New Ways of Thinking About Society and the Economy

Seven experts share their insights at UNESCO

Published in 2026 by the United Nations Educational, Scientific and Cultural Organization, 7, place de Fontenoy, 75352 Paris 07 SP, France and 'la Caixa' Foundation, Palau Macaya, Pg. de St. Joan, 108, 08037 Barcelona, Spain.

ISBN: 978-92-3-100883-2

Cover and graphic design: Ana Carrasco/Arbelaitz Creative Studio

Printed in UNESCO, Paris, France

Short Summary

Rethinking progress: New perspectives on society, economy and equity

Across the globe, rising inequality, democratic fragility, climate disruption and technological transformation are challenging long-held assumptions about development and progress. *New Ways of Thinking About Society and the Economy* brings together insights from seven leading thinkers to explore how societies can navigate these complex hurdles more equitably and sustainably.

Drawing on the MOST events of 2024-2025, this compilation offers reflections from economists, philosophers and social theorists on critical issues including labour dynamics, digital change, risks to the environment, and social energy. The experts examine the limitations of traditional welfare models, the role of institutions in shaping innovation, the moral foundations of societies, and pathways for resilient economic growth.

Designed for policy-makers, academics, civil society, and all readers interested in contemporary socio-economic thought, the publication encourages new frames of analysis rather than prescriptive solutions. By presenting ideas that bridge disciplines and perspectives, it promotes dialogue and evidence-informed decision-making.

7
leading thinkers reconsider pathways toward a more equitable future

"Since wars begin in the minds of men and women, it is in the minds of men and women that the defences of peace must be constructed."

New Ways of Thinking About Society and the Economy

Seven experts share their insights at UNESCO

Preface

Building on its long-standing role within the United Nations system as a laboratory of ideas, UNESCO has served as a forum for leading thinkers to engage with the challenges of their time, from Jean-Paul Sartre, Taha Hussein, Claude Lévi-Strauss and Simone de Beauvoir to Léopold Sédar Senghor and Aimé Césaire, among many others. Today, it continues this tradition by convening influential voices to reflect on the most pressing issues of our era, drawing inspiration from a wide range of disciplines, from economics and anthropology to political theory, philosophy and the broader social sciences.

In response to Member States' concerns about prevailing socio-economic paradigms and their implications for inclusive and meaningful social progress, the Management of Social Transformations (MOST) Programme provides a platform for dialogue between research, policy and society. Through the *Thought Leaders Series,* the programme invites thinkers from diverse backgrounds to share their perspectives and to engage in dialogue on the shifts and challenges currently reshaping our world.

Complementing this initiative, the annual Albert Hirschman Lecture celebrates the intellectual courage and legacy of political economist Albert Otto Hirschman. Every year, a leading figure, whose ideas and actions have advanced new ways of thinking and driven change at the international level, is invited to deliver the lecture.

UNESCO also continues to offer a space for reflection on the ethical and human dimensions of global transformation through World Philosophy Day. Philosophers and scholars from across regions come to explore the principles that underpin justice, solidarity and coexistence in an increasingly complex world.

Together, these initiatives reaffirm the MOST Programme's role as a space for critical reflection and dialogue, helping to build a deeper understanding of the issues at stake and to inspire new approaches to more inclusive and sustainable forms of social change.

The MOST Programme

The Management of Social Transformations (MOST) Programme is an intergovernmental programme dedicated to strengthening the link between social science research and public policy. It supports Member States in translating knowledge into action by working with national authorities to inform policy-making. It mobilizes research to address policy priorities, and it promotes dialogue with research communities and civil society, with the aim of improving social outcomes.

Foreword

For decades, mainstream economic and social policy frameworks have placed strong emphasis on economic growth and market efficiency as central policy goals. Within these approaches, concerns such as equality of opportunity and environmental sustainability were often treated as secondary, to be addressed through redistribution, regulation or spillover effects rather than embedded as coequal objectives from the outset. Experts have questioned this sequencing, arguing that growth does not automatically translate into broadly shared social gains or ecological sustainability. As a result, in many contexts, these policy choices have coincided with persistent inequalities and forms of vulnerability that can reduce social and economic resilience.

The evidence is increasingly difficult to ignore. Of the more than one billion people living in multidimensional poverty worldwide, the vast majority are already exposed to at least one major climate hazard –such as extreme heat, drought, flooding, or air pollution– and hundreds of millions face multiple, overlapping risks[1]. Poverty today is no longer defined solely by low incomes or limited access to services; it is deeply intertwined with environmental instability and climate vulnerability.

At the same time, global poverty reduction has stalled. Recent data indicate that roughly one in ten people worldwide now live in extreme poverty, highlighting how fragile earlier gains have been[2]. In many low- and middle-income countries, particularly those with large informal economies and weak social protection systems, income growth has largely bypassed the bottom segments of society even as wealth at the top has surged.

These converging challenges –inequality, poverty and environmental degradation– lay bare the limits of conventional frameworks. Economic growth, social equity and environmental sustainability can no longer be treated as separate domains. They are woven together. If we look at inequalities of opportunities i.e. unequal access to quality education, health and other social resources we can see how growth alone no longer guarantees social mobility.

