO<sub>2</sub> intensity from GDP follows a similar trajectory, with deeper and more persistent reductions appearing only after 12-15 years, pointing to the need for structural shifts toward low-carbon economic architectures.

By contrast, improvements in biocapacity and ecological sustainability metrics are more immediate and consistent across both model specifications, suggesting that international cooperation on emissions may have prompted parallel investments in ecosystem management, land use, and renewable resource preservation - interventions more rapidly reflected in ecological indicators than in emission inventories.

Findings highlight the importance of long-term commitment and patience in evaluating multilateral environmental agreements, but also unintended trade-offs, including increased resource depletion in some developed Countries.

**JEL Codes:** Q54, Q56, Q01

## The energy transition: Is decarbonization driving a redistribution of resources?

**Maria Giovanna Bosco**

This paper examines the distributive implications of Italy's renewable energy incentive scheme, approved by the European Commission in 2024 with a total value of 35.3 billion euros, financed through a levy on end-consumers' electricity bills. The scheme operates through this mechanism: when the strike price exceeds the hourly zonal electricity price, the public agency GSE pays a premium to producers; when it falls below, producers repay the difference. In 2024 alone, the costs of renewable energy incentives reached approximately 8.9 billion euros, up from 7.1 billion euros in 2023, driven by declining wholesale electricity prices and new minimum price guarantees for biogas, biomass, and bioliquid plants.

Extracting resources from households and public finances raises fundamental questions about the justice of the green transition. Using game theory literature, the analysis highlights a structural problem: in the absence of full international cooperation, unilateral CO2 emission reductions by the EU impose costs on consumers and public budgets without generating any measurable reduction in global emissions. Barrett's work (1994) demonstrates conclusively that partial cooperation in international environmental agreements yields no effective environmental outcome.

These dynamics suggest that European Green Deal policies risk operating as a regressive redistribution of resources from below, confirming the concern raised by IPCC economist Ottmar Edenhofer that international climate policy functions primarily as a wealth redistribution instrument rather than an environmental one.

The paper situates itself within the emerging literature on climate change and wealth inequality and concludes by exploring alternative frameworks for a genuinely just and effective green transition.

**JEL Codes:** P18, D63

## Polycrisis and inequalities: a geometric interpretative model

**Andrea Salustri - Silvia Sacchetti**

This paper reports a critical gap in the polycrisis literature: the absence of a formal geometric or analytical structure capable of representing how multidimensional inequalities and epistemic injustices co-evolve and produce persistent crisis configurations. The existing approaches lack the tools to map non-linear interactions across a complex epistemological space. The uneven distribution of knowledge, credibility, and communicative power creates structural biases that exclude marginalised communities from institutional decision-making, deepening crisis dynamics.

The analytical framework proceeds through three levels of geometric complexity. First, a linear Hotelling-inspired model introduces the concept of an "inner periphery", a structural void of exclusion generated by spatial polarisation, where individuals in the central segment of the distribution remain unserved under conditions of high distance costs and low demand intensity. Second, a circular Salop-type model introduces directional differentiation: organisations adopt a dominant logic of exchange, and individuals in the opposite semicircle are excluded not by distance costs alone but by qualitative mismatch. Third, there is a three-dimensional sphere, where directional mismatches become structurally embedded and social welfare is maximised only through sufficient organisational diversity across directions.

The framework is applied to a representation of the 17 Sustainable Development Goals. Each SDG acts as an exchange platform tangent to the sphere's surface, and uncoordinated interventions generate negative spatial externalities along overlooked.

The model implies that overcoming polycrisis requires not simply more goals or resources, but directional diversity in institutional design, targeting excluded publics across epistemological dimensions.

**JEL Codes:** B41, D63

## Towards a new money (dis)order

**Chiara Oldani - Giovanni S. F. Bruno**

Digital money and finance are changing the structure of financial markets and systems, moving towards decentralized peer-to-peer infrastructures (e.g., blockchains). Digital means of payments are very popular amongst native digital payers (youth), in developing countries such as in Africa and Asia. Among digital means of payments, stablecoins can quickly substitute fiat money. Following the 2021 G20 Meeting in Rome, countries have introduced regulation on digital means of payments, including stablecoins (Genius Act in the US and MiCA in the EU). However, regulatory arbitrage and gaps are still in place. Many central banks of developed and developing countries are in the process of issuing their digital means of payments, but face structural problems and dilemmas. In Europe, the ECB will provide citizens with the digital euro in 2027. While we wait for the digital euro to come into Europeans digital wallets, we empirically investigate how stable are stablecoins linked to the euro and provide some policy implications.

**JEL Codes:** G15, O33

## The enforcement structure of mixed legal systems

**Massimiliano Marletta**

This paper develops a political economy theory of enforcement under hybrid legal authority to explain why mixed legal systems do not converge toward purely rule-based or purely discretionary models. Enforcement is modeled as the equilibrium outcome of strategic interaction among political principals, enforcement agencies, and courts, constrained by institutional coherence. The framework shows that hybrid enforcement emerges as a stable configuration balancing predictability, adaptability, judicial discipline, and political accountability, and illustrates its implications through a comparative analysis of Louisiana and Québec.

**JEL Codes:** Law and Economics

## Presence: firm-level evidence of tax treaty design and investment in developing countries

**Pranvera Shehaj**

This paper extends the analysis of Shehaj and Zagler (2024) by using firm-level data to analyze how the residence country's double tax relief method and tax sparing provisions in asymmetric tax treaties affect foreign investments by OECD multinational enterprises in developing countries. Combining unconsolidated subsidiary-level data for 2005-2016 with detailed tax treaty information, the study distinguishes between entry (extensive margin), investment intensity (intensive margin), and the directness of the investment route. The results show that tax treaty changes in the residence country's relief method do not affect subsidiary creation once investment routing is considered, while tax sparing provisions consistently encourage market entry. At the intensive margin, treaty improvements in the relief method increase investment intensity only for firms investing through indirect routes, whereas tax sparing provisions are either irrelevant or negatively associated with reinvestment. These findings reveal substantial heterogeneity that aggregate FDI data conceals and demonstrate that treaty provisions influence firms differently depending on whether they enter or expand and on the route through which they invest.

