

SUMMARY. – The creation of value – the productive process that drives a healthy economy and society – is at the core of how capitalism works. The concept of value was crucial for Classical economists, but its relevance has long been forgotten. In fact, in modern capitalism, value-extraction has replaced value creation as a dominant process. The importance of technology and finance has extended the activities of value-extraction, distorting the way our economies work.

As a result, companies make business decisions aiming solely to maximize ‘shareholder value’, losing sight of longer-term capabilities, investment and research. The ‘value’ of stocks and financial assets can reach unreasonable levels, increasing the risk of crisis. Rents are becoming more important, concentrating ‘value’ in the hands of firms and individuals – such as top managers – with positions of power in markets and organisations. Excessive protection of intellectual property rights has led to monopolistic power and rents that extract value from production. Pharmaceutical firms use ‘value pricing’ to set astronomically high prices of medicines.

These developments have major implications for economic theory and policy. There is a need to rethink where wealth comes from. There is a need for new policies that could reduce value-extraction and make capitalism less unjust, less unequal and more sustainable.

Segreteria della Conferenza:
fox@lincei.it - tel: 06-68027227
www.lincei.it

ACCADEMIA NAZIONALE DEI LINCEI

CONFERENZA



MARIANA MAZZUCATO

VALUE CREATION VERSUS VALUE EXTRACTION

THE IMPLICATIONS FOR ECONOMICS
AND POLICY

20 novembre 2018 - ore 11



PALAZZO CORSINI in una incisione di J. Barbault (1763)

ROMA - VIA DELLA LUNGARA, 10

MARIANA MAZZUCATO, Fellow of the Accademia Nazionale dei Lincei since 2018, Fellow of the Academy of Social Sciences, holds the Chair in the Economics of Innovation and Public Value at University College London (UCL), and is Founder and Director of the UCL Institute for Innovation & Public Purpose (IIPP), dedicated to rethinking the role of public policy in shaping both the rate of growth and its direction, and training the next generation of civil servants with a focus on the dynamic organisational capabilities required for mission oriented policies.

She is winner of the 2014 New Statesman SPERI Prize in Political Economy, the 2015 Hans-Matthöfer-Preis, and the 2018 Leontief Prize for Advancing the Frontiers of Economic Thought. She was named as one of the '3 most important thinkers about innovation' by the *New Republic*.

She advises policy makers around the world on innovation-led inclusive growth. She is a Special Advisor for the EC Commissioner for Research, Science and Innovation, Carlos Moedas, and has recently authored a EC report on Mission-Oriented Research & Innovation. She is also a Special Advisor to the Secretary General of the OECD, Angel Gurría, for the OECD's New Growth Narrative.

Her book *The Entrepreneurial State: debunking public vs. private sector myths* (2013) was on the 2013 *Books of the Year* list of the Financial Times. She is co-editor of *Rethinking Capitalism: Economics and Policy for Sustainable and Inclusive Growth* (2016). Her new book *The Value of Everything: making and taking in the global economy* (2018) looks at the need to revisit the difference between value creation and value extraction.

Martedì 20 novembre 2018

alle ore 11

Mariana MAZZUCATO

Lincea, Fellow of the Academy of Social Sciences, Director of the Institute for Innovation and Public Purpose
University College London

terrà la Conferenza:

**VALUE CREATION
VERSUS
VALUE EXTRACTION**

**THE IMPLICATIONS FOR ECONOMICS
AND POLICY**

Le rivolgo il cordiale invito ad intervenire.

Il Presidente
Giorgio Parisi