This is why we have undertaken this work. It is an invitation to rethink our paradigm: not only how we define progress but also what we choose to value and reward as success. Growth matters, but so does fairness, security, and the ability of people and societies to withstand shocks. The question before us is how to bring these priorities together, rather than treating them as trade-offs.

New Ways of Thinking About Society and the Economy is offered as a step in that direction. It draws on the reflections of seven leading thinkers –economists, philosophers, and social scientists– who were invited to UNESCO to examine and challenge traditional assumptions or analysis, and propose alternative visions and explanations for more resilient, fair and humane societies.

Through this work, UNESCO's MOST Programme seeks not only to diagnose global challenges but also to equip policy-makers, researchers and civil society with new ways to deal with the ongoing transformations of societies and economies by encouraging evidence-based analysis and policy. In a world shaped by rapid change and growing complexity, business-as-usual approaches are no longer sufficient. This reflection aims to open space for more ambitious, inclusive, and joined up ways of thinking about progress and success.

Gustavo Merino
Director for Social Policies and Inclusion
Sciences Sector
UNESCO

1 UNDP & OPHI. 2025. Global Multidimensional Poverty Index 2025. New York, United Nations Development Programme and the Oxford Poverty and Human Development Initiative.

2 United Nations Statistics Division (2025) 'Goal 1 – End poverty in all its forms everywhere', UN SDG Global Database, United Nations.

Acknowledgements

This publication was made possible thanks to the partnership between UNESCO and the 'la Caixa' Foundation, within the framework of the Management of Social Transformations (MOST) Programme of the Sciences Sector of UNESCO.

This work was carried out under the overall supervision of Lidia Brito, Assistant Director-General for Sciences a.i. at UNESCO, and under the responsibility of Gustavo Merino, Director for Social Policies and Inclusion.

The project was born thanks to the drive of Gabriela Ramos, Former Assistant Director-General for Social and Human Sciences.

Special thanks go to the UNESCO team, in particular Mathilde Rodrigues, Programme Specialist, who coordinated the series of seven events that formed the basis of this publication and led to its development.

Appreciation is also extended to Nathalia Mineo and Tomás Austin for their valuable support in the organization of the events and in the preparation of this publication.

UNESCO gratefully acknowledges the support and advice of Sergi Loughney, Josep Ollé Pous and Monica Badia at the "la Caixa" Foundation.

The publication compiles lectures from Joseph Wong, Vice-President, International, at the University of Toronto and Professor of Political Science; Daron Acemoğlu, Institute Professor of Economics at MIT; Rebecca Henderson, John and Natty McArthur University Professor at Harvard Business School; Hartmut Rosa, Professor of General and Theoretical Sociology at Friedrich Schiller University Jena and Director of the Max-Weber-Kolleg in Erfurt; Carlos Lopes, Honorary Professor at the Nelson Mandela School of Public Governance at the University of Cape Town, Visiting Professor at Sciences Po, and Associate Fellow at Chatham House; Jayati Ghosh, Professor of Economics at the University of Massachusetts Amherst; and Ingrid Robeyns, Chair in Ethics of Institutions at Utrecht University.

Table of contents

JOSEPH WONG

"BEYOND ECONOMIC OR LOGISTICAL JUSTIFICATIONS, THERE MUST BE AN ETHICAL AND MORAL CASE FOR UNIVERSALISM, ONE THAT AFFIRMS THE DIGNITY AND RIGHTS OF ALL INDIVIDUALS, REGARDLESS OF HOW DIFFICULT THEY ARE TO REACH."

Equity and Inclusive Development in the Era of Post-Welfare Statism

By Joseph Wong

The twentieth-century welfare state, often regarded as a groundbreaking innovation, reflected a collective commitment to social equity and economic stability. It fundamentally altered the relationship between the state and its citizens. However, by the late twentieth and early twenty-first centuries, shifts toward deregulation, market-driven approaches, and the reconfiguration of social policies began to erode this model. This marked the transition from the traditional welfare state mode, characterized by extensive social safety nets and direct governmental intervention, to a framework where the role of the state is more regulatory and facilitative, also known as post-welfare statism. Professor Joseph Wong's lecture explored the consequences of this transformation, identifying blind spots in traditional welfare systems and proposing strategies to ensure equity and inclusivity in an increasingly fragmented landscape.

Understanding post-welfare statism

The evolution of welfare can be understood through the concept of 'embedded liberalism' theorized by John Ruggie. Embedded liberalism refers to a liberal economic order driven by market principles but grounded in normative commitments to redistribution, social welfare and active state intervention. This framework allowed economic growth and redistribution to occur simultaneously. However, the paradigm began to erode with the rise of neoliberal policies, which prioritized individual and private interests over social and public goods. While public spending on social safety nets has continued, it often fails to reach the most vulnerable, and it increasingly treats growth and redistribution as ideologically incompatible.

The divide between 'insiders' and 'outsiders' in the labour market

As societies industrialized in a capitalist manner, a growing working class and an expanding middle class began to demand greater redistribution, giving rise to powerful labour and trade unions. However, this logic of industrialism is tied to a specific form of industrialization, one characterized by large-scale manufacturing and factory-based employment. Today, this approach appears increasingly outdated, as it only benefits formal sector workers and fails to account for the expanding informal economy.