**JEL Codes:** F53, F21, F23, H25, H73, K34

## Happiness is a sustainable journey: the “Sunflowers European Tour” as a traveling laboratory of social economy and grassroots diplomacy

**Massimiliano Porcelli**

The current crisis in traditional economic models requires a paradigm shift from profit maximization to maximizing relational and community well-being. The “Sunflowers European Tour” project presents itself as a case study in bottom-up cultural diplomacy. Conceived and implemented by the Utopia 2000 Social Cooperative, was conceived as a field study aimed at mapping the state of the Social Economy in Europe. Through a cycling route of over 6,000 kilometers that crossed 10 countries (from Portugal to Greece), the tour connected over 30 Third Sector organizations, demonstrating that a Europe founded on cooperation and sustainability already exists.

The research methodology adopted was “itinerant pedagogy”. The bicycle was chosen as an epistemological tool: its slow pace allowed for in-depth observation of the territory and authentic contact with local communities, impossible with other means. Along the way, the tour analyzed various facets of the Social Economy, demonstrating how it responds to complex needs with sustainable business models: Regenerative Sustainability and Inclusion in Portugal, Social Enterprise and Market Competitiveness in Spain, Circular Economy in Croatia, Post-War Reconciliation in Bosnia and Herzegovina, Disability and Leadership in Greece.

The project produced two dissemination tools that offer complementary perspectives on the research conducted: The documentary film “Utopia Europa” and the book “The Lady of Virpazar”. The “Sunflowers European Tour” demonstrates that Europe is not built solely through economic treaties, but “pedal stroke by pedal stroke”, through the forging of human relationships and the exchange of best practices.

**JEL Codes:** L31, I31

## Camouflage as organisational capability: mimicry and the politics of alterity in Community Concierge

**Tommaso Tropeano - Giulia Rossi - Enrico Bellazzecca**

Social economy organizations have long been recognized as key actors in addressing market failures and producing personal, social and economic value where traditional capitalist mechanisms fall short. These organizations operate within a logic that prioritizes trust, cooperation, and mutualism, challenging dominant economic paradigms (Sumner and Wever, 2017). This paper examines the evolution of alterity initiative exploring how such practices adapt to diverse territorial and institutional environments while preserving their distinctive ethos.

The study focuses on the longitudinal trajectory of the Italian Portinerie di Comunità (Community Concierge). The paper contributes to ongoing discussions about the renewal of political economy through bottom-up forms of social economy, active citizenship and socially embedded forms of welfare. The central research question guiding the study is: How do alterity practices adapt to heterogeneous contexts while preserving their underlying ethos of civic engagement and mutualistic welfare?

Methodologically, the study relies on extended engagement with the organisation, drawing on ethnographic observation (Brewer, 2000), participation in key community events and organizational activities, documentary analysis, and in-depth conversations with the leadership and operational teams.

Preliminary findings suggest that context-reading emerges as a foundational organizational capability. A second insight concerns the adaptive and “camaleontic” quality of the initiative. Rather than attempting to replicate a standardised template, practitioners engage in a continuous process of selective modification. Nonetheless, the study also identifies important limits to adaptation.

The paper argues that the renewal of political economy beyond top-down approaches requires close attention to the micro-processes through which civic initiatives navigate and transform their contexts.

**JEL Codes:** P16, H83

## The institutional dynamics of international agreements

**Gaia Taiani**

A fundamental paradox characterizes international economic governance. Although transaction-cost economics identifies treaty-contracts as the first-best institutional arrangement for managing cross-border interactions, States systematically rely on normative treaty-law to regulate the most critical domains of the global economy (Emeziem, 2025). In highly integrated production systems, the proliferation of overlapping bilateral rules exacerbates coordination failures and discourages long-term investment, reinforcing the need for systemic regulatory harmonization (Berman et al., 2023). Under these conditions, normative treaty-law emerges as a rational second-best response, internalizing systemic externalities and stabilizing expectations through a harmonized regulatory floor (Ossa, 2014).

We contribute to the literature by addressing the dynamics behind treaty implementation in international trade, moving from a matter of efficiency to one of stability, determined by external political pressure and internal institutional change.

We model the dynamic evolution of international trade agreements, explicitly distinguishing between contractual and normative typologies. We employ a nonlinear ordinary differential equation approach to capture how the path of international cooperation changes over time due to external variations. Specifically, we apply bifurcation theory to demonstrate how external shocks, such as political pressure, can cause a structural change in the agreement’s nature, determining, in turn, a qualitative shift in the equilibria.

Overall, by endogenizing the treaty form, this paper provides a unified framework to understand the life-cycle of international agreements, from the gradual hardening of the General Agreement on Tariffs and Trade into the World Trade Organization, to the fragility of trade relations in a fragmented geopolitical order.

**JEL Codes:** D02, F53

## Models of sustainable local development: an interdisciplinary systematic review

**Marta Cusa**

Current unsustainability, both environmental and social, at the global and national levels (Fanning and Raworth, 2025; Fanning et al., 2022) drives further exploration of the potential at the local level to address the sustainability challenge. The local development approach, by focusing on the distinctive characteristics of territories and their inhabitants, has the capacity to adapt and leverage these specificities, thereby fostering the radical changes that the challenge requires. Nevertheless, current economic models that encompass social and environmental concerns rarely integrate this level of analysis (Hardt and O'Neill, 2017; Lauer et al., 2025).

This research therefore aims at collecting and analysing the existing literature on models of sustainable local development. A systematic literature review is conducted, with the objective of providing a comprehensive overview of the theoretical reflections and empirical applications developed by scholars to date. The review is designed to integrate economic contributions with those from other social sciences. Furthermore, the review is designed to include works in the post-development literature.

The analyses conducted are both bibliometric and content-based. The bibliometric analysis examines publication years, authorship, keywords, disciplinary domains, and journals. Preliminary evidence shows a growing trend in pertinent contributions. Moreover, the majority of these publications is attributable to the disciplines of geography, urban and regional planning, and economics. With regard to the content analysis, it covers three main domains: definition, modelling, and empirical evidence. This is the first review on sustainable local development that is centred on models, and which combines a systematic methodology, with an interdisciplinary approach.

**JEL Codes:** R11, Q01

## Credit for votes: the use of public banks in election campaigns

**Marcelo P. Ribeiro - Guilherme Suedekum**

Economic voting theory states the economic conditions shape voting choices. Despite institutional and resource constraints, evidence shows that incumbents (mis)use the public machine pre-polls, leaving significant financial losses, employment, and capital distortions behind. Yet, little is known about the electoral return of this practice. In this paper, we focus on a policy instrument that has received little attention in the political budget cycle literature: public credit. We show how incumbent presidents strategically allocate public credit during elections to win votes. They prioritize credit allocation according to political competition and alliances. Unlike previous research, we observe political lending only when credit cycles are taken into account. Also, election types and partisan alliances matter. While incumbents benefit their allies in local elections, smoothing credit contraction episodes, they prioritize non-allied regions in federal elections. Such a move is done at the expense of credit cuts in non-competitive and non-allied regions. This strategic behavior appears to pay off, as we document a credit-vote share elasticity of one to five. Post-elections, we observe higher defaults and patronage towards allied areas, which receive extra public credit.