The shift from large-scale industrial employment to post-industrial labour markets, marked by precarious, informal or gig-based work, has deepened the divide between what David Rueda defines as 'labor market insiders' and 'outsiders' (Lindvall and Rueda, 2013). Labour market insiders are those employed full-time in the formal economy, while outsiders, whose numbers are steadily growing, include workers engaged in non-standard, part-time or informal employment. Rueda extends this categorization to 'welfare state insiders' and 'welfare state outsiders'.

This trend is not limited to developing countries but is also prevalent in member countries of the OECD (Organisation for Economic Co-operation and Development) where 50 per cent of new jobs created since the 1990s are non-standard (OECD, 2018). As a result, traditional welfare models, based on the assumption of stable, formal sector employment, are losing relevance. Employment-based systems of income redistribution are increasingly ill-equipped to address today's inequalities. As disparities in access to social insurance and welfare entitlements become more pronounced, undermining the foundations of the post-war welfare state, it becomes increasingly clear that innovative approaches are needed to reach those left behind.

The moral imperative against poverty

The moral imperative in fighting poverty requires reaching those who have historically and contemporaneously been left behind. Addressing poverty requires dismantling the systemic barriers that prevent certain groups from accessing social services and economic opportunities. However, the 'end of welfare as we know it' represents a significant challenge in terms of poverty research. It demands a shift in focus, from narratives of dependency to the reality of widespread 'working poverty'. This shift calls for a re-evaluation of social policies and interventions to better reflect the complexities of poverty in the modern context (Connor, 2000).

Disaggregating data reveals that many individuals are excluded because they live in rural communities, slums or conflict zones, or because of their Indigenous status, disabilities, gender, or other forms of marginalization. While national averages may suggest progress, they often mask significant disparities across regions and communities. A granular approach allows policy-makers to identify where targeted interventions are needed and thus allocate resources more effectively to those most in need.

Globally, a lack of formal identification or administrative visibility makes many marginalized populations, such as slum dwellers in India or remote communities in the Amazon, 'invisible' to both states and markets. However, reaching every individual comes at a high cost. Extending coverage beyond 75% leads to sharply rising marginal costs: reaching 76% may cost twice the average per capita, and achieving full coverage can be up to 3.5 times more expensive. To address this, strategies are needed to reduce the gap between average and marginal costs. This includes leveraging technology, optimizing delivery systems, and drawing on local knowledge to improve scalability and efficiency.

Ultimately, a normative commitment to reaching the hardest person to reach is essential. Beyond economic or logistical justifications, there must be an ethical and moral case for universalism, one that affirms the dignity and rights of all individuals, regardless of how difficult they are to reach.

> "It challenges the conventional practice of serving the majority first and extending to the periphery later, thus addressing the needs of the most marginalized from the beginning and ensuring that no one is left behind."

Lessons from successful models of inclusive development

Interventions that specifically target the most marginalized can be particularly effective when adapted to local contexts and needs. For example:

- **Brazil's Bolsa Família**. Despite widespread fiscal leakage, 75% of transfers reached the poorest quintile, including remote households in the Amazon thanks to the Cadastro Único registry and the use of detailed physical descriptions in the absence of formal addresses (Reach Alliance, 2021).
- **Tanzania and South Africa**. In Tanzania, the use of geolocation and local knowledge optimized delivery routes and improved the delivery of medical supplies to rural clinics. In South Africa, birth registration rose from 25% in the 1980s to near-universal coverage in the 2000s through systemic reform and outreach (Reach Alliance, 2016).
- **Canada's Operation Remote Immunity**. This initiative overcame logistical and trust barriers to vaccinate Indigenous communities during the COVID-19 pandemic, demonstrating the importance of cultural competence in health interventions (Reach Alliance, 2023).

Reimagining the welfare state

We need a paradigm shift in scaling social interventions. By starting with those most affected and focusing on the voices and perspectives of marginalized communities, we can reimagine a welfare state that transcends traditional core-to-periphery models to foster broader, systemic inclusion, leading to more inclusive and effective solutions.

This approach prioritizes those hardest to reach from the outset rather than as an afterthought. It challenges the conventional practice of serving the majority first and extending to the periphery later, thus addressing the needs of the most marginalized from the beginning and ensuring that no one is left behind.

Takeaways

Professor Wong's insights challenge us to rethink the role of the state in a world shaped by growing inequalities and shifting labour markets. His call to action reminds us that the success of any development framework lies not only in aggregate statistics but in its ability to empower the most vulnerable. This reimagining requires us to rethink traditional models of growth and redistribution and of placing equity and inclusion at the centre of policy design. Societies can unlock the transformative potential of inclusive development by redefining the welfare state to embrace those furthest behind, which requires:

- ↘ A shift from a welfare model, which primarily serves formal sector workers, to one that includes informal workers and marginalized populations.
- ↘ A commitment to disaggregating data to expose hidden inequities, to reducing costs to make universal coverage feasible, and to leveraging grassroots knowledge to inform policy.
- ↘ A collective normative commitment to ensure that no one is left behind, thus serving as a foundation for achieving the SDGs and inclusive welfare.

Key concepts

Welfare state / Social welfare / Post-welfare statism / Social equity / Embedded liberalism / Redistribution / Post-industrial labour markets / Labour market insiders versus labour market outsiders

About the author

Joseph Wong is a Professor at the Department of Political Science, and Vice President, International, at the University of Toronto. He previously held the Ralph and Roz Halbert Professorship of Innovation at the Munk School of Global Affairs & Public Policy. His research focuses on comparative public policy and political economy, with his current work exploring poverty, innovation and development. He is also the founder and principal investigator of the Reach Alliance.

References

Connor, P. 2000. Ethnic antagonism and support for the far right in Europe. *Annual Review of Sociology*, Vol. 26, No. 1, pp. 547–574.

Lindvall, J. and Rueda, D. 2007. The insider-outsider dilemma. *Social Democracy Inside Out: Partisanship and Labor Market Policy in Advanced Industrialized Democracies*. Oxford, Oxford University Press.

OECD. 2018. *Opportunities for All: A Framework for Policy Action on Inclusive Growth*. Paris, OECD Publishing.

Reach Alliance. 2016. *Reaching the Hard to Reach: A Case Study of Birth Registration in South Africa*. Toronto, University of Toronto.

Reach Alliance. 2019. *Reaching the Last Mile: Tanzania's Medical Supply Chain*. Toronto, University of Toronto.

Reach Alliance. 2021. *Reaching the Hard to Reach: A Case Study of Brazil's Bolsa Família Program*. Toronto, University of Toronto.

Reach Alliance. 2023. *Operation Remote Immunity: Providing Vaccines in Remote Indigenous Communities*. Toronto, University of Toronto.

DARON ACEMOĞLU

“

HOW WE USE TECHNOLOGY AND ORGANIZE WORK AROUND IT IS A MATTER OF CHOICE. IT IS IN THAT CHOICE THAT INSTITUTIONS AND POWER BECOME PARTICULARLY IMPORTANT.

”

Can Technological Progress Build Shared Prosperity?

By Daron Acemoğlu

Can technological progress build shared prosperity? Perhaps the question should be, when can technological progress build shared prosperity?

Much of humanity's lives are healthier, more prosperous and more comfortable than it was 300 years ago. It is not hard to be impressed by the gifts that technology and innovation have brought to the world. However, this macro picture masks the subtle variations that offer important lessons. In the history of technological progress, and the prosperity it has brought, not much of it is automatic or inevitable. Indeed, progress is highly dependent on institutions, the type of technological progress, and who controls it.

Those questions become even more central in the age of innovation, where we are surrounded by new artificial intelligence (AI) products, apps and widgets every day. According to most statistical measures of innovation, such as patents, there has been a veritable explosion in US patents from the early 1980s to the present day.

In this age of mesmerizing technological advances, the central questions remain: Who will benefit from it? Will these advances bring about shared prosperity? Who controls these technologies? History clearly shows the relationship between the control of technologies and how benefits are distributed, but also whether they bring any benefits at all. Moreover, there should be a greater emphasis on these issues in public debate and economics.

The productivity bandwagon

There is a folk theorem in economics, which – like most folk theorems – has a grain of truth and a lot of simplification. It has in fact shaped how policy-makers and opinion makers think about technological progress and AI. In *Power and Progress* (Acemoğlu and Johnson, 2023), it is called the 'productivity bandwagon'. It claims that there is an automatic process through which technological advances bring about shared prosperity.

What is this productivity bandwagon? Technology improves but so does knowledge and our capacity to do things. We apply them to the production process, which means that when productivity rises, we can extract a greater output and more goods and services from the same inputs because we have improved capabilities, better knowledge, and more advanced technology. These forces can also improve workers' wages and their earning potential. Most of us earn our income from the labour market, so when it is buoyant, it becomes a foundation for shared prosperity.

If the productivity bandwagon is true, we should welcome technology because such strong forces will swell the tide that lifts all the boats.

But the mechanism does not always work. We can find examples where higher productivity did not lead to higher wages. We can consider two examples.

Windmills in the Middle Ages

In the Middle Ages, windmills changed the production process, increasing productivity in some areas by more than tenfold, perhaps as much as twentyfold. Yet, the nobility and the high clergy reaped all the benefits, and there was little improvement in the lives of the peasants. The peasants were in a coercive relationship of serfdom and other dues paid to the landowners. More importantly, in the case of the windmills, the peasants were completely monopolized by the same landowners. This meant that the landowners could prevent anyone from opening their own windmills, essentially forcing people to use theirs instead. Under such conditions, the kind of competitive labour market processes that would be required so that higher labour demand can translate into higher wages are, invariably, not going to work.

Eli Whitney's cotton gin

In the mid-1700s, the American South was an economic backwater, but it had the climate and labour for profitable crops like cotton. However, cotton could not be efficiently cleaned using traditional methods, which prompted the development of machines, including Eli Whitney's patented cotton gin. This invention transformed the South into the world's largest cotton exporter, thus fuelling the Industrial Revolution and generating huge fortunes for the landowners. Meanwhile, the workers (enslaved Black Americans) reaped none of the benefits; not only were they unable to demand wages but coercion also increased.

These examples illustrate the importance of institutions, or, more significantly, the role played by power. Power influences how gains are distributed and whether this critical step, for the productivity bandwagon, works. Power, as we will see, also plays a critical role in terms of innovation.

Does history matter for the digital age?