**JEL Codes:** G20, G28

## Do special economic zones boost employment? Evidence from a meta-analysis

Michele Limosani - Emanuele Millemaci - Fabio Monteforte  
Paolo Fabrizio Mustica

This paper investigates whether Special Economic Zones (SEZs) effectively foster employment through a comprehensive meta-analysis. While numerous country-level studies have examined SEZ policies, their results remain fragmented and potentially biased by methodological and publication-related factors. To address this gap, we compile a meta-regression dataset of 851 estimates from 33 empirical studies that quantify the impact of SEZs on employment. Once corrected for publication bias, the average effect of SEZ programs on employment approaches zero. However, heterogeneous results emerge across different development contexts, with developing countries recording significant employment gains compared to their developed counterparts.

**JEL Codes:** R58, J21

## Coupled InVEST-MRIO framework for evaluating biophysical and socioeconomic impacts of reforestation in the Río Bueno Basin

Luigi Reatti

Reforestation has emerged as a central pillar of climate mitigation and biodiversity conservation strategies worldwide. However, its economic and distributive consequences are often assessed separately from its ecological benefits, limiting the ability of policymakers to design socially sustainable restoration pathways. In Chile, where the government has committed to restoring approximately 1 million hectares by 2030 under its Nationally Determined Contributions (NDCs) and the Sustainable Development Goals (SDGs), understanding the joint biophysical and socioeconomic implications of reforestation is particularly urgent. This study develops an integrated InVEST-MRIO framework to evaluate the ecological gains, economic impacts, and distributional effects of alternative spatial reforestation strategies in the Río Bueno basin, located in the Los Ríos region within the Valdivian temperate rainforest—one of the world's most significant biodiversity hotspots.

The analysis considers six alternative scenarios (A–F), each restoring approximately 23,500 hectares of native forest. While the total restored area remains constant across scenarios, the spatial allocation differs, leading to heterogeneous opportunity costs depending on whether reforestation displaces low- or high-productivity agricultural land. The InVEST model is employed to estimate changes in four key ecosystem services: carbon sequestration, water supply regulation, sediment retention, and nutrient (phosphorus) retention. At the same time, the foregone agricultural output associated with land-use conversion is estimated as an annual opportunity cost. To account for uncertainty in agricultural productivity and price variability, a probabilistic sensitivity analysis is conducted using 10,000 Monte Carlo simulations with a PERT distribution centered on the estimated marginal opportunity cost.

**JEL Codes:** Q5, C67

## Active citizenship in the face of plant-health crises: citizen preferences for *Xylella fastidiosa* management in Southern Europe

**Viola Di Cori - Silvia Buratto - Jesús Barreiro-Hurlé**

The spread of *Xylella fastidiosa* (*Xylella* in short) constitutes one of the most severe plant-health crises affecting Mediterranean agriculture, with far-reaching economic, environmental, and social consequences. Economic impact assessments demonstrate that *Xylella* outbreaks generate substantial welfare losses extending beyond the agricultural sector, affecting consumers, rural economies, and public budgets (Schneider et al., 2020, 2021).

The main objective of this study is to analyse citizens' preferences for alternative to EU Plant Health Regulation strategies to manage *Xylella* outbreaks, with a particular focus on post-outbreak landscape restoration, disease-control approaches, governance arrangements, and collective financing. By examining how citizens evaluate trade-offs between environmental outcomes, technological choices, institutional responsibility, and personal costs, the study directly addresses the role of active citizenship in the governance of sustainability transitions.

To elicit citizen preferences, the study employs a discrete choice experiment (DCE) grounded in random utility theory (McFadden, 1974; Louviere et al., 2000). DCE is a well-established stated-preference method for valuing non-market goods and analysing public preferences for environmental and agricultural policies (Mariel et al., 2021), allowing researchers to estimate trade-offs between multiple attributes and derive welfare-consistent measures such as willingness to pay (Train, 2009; Johnston et al., 2017).

This study contributes to the literature on participatory environmental governance by placing citizen preferences at the centre of plant-health policy design. By integrating environmental valuation and behavioural insights, the analysis highlights how active citizenship can inform more legitimate, transparent, and sustainable responses to large-scale environmental and agricultural crises.

**JEL Codes:** Q51, D12

## Cooperation, competition, or conflicts? A review of the multiple international sides of money

**Chiara Alvisi**

Is money more likely to be a means of cooperation, competition, or conflict? The following thoughts discuss the main strands of literature investigating the dynamic role of money in a fast-changing financial world, thus trying to trace out the main social, economic and geopolitical implications of the evolution of the international monetary system toward the adoption of competing currencies. This study combines behavioral, monetary economic, and geoeconomics perspectives to introduce a methodological innovation to the traditional analysis of the role of money. The aim is to provide the reader with a holistic view of ongoing monetary phenomena suited to interpret the increasing complexity of the international financial landscape and the new challenges of monetary policy in an environment of geopolitical tensions.

The discussion offers an integrated perspective on the behavioral reasons behind the adoption of money, the up-to-date monetary economics topic of currency competition, and the geoeconomic debate on countries' international reputation as asset providers. In this literature journey from the very essential rationales for money adoption toward currency competition as a channel of geopolitical equilibria, many policy relevant perspectives emerge.

**JEL Codes:** E4, E7

## PILLAR 5

### Beyond value neutrality and isolation of “specialisation towers” with interdisciplinarity, supporting socio-environmental generativity of research

Pillar 5 addresses the challenge of breaking down barriers between academic disciplines and overcoming the idea that science must be “value-neutral”. Research is no longer seen as an isolated activity conducted in “ivory towers”, but as a necessary dialogue between economics, sociology, ecology, and technology. Complex problems such as the climate crisis or inequality can only be resolved through interdisciplinarity.

The concept of “generative research” is introduced, meaning scientific production that aims not only for publication but also to have a concrete socio-environmental impact, guiding political choices and collective behavior. The abstracts challenge the supposed neutrality of economics, arguing that every economic theory carries with it a vision of the world and humanity, where economics is “committed” and must necessarily pursue the values of ethics, human dignity, and sustainability.