Some simplistic accounts of the British Industrial Revolution (1760–1840) would say that everyone benefited from it, including the workers. But when we look closer, a more complicated picture emerges. Workers often had no options; they could not be represented and unions were persecuted. Collective bargaining was impossible.

The nature of technology also mattered. The early technologies of the Industrial Revolution were automation and machine substitution, which today would translate as machines and algorithms used for tasks previously performed by workers. This kind of automation does necessarily lead to the optimistic 'productivity bandwagon' type. Economics teaches us that companies' willingness to pay for workers and their willingness to hire is related to the contribution of labour to production. Economists call this 'marginal productivity' or 'marginal productive labour'. Conversely, when we talk about rising productivity, we mean productive output relative to labour, which is a measure of 'average productivity'.

The factory of tomorrow

There is reason to believe that average productivity and marginal productivity are moving; when one increases, the other also increases. But there are also reasons to suspect that this may not be the case. There is a joke that perfectly captures the essence of this. It says that the future factory will have two employees, a man and a dog. The man is there to feed the dog, and the dog is there to make sure that the man does not touch the equipment. The point of the joke is that the productivity bandwagon does not work. You neither need the man nor the dog; they are completely dispensable. If productivity increases twofold, no factory will rush to hire more men and their dogs. This example essentially explains that equipment eliminates the need for workers and drives a wedge between marginal and average productivity. This is exactly what was observed in the first half of the British Industrial Revolution over a period of about 90 or even 100 years. It was not until the late 1840s that we began to see consistent wage increases and improved conditions for workers, which coincided with union recognition and negotiations for better wages and conditions. Indeed, this is a technological story as well as an institutional one.

The shifting patterns of shared prosperity

Are modern times different? Yes and no.

Between the 1940s and 1970s, the United States and many other countries experienced shared prosperity: rising real wages across all social groups and rapid income growth. If we look at data from the United States (see the chart on the next page), we see inflation-adjusted wages for men and women correlated with five education groups, ranging from high school dropout workers to those with a postgraduate degree.

The average growth between 1949 and 1975 in the United States, adjusted for inflation, is about two and a half percentage points a year, which means that in 30 years, people are essentially doubling their real incomes. This level of income growth allows workers to easily enter the middle class. This is the kind of shared prosperity experience that many countries around the world enjoy, especially in the West.

However, around 1980, a jarring divergence began. Real incomes for less-educated workers declined even as economies grew. For both high-school graduates and high-school dropouts, real income declined over this period.

Yet this pattern is not the same everywhere. If we look at the data for Sweden over the same period, or at least the second half of that period, wage inequality declined. Sweden is subject to the same technologies and the same globalization, yet it paints a much more

The change in real (log) weekly earnings, since 1963
Working age adults, ages 18–64

Source: Autor, D. 2019. Work of the past, work of the future. *AEA Papers and Proceedings*, Vol. 109, pp. 1–32.

complicated picture. Wage inequality is falling even as overall inequality is rising, partly because of changes in hours, capital income and other factors that may or may not be affected by globalization.

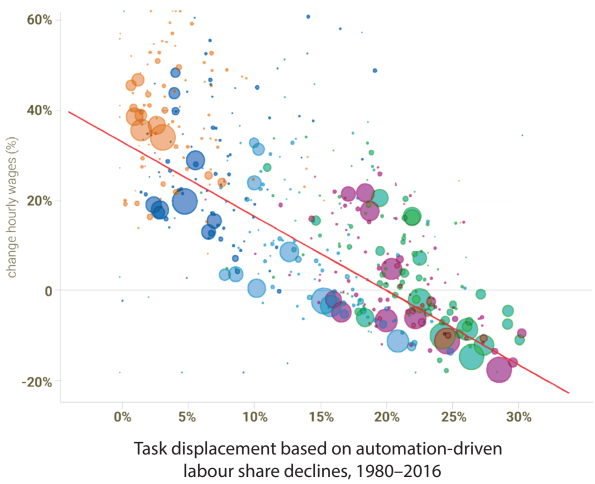
The idea is that countries make different decisions about who will win and who will lose. This begs the same question: How did shared prosperity or shared growth happen? How was it that in the decades after the Second World War, income growth was relatively evenly distributed in the United States, Europe and the United Kingdom? How did growth take shape in the second half of the nineteenth century during the British Industrial Revolution? How was it reversed in the 1980s?

The River Rouge complex

In the River Rouge complex, one of Henry Ford's early factories, automation took the form of assembly lines and decentralized electric machines, which carried out tasks that were once performed by workers. However, automation was not the only force at play. It was combined with new technical tasks that expanded employment and raised skill levels. As mass production grew, workers took roles in repair, maintenance, engineering, accounting and clerical work, illustrating how automation and new tasks could coexist in a balanced, organizational and technological process. Ford's aim was to raise productivity for profit rather than out of concern for labour, but this period also saw the rise of strong unions, such as the United Auto Workers, whose strikes in Ford and General Motors factories helped secure workers a fair share of productivity gains, an influence that spread across industries.

These two forces, the direction of technology and the distribution of power, also defined the second phase of the Industrial Revolution. Their undoing explains today's rising inequality and unshared growth. Modern car factories show extreme automation: one person, many robots, few manual workers. Unlike in the past, automation has not been accompanied by new technologies creating additional tasks for workers, which has led to a sharp decline in manual employment.