A recurring technical theme is the analysis of the interaction between monetary and fiscal authorities (e.g., the US case), interpreted not only as technical coordination but as a complex response to common shocks and market expectations in uncertain contexts.

Finally, the role of universities and research in the “Third Mission” is emphasized, namely the transfer of knowledge to society to foster human development and the resilience of local communities.





## Early childhood education as civil infrastructure

**Katia Montalbetti - Giuliana Fiini - Daniela Bernardelli  
Andrea D'Anna - Costanza Duina - Rosaria Fausti  
Laura Giarin - Laura Pedrinazzi**

This paper proposes a reframing of early childhood education as a civil infrastructure: a transformative environment capable of generating social capital and producing the relational, cooperative, and democratic foundations of civic life. Using economics of reciprocity, relational goods, and the common good, the paper argues that the early childhood school represents a meso-level institution where individual experience and social transformation converge.

Early childhood settings already produce, often implicitly, the civic and economic competencies that civil economy theory identifies as foundational: trust, reciprocity, cooperation, co-responsibility, and care for common goods. Recognising this role means moving beyond a reductive view of education as individual investment or system function and restoring centrality to intermediate institutions and educating communities. In this framework, relations are not a background to learning but its primary engine, and value measures not only cognitive outcomes but integral and shared wellbeing.

The paper presents a civic education curriculum, developed from a civil economy perspective, designed to make these practices visible, nameable, and documentable in all Italian early childhood schools. The curriculum offers schools a flexible tool for designing with greater intentionality, contributing to an alternative model of evaluation aligned with civil economy's critique of purely quantitative indicators of progress.

The conclusion argues that investing in early childhood education as laboratory of civil economy means recognising that a more just society is built not only through macroeconomic policies, but through daily educational experiences that cultivate bonds, trust, and a sense of belonging, the foundations of an authentic and enduring public happiness.

**JEL Codes:** Not indicated

## Shocking concerns: public perception about climate change and the macroeconomy

G. Angelini - M.E. Bontempi - L. De Angelis - P. Neri

Marco Maria Sorge

This paper proposes a novel Climate Concern Index (CCI), built from disaggregated web-search volumes related to climate change topics, to gauge the intensity and dynamic evolution of collective climate perceptions in the United States over 2004-2024. Unlike competing measures based on newspaper articles or social media platforms, the CCI captures widespread and rapidly shifting patterns of perceived climate-related risk, particularly those consistent with a post-cognitive interpretation of affective responses to extreme climate events.

To evaluate the macroeconomic implications of evolving public concern, the authors estimate a proxy-SVAR model and identify exogenous variation in the CCI. The results show that an unexpected surge in climate concern triggers a statistically significant drop in both employment and private consumption and a persistent increase in stock market volatility, as proxied by the VIX index. Core inflation, by contrast, remains unaffected. These findings hold even in the absence of direct physical climate risks or active mitigation efforts, suggesting that concern itself, independently of material exposure, constitutes a macroeconomically relevant force through behavioural adaptation channels.

The paper contributes to the emerging literature connecting climate perceptions, financial stability, and macroeconomic dynamics, offering a measurement approach that is both timely and granular. The CCI's ability to track shifts in collective attention in near real time makes it a tool for institutional players in the macro-financial field.

Since climate policy efficacy depends heavily on public understanding and support, carefully designed communication strategies and risk management tools are needed to mitigate climate-related uncertainty and discipline the formation of collective concerns.

**JEL Codes:** C5, C8, D83, E6, Q54

## The making of financial regulation: voting on the U.S. congress

Joao Rafael Cunha

This paper studies the voting patterns of members of the U.S. Congress on financial regulation between 1991 and 2014, Using the most comprehensive dataset yet assembled on campaign contributions from the financial sector. It is the first study on this subject to adopt a long-term perspective, covering more than two decades of legislative activity across multiple regulatory cycles.

The empirical strategy exploits a binary dependent variable regression on unbalanced panel data, leveraging the fact that multiple votes on the same bill are observed over time. This structure allows for a more rigorous treatment of endogeneity than has been possible in prior cross-sectional or short-panel approaches: by exploiting within-bill variation across legislators and time, the identification strategy isolates the causal effect of financial sector contributions on voting behaviour from confounding factors related to legislator ideology or constituency characteristics.

The central finding is that campaign contributions from the financial sector are the strongest driver of congressional voting on financial regulation, significantly increasing the likelihood that a member votes in favour of deregulatory bills. This result holds across a range of specifications and robustness checks and is consistent with a capture-based interpretation of the regulatory process.

The paper contributes to the political economy of financial regulation by providing long-run evidence that private fiscal interests systematically shape legislative outcomes, with implications for understanding the structural drivers of regulatory cycles, the politics of deregulation, and the design of campaign finance reform.

**JEL Codes:** D72, G20, G28, K20, P16

## Open where everything closes: Bottega Quarticciolo, a shared economic infrastructure in a left-behind neighbourhood

**Pietro Vicari - Francesco Careri - Fabrizio Finucci  
Flavia Rizzuto**

This paper examines Bottega Quarticciolo, a grassroots capacity incubator developed in a peripheral public housing neighbourhood in Eastern Rome, as a lens for rethinking economic development in left-behind urban areas. The neighbourhood faces compounding structural disadvantages: deindustrialization, labour market polarization, organised crime's influence over income distribution and public space, and the failure of successive public investments to trigger self-sustaining economic transformation. The central question the initiative addresses is how to construct a credible alternative to illicit economies while simultaneously regenerating underused public housing assets.

The initiative operates in the semi-basement of a former police headquarters and develops shared economic infrastructures, a wood workshop and fablab, a microbrewery, digital literacy workshops, a community restaurant and catering project, a monthly producers' market, and a neighbourhood-based renewable energy community. Rather than importing external development models, these interconnected devices activate endogenous capabilities, foster skills formation, and generate income while building collective agency.

The neighbourhood regeneration cannot be conceived in isolation from wider metropolitan value systems. Adopting a synoptic and fractal approach, the project connects local craft capabilities to Rome's broader cultural economy through short supply chains. The governance model reflects a quadruple-helix architecture involving civic organisations, universities, cooperatives, and public cultural institutions.

The paper concludes that rethinking development in marginalised neighbourhoods requires integrating relational and cooperative dimensions alongside market logics, treating shared economic infrastructures not as inward-looking regeneration devices but as connectors between peripheral spaces and metropolitan circuits of value creation.