Change in real wages due to automation of job tasks
1980–2016



Source: Acemoğlu, D. and Restrepo, P., 2022. Tasks, automation, and the rise in U.S. wage inequality. *Econometrica*, Vol. 90, No. 5, pp. 1973–2016.

Automation and the rise of wage inequality

Based on work with Pascual Restrepo (Acemoğlu and Restrepo, 2022), the previous chart illustrates the link between automation and wage inequality in the United States. Each dot represents a demographic group, showing the change in real earnings from 1980 to 2016. About half of the groups fell below zero, revealing how uneven economic growth had been, with many failing to benefit from the digital age. On the horizontal axis, the measure of automation reflects the share of tasks once performed by each group that have since been automated. For less-educated groups, such as high-school graduates, especially young men, who once held blue-collar jobs, the relationship between automation and inequality is striking, accounting for roughly 60% to 70% of the changes in wage inequality.

The politics and direction of innovation

How we use technology and organize work around it is a matter of choice. It is in that choice that institutions and power become particularly important. Two major changes since the 1980s have made inequality worse. First, unions have been weakened. Second, a new model became dominant. The model that Ford unwittingly developed is what some institutional economists in the early twentieth century called 'welfare capitalism'. Firms do well, and then they share the gains with their workers, which they were required to do because of union pressure. But they also shared the gains because it was thought to motivate the workers, and because it was considered the right thing to do.

Milton Friedman argued that the only responsibility of business was to increase shareholder value, encouraging firms to cut labour costs and automate more. Unions could no longer resist, and the tech industry eagerly provided the tools.

This mindset traces back to Alan Turing, who saw computers as machines that could replicate human cognition. The AI pioneers at the 1956 Dartmouth Summer Research Project embraced the idea of autonomous machine intelligence, i.e. machines doing things like humans, autonomously. This view drives automation, not the creation of new human tasks. Yet, total factor productivity growth has slowed in the digital age, revealing an overuse of what I call 'so-so automation': saving labour costs without real innovation or productivity gains, like self-checkout lines that do not work.

> “In the history of technological progress, and the prosperity it has brought, not much of it is automatic or inevitable. Indeed, progress is highly dependent on institutions, the type of technological progress, and who controls it.”

The problem is that this perspective, at least before the age of AI, has not been successful. Led by digital tools, the age of innovation is upon us, but the productivity gains are not there. If we look at the economist's favourite measure of productivity, the total factor of productivity growth, the digital age is much slower in terms of productivity growth than observed in earlier decades. This is not just confined to the United States; we see the same pattern in other industrialized nations.

However, talking about digital technologies and AI solely as an economic phenomenon is not enough. Digital technologies and AI also reshape society through information control. Surveillance and data concentration, whether by governments or private firms, have raised political and democratic concerns.

Conclusion

To conclude on a hopeful note, these challenges are not a trap. What remains essential is the power of choice. We decide the kind of institutions that shape our lives. We choose the direction of innovation, or, at the minimum, we have some say about it. Where is society? Where are the workers? Where is democracy?

We need the politics of shared prosperity to work, which means restoring countervailing powers. Welfare capitalism did not happen by itself. It happened with unions, with civil society organizations. Critically, the key to shared prosperity is the direction of innovation. It is impossible to build shared prosperity if all the tools that push for automation and the centralization of information are in the hands of companies.

At every stage of the digital revolution, some believed technology could decentralize and democratize. Such computer pioneers as Ted Nelson, Douglas Engelbart and Joseph Licklider envisioned human-machine complementarity, with machines expanding human agency not replacing it. Engelbart's mouse, hyperlink and menu-driven computers embodied this vision. As early as 1949, computer scientist Norbert Wiener was worried about the impact automated work by robots would have on workers and wages. He outlined a different view of what technology should do. In *Power and Progress*, we call it 'machine usefulness' in contrast with 'machine intelligence'. Machines should be at the service of humans, and expand human capabilities and human agency. Joseph Carl Robnett Licklider, who could be considered the father of the Internet, had the same vision. He called it man-computer symbiosis.

Artificial intelligence, if done right, could go in that direction because, as an informational tool, it could offer greater capabilities to many and not just automation.

However, in terms of politics of innovation, it is not the direction we are currently taking. Government regulation and societal pressure could change that.

One example illustrates it very powerfully: the energy sector. When the fossil fuel sector was growing, it was considered that fossil fuel technology was very profitable for a few, but bad for society as a whole. It took a lot of government regulations, subsidies for green innovation, and societal pressure to change the picture. For example, in the 1990s, renewables were twenty times more expensive than fossil fuels, but with regulations, subsidies and societal pressure, they are now cheaper. The same could happen with technology, if we choose to take this direction.

Takeaways

- ↘ Technological progress has improved living standards over centuries, but shared prosperity is never guaranteed; it depends on institutions, power, and who controls technology.
- ↘ The 'productivity bandwagon myth' is the belief that technological progress naturally leads to shared prosperity, but it overlooks critical factors. Productivity gains do not automatically translate into higher wages or better living conditions.
- ↘ Historical lessons show that power matters. Shared prosperity is possible, but it is not guaranteed.
- ↘ Institutions shape outcomes. During the early Industrial Revolution, automation displaced workers for nearly a century before unions and labour rights enabled wages to rise. Shared prosperity only emerged when power was rebalanced.
- ↘ The direction of innovation matters. Ford's factories combined automation with new human tasks and fairer wage distribution. Today's 'so-so automation' replaces workers without real productivity gains, deepening inequality. AI risks repeating this pattern if it prioritizes automation over human complementarity.
- ↘ Shared prosperity is a political choice. Institutions, regulations and social organizations determine whether technology empowers or excludes. Restoring countervailing powers, unions, civil society and democratic oversight is essential.