**JEL Codes:** E26

## Governing for the future? Life expectancy and the politics of environmental investment

**Vincenzo Alfano - Salvatore Capasso - Marcello Signorelli**

This paper investigates whether the temporal orientation of political actors, captured through their estimated remaining years of life, influences the allocation of public resources to environmental policy. Starting from theoretical perspectives of intergenerational justice and political sociology and building on emerging research linking political age to fiscal preferences, the study constructs an original panel dataset covering Italy's twenty regions from 2000 to 2021, linking demographic information on both executives and legislative assemblies to disaggregated data on environmental public expenditure.

Using fractional response models, the paper estimates the effect of a life expectancy-adjusted measure of political time horizon on the share of environmental spending across current, capital, and total expenditure. This approach avoids arbitrary age thresholds and captures the relative rather than absolute temporal orientation of decision-makers.

The results reveal a counterintuitive asymmetry between institutional branches. Regions with legislative assemblies characterised by longer remaining lifespans allocate a significantly smaller share of expenditure to environmental policy, while the temporal horizon of executives exerts a positive influence on capital investment in the environment. This pattern challenges the assumption that youth automatically aligns with long-term vision and highlights the role of institutional incentive structures: executives, operating under concentrated responsibility and clearer accountability, translate longer horizons into higher investment, whereas legislators appear constrained by short-term political incentives regardless of age.

Institutional mechanisms such as staggered mandates, multi-year investment commitments, and independent environmental funds could help align short-term incentives with long-term welfare objectives, contributing to the sustainability orientation of regional public finance.

**JEL Codes:** H72, Q58, D91

## Indirect reciprocity and healthcare in southern Italy: the case of the suspended Ticket

**Gianluca Gherardi**

The research explores the intersection of reciprocity, healthcare access, and social wellbeing through the case of the “suspended ticket”, a practice initiated in 2018 by three doctors at the Humanitas Health Center in Frattamaggiore, in the Metropolitan City of Naples. Reviving the ancient Neapolitan tradition of the “suspended coffee”, the initiative creates an anonymous fund through which anyone can contribute to healthcare expenses for those in need. The paper frames this as a case of indirect reciprocity, where the expectation of giving or receiving care according to varying need constitutes a form of mutual assistance.

The study is motivated by persistent structural failures in Italy’s National Health System, particularly in the South: regional disparities in service quality, high incidence of private expenditure, and unequal access for vulnerable groups, including people with disabilities, of whom over 50% in conditions of social isolation report poor health. The paper argues that public health metrics alone cannot capture the relational complexity of wellbeing.

The analysis highlights that reciprocity - understood as oriented toward the universal benefit of society - has demonstrable effects on health, wellbeing, and agency across a wide range of social relations. Crucially, the model enables even the most fragile individuals to assume an active caregiving role, transforming vulnerability from a condition of exclusion into a shared feature of the human condition that grounds mutual solidarity.

The paper contributes to the civil economy literature by showing how relational market practices can partially compensate for systemic healthcare inequalities while reinforcing social cohesion.

**JEL Codes:** I11, B12

## Essential levels of care, prevention and inequality in Private Health Spending

**Salustri Francesco - Leonardo Becchetti - Nazaria Solferino**

This paper investigates how regional differences in the effective implementation of Italy’s Essential Levels of Care (Livelli Essenziali di Assistenza, LEA) relate to private health expenditure, using a large administrative dataset of more than 6.6 million taxpayer-year observations and exploiting substantial cross-regional variation in LEA quality. While higher public health standards might be expected to reduce the need for privately financed care, theory also allows for the opposite mechanism: well- functioning public systems may increase contacts with providers, detection of needs and care intensity, thereby stimulating complementary private spending. To test these competing hypotheses, we compare findings from pooled, fixed effects, and two-part models. Results show that higher regional LEA performance is systematically associated with lower individual out-of-pocket health expenditure. In pooled and fixed-effects linear models, a 1-point increase in the lagged LEA reduces annual private spending by approximately 0.4 €–0.8 € per person. Two-part models yield even larger combined marginal effects, showing that LEA quality crowds out private spending along both the extensive margin (lower probability of any positive expenditure) and the intensive margin (lower conditional spending among users), with the effect being concentrated mainly on the prevention component. The evidence supports the crowding-out hypothesis and highlights the role of effective LEA implementation as a financial protection device in a decentralised universal healthcare system, which can be crucial to increase low-income households’ access to care.

**JEL Codes:** I14, I12

## The gender gap among early-stage graduate workers. Does remote working matter?

**Riccardo Leoncini - Giovanni Guidetti - Giulio Pedrini**

Despite a growing attention to gender (in)equality among policymakers, which led to a overall reduction in the pay gap, a slowdown in the convergence process since the Nineties has been observed. In this context, little attention has been paid to this kind of disparity among recent graduates. Indeed, this group is of particular interest, as its homogeneity makes it less likely to be affected by unobserved factors, such as previous work experience and their role within the family. Against this backdrop, this paper aims to analyse gender disparities among recent graduates. Moreover, we focus on the role of remote working because it may favour the work-life balance of workers with caring responsibilities, but it may also exacerbate gender discrimination within the family by offering men more flexibility than women. We examine how the gender gap evolves among graduates and then between graduates with remote and non-remote jobs. The gender gap is evaluated with respect to three labour market outcomes: earnings, job satisfaction and skill matching. In addition to standard covariates, we control for the presence of children and the distance between workplace and residence at graduation to ascertain whether, and under what conditions, remote working can affect the gender gap. From a methodological point of view, individual workers will be used as the units of analysis, and the gender pay gap will be calculated using a double Oaxaca-Blinder decomposition of the conditional gap, followed by linear and quantile multiple regression.

**JEL Codes:** J24, J31

## IdentyTree of Tor Vergata: a third mission experience inspired by the civil economy principles

**Chiper Ribana Andreea - Gloria Fiorani - Elisa Battiato**

The Third Mission is increasingly assuming a central role in redefining the social function of universities. However, challenges remain in fostering active, transformative stakeholder engagement through relational and participatory logics. This contribution presents the “IdentyTree of Tor Vergata” project of the Tor Vergata University of Rome as a concrete experiment inspired by the principles of the Civil Economy, aimed at promoting social and relational capital, a sense of belonging, and cohesion through symbolic and inclusive practices. The initiative is based on the Lean Art Coaching model, adapted to the academic context and tested through a three-phase process: (1) theoretical discussion of the framework and its connection to the transformative Third Mission and Civil Economy principles, (2) adaptation and implementation of the project to the university context and (3) exploratory evaluation through a semi-structured questionnaire administered to participants. The pilot revealed high, cross-cutting participation that exceeded expectations, with a perceived positive impact on belonging, dialogue, and shared responsibility. The findings suggest that participatory and symbolic devices, when designed with a transformative perspective, can represent an effective tool for stakeholder engagement within public universities. The project emerges as a replicable good practice capable of strengthening ties among academic institutions, university communities, and their local territories, while fostering more open and inclusive forms of governance.

**JEL Codes:** M

## Street markets, beauty salons and lunchboxes: the real entrepreneurship of Brazilian urban peripheries

**Santos Baptista Sander - Carina Carolina Teixeira Santos**

The popular economy in Brazilian urban peripheries constitutes one of the most dynamic yet most invisible phenomena of the national reality. This article analyzes how informal workers — street vendors, open market sellers, beauty salons, artisanal confectionery, app drivers and delivery workers — sustain a significant share of the economy despite structural precariousness. The central objective is to highlight the role of these micro-entrepreneurs while problematizing the structural factors driving the growth of inequality, such as limited access to education, wage stagnation, rising cost of living, inflation of essential goods, and restricted access to affordable credit. The research adopts a qualitative and exploratory approach, combined with statistical data from official sources (IBGE, SEBRAE, IPEA, DIEESE) and direct empirical observation in peripheral communities. The dialogue with authors such as Jessé Souza, Ricardo Antunes, Milton Santos, Hernando de Soto, and Amartya Sen provides a theoretical framework articulating social invisibility, labor precarization, peripheral creativity, and the absence of real freedoms. The findings indicate that the popular economy: Moves billions of reais annually, though under-registered in fiscal and statistical systems; Functions as a survival network for unemployed individuals, retirees, and formal workers seeking complementary income; Intersects with illicit economies, as in the case of moto-taxis in territories under criminal control; Relies heavily on digital tools as contemporary “public squares” for commerce. The article concludes that popular economy is simultaneously an expression of resilience and a critique of the structural failures of the Brazilian state and economic model. Recognizing its centrality is essential for inclusive public policies that expand access to education, credit, and social protection, transforming survival strategies into sustainable development pathways.

**JEL Codes:** O17

## Mapping Rome: ten years of #mapparoma

**Keti Lelo - Salvatore Monni - Federico Tomassi**

Founded in 2016, #mapparoma is a research project based on desk-based analysis and the systematic use of open institutional data to investigate social, cultural, and political dynamics in the city of Rome. The project was conceived to address physical fragmentation and uneven quality of life, alongside with the limited accessibility of urban data produced by different institutional sources. #mapparoma is dedicated to identifying, selecting, standardising, and visually representing existing datasets to create accessible, comparable spatial knowledge. Over the past ten years, #mapparoma has developed into a stable knowledge infrastructure, producing thematic maps and curated datasets on housing, welfare, urban commons, migration, and public services. Through fine-grained intra-urban spatial analysis, the project has progressively highlighted how inequalities in access to resources, services, and opportunities are unevenly distributed across the urban territory. All datasets are made openly accessible through the project’s website, enabling reuse by researchers, activists, journalists, and public institutions. This paper retraces the origins and methodological evolution of #mapparoma, focusing on its scientific contribution to urban studies through the integration of desk-based analysis, critical data scouting, and spatial visualisation. The paper also examines the project’s political and institutional impact, including its role in public debates, policy-oriented research, and interactions with local administrations. By reflecting on ten years of activity, the contribution discusses how open data driven mapping can function as a tool for urban knowledge production, transparency, and accountability, while critically addressing its limits and challenges in relation to data availability, institutional practices, and the governance of urban inequalities.

**JEL Codes:** R58

## From knowledge to action: how interdisciplinary scientists can reinvent science to tackle global challenges and impact society

**Ferrara Caterina**

Without redesigning institutions, interdisciplinary science risks remaining marginal, limiting its potential to be a transformative force for societal change. In today's decision-making spaces, scientific knowledge is often overlooked, despite its power to address the urgent global challenges we face. This framework proposes embedding interdisciplinary expertise into governance by creating permanent Interdisciplinary Policy Labs, establishing Dynamic Expert Networks for rapid knowledge transfer, and ensuring continuous ethical oversight. Case studies, from pandemic response to sustainable urban mobility, climate adaptation, and personalized education, demonstrate that actionable science works when integrated with local contexts and institutional mechanisms. Global networks of civic scientists can replicate successes, standardize social impact metrics, and transform research from a passive tool into a proactive co-creator of societal change.

**JEL Codes:** Z13, I23

## Measuring the multidimensional Impact of renewable energy communities: the Civil Impact® methodology and the case of CERS Esquilino-Monti

**Ottavia Barbano - Leonardo Becchetti - Lorenzo Semplici  
Riccardo Troisi**

Renewable Energy Communities (RECs) are emerging as key actors in the ecological transition, integrating environmental sustainability, social equity, and civic participation within collective energy systems (European Commission, 2018). This study, developed by NeXt Economia per Tutti, aims to assess the multidimensional impacts generated by RECs through the Civil Impact® methodology, a participatory framework designed to evaluate environmental, social, economic, and governance (ESG) outcomes.

The methodology combines stakeholder engagement with impact measurement tools, to estimate the social value generated (Nicholls et al., 2012). It is applied to the case of CERS Esquilino-Monti, an Italian energy community characterized by a strong civic base and a redistributive model in which economic benefits are reinvested in local social projects.

Findings highlight significant potential impacts, particularly in terms of social capital, green skills development, and the diffusion of sustainable behaviors. Two scenarios—prudential and optimal—estimate a positive social return, confirming the capacity of RECs to generate value beyond energy production. In line with the perspective of the civil economy, these communities can be interpreted as civic infrastructures fostering inclusive and sustainable territorial development (Becchetti et al., 2019).

The study contributes to the literature by proposing an integrated and participatory approach to impact assessment, emphasizing the strategic role of RECs in combining energy transition with social innovation.

**JEL Codes:** Q42, Q01, D63

## Social capital as a buffer against adverse life events: evidence from Australian panel data

Wu Fengyu - Francesco Sarracino - Giulia Slater

Adverse life conditions such as poor health and unemployment reduce subjective well-being, whereas social capital is generally associated with better outcomes. Less is known about whether social capital can buffer the negative effects of challenging life events. Using panel data from the 2002–2023 waves of the Household, Income and Labour Dynamics in Australia (HILDA) Survey, this study tests whether practical support, emotional support, low loneliness, and active membership mitigate the effects of eight life events across five domains: health, bereavement, employment and economic conditions, intimate relationships, and security. Panel fixed-effects models estimate life satisfaction as a function of prior life events and earlier social capital. Serious personal injury or illness is the event most consistently buffered by social capital: all forms of support and active membership reduce its negative association with life satisfaction. Practical support also mitigates the effects of illness affecting a close family member, financial worsening, job loss, and property crime, while low loneliness and active membership buffer selected economic shocks. Bereavement and separation are not significantly mitigated by any social capital measure. Practical social support is the most effective buffer against the well-being costs of adversity. Social capital is especially beneficial in response to health, economic, and security-related shocks, but appears less effective when adversity involves the loss of close relationships.