Key concepts

Technology / Automation / Shared prosperity / Institutions / Power / Productivity bandwagon / Welfare capitalism

About the author

Daron Acemoğlu is a Turkish American economist and an Institute Professor at the Massachusetts Institute of Technology (MIT). In 2024, he was awarded the Nobel Prize in Economic Sciences. A leading voice in the fields of political economy and development, he explores how economic and political institutions shape innovation, inequality and long-term growth. His work has profoundly influenced contemporary debates on the relationship between governance, technology and social progress.

References

Acemoğlu, D. and Johnson, S. 2023. *Power and Progress. Our Thousand-Year Struggle over Technology and Prosperity*. New York, PublicAffairs.

Acemoğlu, D. and Restrepo, P. 2022. Tasks, automation, and the rise in U.S. wage inequality. *Econometrica*, Vol. 90, No. 5, pp. 1973–2016.

REBECCA HENDERSON

"WE MUST REBUILD THE INSTITUTIONS THAT UNDERPIN OUR SOCIETY, ENSURING THAT CAPITALISM FUNCTIONS IN HARMONY WITH STRONG GOVERNANCE WHERE FIRMS ACTIVELY SUPPORT DEMOCRACY RATHER THAN ERODE IT."

Reimagining Capitalism in a World on Fire

By Rebecca Henderson

Capitalism today faces an existential crisis, prompting a fundamental redefinition of the relationship between business, society and the environment. The traditional model of profit maximization is increasingly being challenged, with growing calls for a shift toward purpose-driven enterprises that prioritize long-term sustainability and collective well-being. Central to this transformation is the need to confront climate change, rising inequality and institutional fragility. Professor Rebecca Henderson highlighted the structural shortcomings of contemporary capitalism, proposing a pathway toward systemic reform and emphasizing the critical role businesses must play in building a more equitable and sustainable economic world order.

We have reached a point of enormous crisis both from a climate and social perspective, with many aspects of life unravelling. But this key moment also provides a chance to reflect on how to do things differently, offering an open pathway to new opportunities. In this context, rethinking capitalism and the way profit-based companies are run is open for discussion. Indeed, businesses should not be run for the sake of profit, but for purpose. Seen in this way, the goal of our capitalist system should be to create a thriving and prosperous society, and not just for profit.

A society under constant threat of systemic failure

The current case scenario for climate change is around a 3.3°C rise by 2100. This is a dire prospect, with the likelihood of a rapid increase in more extreme weather events, like flooding and drought. We can already see these phenomena happening around the world. As a result, there will be hundreds of millions of climate refugees, running parallel with the failure of agricultural, energy and transportation systems. This will disproportionately impact disadvantaged populations and the Global South.

Nevertheless, some nuance is needed. We are unlikely to 'fix' the world entirely, but we are also not facing total collapse or extinction. Humanity must now manage a society that is under constant threat of systemic failure. The goal is resilience, not utopia, across communities, institutions and infrastructure, to navigate growing global volatility. The rapid growth of renewables may help prevent the worst climate outcomes. Still, the key question is whether we can avert a future marked by autocracy, neo-feudalism and societal decline. This will require coordinated institutional action and active public engagement to build a more equitable, democratic and resilient world.

We could fix this, if we wanted to

One of the central paradoxes of the current global crisis is that it remains solvable, yet meaningful action is hindered by a lack of collective will, particularly among the global elite who hold disproportionate power and resources. Structural barriers, such as short-term corporate priorities and fragmented global governance, continue to obstruct coordinated responses, even though the financial cost of action is relatively modest. The dominance of shareholder value has entrenched a system that is not only economically unsustainable but also morally bankrupt. Addressing this crisis requires a fundamental reimagining of capitalism, with the private sector playing a pivotal role if it chooses to act with the necessary urgency and responsibility.

The four steps to systemic change

The foundation of systemic change begins with *creating shared value*, in which businesses go beyond merely preventing harm to actively generating social value through their operations. What holds us back is not economic feasibility but a failure of imagination. Meaningful progress also depends on building cooperation across industries, yet existing laws occasionally hinder rather than enable collaboration, highlighting the need to rethink antitrust policies to prioritize citizen welfare over mere consumer choice. Additionally, rewiring finance is crucial. The financial sector must restructure to hold businesses accountable for their environmental and social commitments, relying on reliable measures of emissions, inequality and sustainability for transparency on a broader scale. Financial leaders must recognize that destabilizing the world's economy is not only an ethical failure but also a direct risk to their own investments. Finally, we must rebuild the institutions that underpin our society, ensuring that capitalism functions in harmony with strong governance where firms actively support democracy rather than erode it.

A persistent apathy in the face of crisis

Despite the escalating gravity of the global environmental and socio-economic crisis, a significant segment of those with the greatest power and resources remains comparatively disengaged. This phenomenon warrants critical examination.