**JEL Codes:** Z13, I31

## Innovative social and sustainable economy practices through Growing Communities and London farmers market networks

Maria Antonietta Picciano

In an economy dominated by corporations that generate vast negative externalities through intensive agriculture, this article explores alternative food networks and the solidarity economy, along with their positive externalities. We will first examine the reasons why producers' associations, groups of associated producers, and the social enterprise Growing Communities are able to place 'People and the Environment' at the heart of economic and social relations. Secondly, we will examine the implications of this paradigm shift; that is, of the social economy. Through cooperation rather than competition, we will analyse environmentally respectful practices and the relationships of trust between actors in the supply chain. In this way, a different way of producing, distributing and interacting emerges among producer-consumers who participate in an innovative process, namely that of hybridisation. The organic farmers' market organised by Growing Communities in Stock Newington, East London, is a prime example of this.

**JEL Codes:** Z13

## The ethics of business school education: 20 years after Sumantra Ghoshal’s “bad management theories are destroying good management practices”

**Pedro Franco**

Business Schools (BS) are extremely influential today, not just regionally but at a truly global scale. They follow a very specific standard of “quality”, and they are becoming increasingly uniform across countries. Not only do they train future managers who will join the workforce of powerful corporations that sustain the current socioeconomic paradigm with all its problems, but also they reframe the mission of universities themselves and shape the values and morals of society at large. As such, it is crucial to question the mission, and the performance of BSs who claim to or wish to integrate ethics at their core (Christensen 2007), especially considering the widening social critique (both internal and external) of the BS itself (Bennis and O’Toole 2005; Ghoshal 2005; Parker 2018; Örténblad 2023). This is precisely what I do in this working paper.

I start by providing an overview of the current, global phenomenon of the BS, by giving a historical context of how this institution became so successful worldwide, and by describing what the global BS is today, its morality and ideology (Jacques 1996; Mangan 2002; Ghoshal 2005; Ferraro 2005; Elegido 2009; Khurana 2007; Augier and March 2011 Parker 2018). I then proceed to a discussion on the effects of the BS program and pedagogy in their students. I finish the paper with a positive proposal for BSs who wish to integrate ethics more fully in their mission and program.

**JEL Codes:** A20

## The traits of civil economy and proximity in popular therapeutic activities. A historical-cultural perspective

**Carlotta Rodighiero**

In an era dominated by sad passions (Benasayang & Schmit, 2004), many words risk becoming worn out, emptied of meaning, and deprived of the transformative implications they could have on the concrete reality (Contini, 2009). Among these, the word “protagonism,” which characterized the mass movements of the 1970s, has gradually undergone a process of semantic erosion, risking being reduced to a sterile slogan. The term, which was then embodied with a community ethos, is now, entangled in the tight grip of neoliberal logic, transformed into the attitude of those who, seeking individual victory, believe they can do everything alone, to the detriment of the collective dimension. Today, more than ever, however, we know that both the quality of life and social and economic development are closely linked to the quality of interpersonal relationships (Zamagni, 2004; Bruni, 2006; Sacco & Zamagni, 2006).

This essay analyzes an experience in which active participation and the construction of solidarity networks have been the main generative factor of both individual and collective well-being, in an attempt to strengthen the historical-cultural connection with some typical features of the civil and local economy. The paper examines the *Attività Terapeutica Popolare* (ATP), an initiative born in the San Faustino neighborhood of Modena in the late 1960s, which for over 30 years has promoted transformative processes with a view to co-constructing a more sustainable and inclusive society. According to Fracassi (2018), it can be interpreted as a true social experiment, aimed at promoting quality of life and community well-being.

**JEL Codes:** I31

## Toward a popular reporting model for universities: a conceptual framework

**Gioia Maurizi**

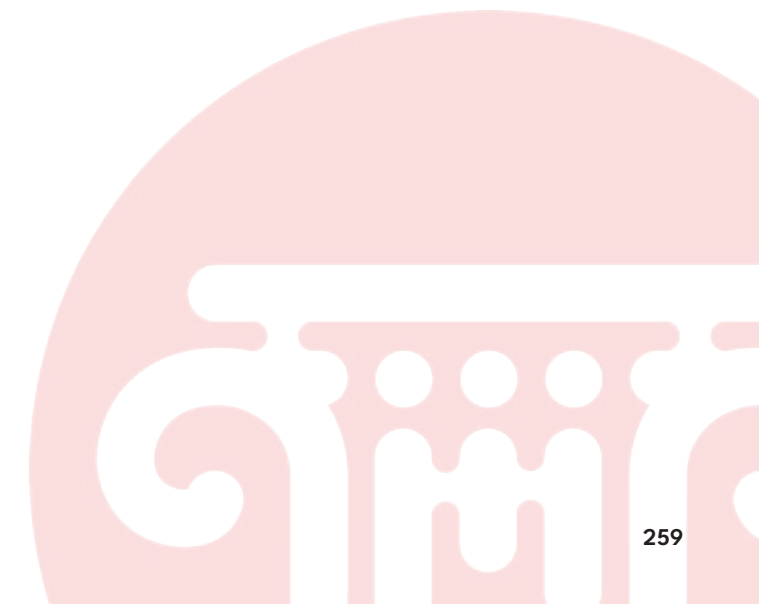
In *The Idea of a University* (1852), Cardinal and philosopher John Henry Newman stated that “[The University] is a place of teaching universal knowledge”, where advancing research and learning are the main functions aimed to shape human intellect. Yet today university increasingly operates as a generator of public value, reshaping societies and territories.

As universities increasingly operate as public value generators *de facto*, rather than isolated knowledge producers and disseminators, social expectations regarding transparency, accountability and stakeholder engagement have intensified. The paper addresses the following research question: To what extent can Popular Reporting (PR) be theoretically reframed as an integrative public value communication architecture capable of overcoming the fragmentation of university accountability systems? This study addresses this gap by proposing a conceptual University Popular Reporting (UPR) architecture designed to overcome reporting fragmentation and align university accountability with public value communication principles.

This research adopts a model-base conceptual research design aimed at advancing theory through the development of a coherent and logically grounded framework (Jaakkola, 2020). In line with MacInnis (2011), the contribution lies in conceptual integration and reframing: the study bridges fragmented streams of literature to generate a higher-order model that reconceptualizes their interrelations.

By theoretically analysing PR within the higher education context, this study proposes an integrative model capable of overcoming structural fragmentation and strengthening citizen-centered readability. The UPR framework represents a step toward repositioning universities as transparent, dialogic, and publicly accountable institutions embedded within society.

**JEL Codes:** H83, I23



# CONCLUSIONS

## The Future of the Manifesto for an Economic Renaissance

### Lines of research, action and commitment for a generative transformation

The Manifesto for an Economic Renaissance was born within a clear historical tension: on the one hand, the extraordinary results produced by the dominant economic paradigm in terms of material growth; on the other, its growing inadequacy in responding to contemporary challenges, which concern not only environmental sustainability and inequality, but also deeper dimensions such as the quality of relationships, the meaning of life, and the stability of democracies.

His proposal is not limited to a critique of the five reductionist pillars—from the narrow vision of homo oeconomicus incapable of social rationality, to the centrality of GDP growth as a sufficient condition for increasing happiness, from the “no matter how” maximization of profit to the purely top-down conception of policies, to the fragmentation of knowledge—but points to an alternative direction based on a richer conception of human beings, organizations, and well-being, and the pursuit of socially and environmentally sustainable economic value creation, where value creation and enrichment of life satisfaction feed off each other.

The crucial step for the near future is to transform this vision into an operational trajectory, capable of truly impacting economic processes, institutions, and collective behavior. This requires simultaneous advancement on three closely interconnected levels: research, practices, and political engagement.

At the research level, the priority is to consolidate and systematize the emerging paradigm. In recent decades, empirical results have accumulated that challenge the image of the individual as an exclusively self-interested

agent, demonstrating instead the relevance of preferences for others, relational goods, and the search for identity and meaning. However, this evidence often remains marginal compared to dominant models. The necessary step is to fully integrate them into theoretical frameworks, including at the macroeconomic level, developing tools capable of representing the complexity of social interactions and emerging dynamics. In this sense, the evolution towards agent-based models and interdisciplinary approaches does not represent a deviation, but rather a necessary condition for a more realistic description of economic phenomena.

A similar qualitative leap is required in business theory. The representation of the firm as an entity solely oriented toward profit maximization appears increasingly out of touch with reality, which is characterized by a growing plurality of organizational forms and the spread of models (such as the cooperative enterprise in its various forms) geared toward social and environmental impact. The task of research is twofold: on the one hand, to understand and systematize this “biodiversity” of firms, and on the other, to demonstrate with robust evidence that there exist trajectories in which economic performance and social value mutually reinforce each other, definitively overcoming the conflict between efficiency and ethics.

A third crucial area concerns the measurement of well-being. Moving beyond GDP as a sufficient indicator is no longer a theoretical issue, but an operational necessity. The challenge is not simply to build more comprehensive multidimensional indicators (we have created countless), but to integrate them into decision-making processes and guide policies toward objectives consistent with a broader vision of development. From this perspective, the concept of generativity represents a significant advancement, as it allows us to capture not only living conditions, but also people’s ability to positively impact the world around them, a key element for a fully fulfilled life.

All this also requires a profound overhaul of macroeconomics, which must progressively integrate environmental sustainability, distributive equity, and human development into

its models. The complexity of contemporary challenges requires an approach capable of grasping the interdependencies between economic, social, and environmental dimensions, overcoming partial and reductionist visions.

This evolution, however, cannot occur without a transformation of the very role of research and economists. The model of the scholar confined to his or her own disciplinary specialization is proving increasingly inadequate for understanding complex and interconnected phenomena. Instead, it is essential to promote an interdisciplinary approach and strengthen the link between research, teaching, and social impact, recognizing that the production of knowledge is an integral part of processes of change.

Alongside the research agenda, it is necessary to develop a coherent set of practices capable of translating the Manifesto’s principles into concrete actions. In the public sector, this means promoting well-being-oriented policies, in which decisions are evaluated not only based on economic growth, but also on their impact on quality of life, sustainability, and social cohesion. Experiences already underway in several countries demonstrate that this transition is possible, but requires continuity and political will.

In the production system, the challenge is to support the transition to more responsible and inclusive business models, encouraging the emergence and consolidation of organizations capable of combining economic value creation and social impact. This process will not occur through a radical replacement of existing models, but rather through their progressive transformation and hybridization.

Civil society also plays a fundamental role. Moving beyond a top-down approach to policies requires recognizing the crucial contribution of citizens, social organizations, and local communities in defining and implementing solutions. Participation, social capital, and co-planning practices are not secondary elements, but essential conditions for effective policies and the quality of democracy.

In this context, individual behaviors also take on strategic importance. Consumption and investment choices can steer the economic system in more sustainable and inclusive directions, through mechanisms that, when coordinated, can impact corporate strategies and market dynamics.

However, none of these transformations can be achieved without an adequate level of political commitment. The change called for by the Manifesto is primarily cultural: it involves building a broad consensus around a different concept of development, one that recognizes the centrality of well-being, relationships, and sustainability. This requires systematic dissemination, education, and public engagement, so that the new interpretative categories can become a shared heritage.

At the same time, it is necessary to build alliances between the various actors in the socioeconomic system—institutions, businesses, universities, and civil society—in a cooperative approach that reflects the complexity of the challenges we face.

Finally, the global context requires developing economic policy tools capable of overcoming the limitations of traditional national approaches. Recent experiences, such as the global minimum tax or border adjustment mechanisms for emissions, demonstrate that it is possible to design solutions capable of addressing global problems even in the absence of a fully effective supranational authority.

In this context, the role of economists becomes particularly important. It is no longer enough to produce analyses and models: it is necessary to actively contribute to shaping public debate, disseminating knowledge, and translating ideas into actionable proposals. The separation between research and civic engagement, which has long characterized the discipline, today represents a limitation that must be overcome.

The Manifesto for an Economic Renaissance is therefore not just a theoretical proposal, but a transformational project. Its strength lies in its ability to recognize and harness the generative energies present in society, directing them toward

the common good through a new balance between market, institutions, and community.

The challenge for the coming years will be to make this project concrete and operational, bringing together research, practices, and policies in a coherent direction. Only in this way can the economic Renaissance translate into a new phase of development capable of combining prosperity, sustainability, and the fullness of human life.