A key driver of apathy is motivated denial, especially among fossil fuel executives whose careers are rooted in an industry once seen as essential to progress. Accepting that their work now fuels environmental collapse creates deep psychological dissonance, reinforcing denial at individual and institutional levels. Systemic pressures, and short-term political and market cycles, leave little room for long-term planning. Many now recognize that prosperity carries hidden social and ecological costs. Overcoming this inertia requires not just structural change, it must also confront the emotional resistance that hinders real engagement. Sustainable transformation demands not only external action but also internal reckoning.

Continue the work of systemic change

The process of systemic transformation is both intellectually and emotionally demanding. Many individuals engaged in this work operate from a place of exhaustion, often fuelled by anger. While anger can serve as an initial motivator, it is not a sustainable source of energy over the long term. Sustained engagement requires emotional resilience, reflection and regeneration.

Prioritize collective and individual well-being

Self-care must be reframed not as indulgence but as a foundational component of sustained activism and leadership. Meaningful, long-term engagement is most effective when embedded in community. The capacity to hold complex realities with equanimity, compassion, and even joy is essential to building the endurance required for transformative work. Emotional sustainability must be recognized as a prerequisite for social sustainability.

Invest in inner development

Transformative change necessitates not only external structural reform but also a parallel investment in inner development. There exists evidence-based practices that cultivate empathy, foster meaningful dialogue across ideological and cultural divides, and support the development of compassion for those with differing worldviews. Such practices enhance the capacity for collaboration and mutual understanding; capabilities that are essential in overcoming polarization and distrust.

This inward orientation is not peripheral to systemic reform, it is foundational. The dominant socio-economic model, focused on shareholder primacy and instrumental reasoning, enables the objectification of people and ecosystems. In contrast, ethical collaboration must be rooted in relational awareness and shared purpose. Inner work is uncomfortable, and it often deters transformation, yet without it, cycles of extraction and disconnection persist. Understanding reactivity, emotional triggers and interpersonal dynamics is not secondary; rather, it is essential for lasting societal change.

We must learn to balance *Homo economicus* with *Homo reciprocans*

Our current system reflects a model of humanity that is competitive, consumption-driven and transactional. It prioritizes efficiency over relationships, status over well-being, and profit over dignity. In contrast, a cooperative, relational model rooted in meaning and connection is often dismissed as weak or unrealistic. We undervalue care work, education and social services, while rewarding those who extract wealth without contributing to the common good. True strength lies in cooperation, care and shared prosperity. Lasting solutions require not only economic restructuring but also a transformation in how we relate to ourselves, others and the planet.

We need leaders who are not just strategically skilled but who hold space for diverse voices, engage broad stakeholders, and stay committed to collective well-being. But transformation cannot remain individual; it must reach our institutions. What does that mean for NGOs, governments and the systems shaping our world? These are the questions we must actively explore, because personal change means little without institutional shifts.

> "Lasting solutions require not only economic restructuring but also a transformation in how we relate to ourselves, others and the planet."

This paradigm shift may sound idealistic, even utopian. Yet, continuing with the status quo will only lead us further into crisis. History shows us that when change happens, it happens quickly. It is often driven by moral imperatives and, crucially, it succeeds when aligned with economic interests. The current order is failing, condemning hundreds of millions, if not billions, of people to unnecessary suffering while concentrating wealth and power in the hands of a few. The moment is right for real, systemic change. The only question is whether we will seize it. To conclude, doing small things is not a small thing. Every action, every conversation, every step toward a more just and sustainable world, matters.

Takeaways

- Capitalism faces a profound crisis requiring a shift from profit maximization to purpose-driven, sustainable business models. Climate change, inequality and institutional fragility demand urgent systemic reform.
- Meaningful change depends on resilience at community, institutional and infrastructure levels.
- Entrenched corporate interests and short-term priorities hinder collective will.
- Systemic change requires creating shared value, building cooperation, rewiring finance and rebuilding institutions.
- Emotional and psychological engagement is essential to overcome apathy and sustain activism. Inner development, empathy and collaboration are foundational for lasting transformation.
- We must move from a competitive, transactional economic model (*Homo economicus*) to a cooperative, relational one (*Homo reciprocans*).
- Leadership must balance strategic skills with inclusivity and commitment to collective well-being.
- Individual and institutional changes are both necessary to create a just and sustainable future.

Key concepts

Capitalism / *Homo economicus* / Systemic change / Sustainable transformation / Model of profit maximization

About the author

Rebecca Henderson is a University Professor at Harvard Business School, a research fellow at the National Bureau of Economic Research, and a Fellow of both the British Academy and the American Academy of Arts and Sciences. Her work centres on sustainability, capitalism and organizational change. She is the author of *Reimagining Capitalism in a World on Fire*.

HARTMUT ROSA

"SOCIAL ENERGY IS NOT SOMETHING WE POSSESS INDIVIDUALLY; IT IS GENERATED COLLECTIVELY, AND FLOWS BETWEEN PEOPLE, SITUATIONS AND EVENTS."

Why Do We Need a Concept of Social Energy?

By Hartmut Rosa

In our contemporary societies, marked by an incessant quest for acceleration and transformation, Professor Hartmut Rosa invited us, on the 2024 World Philosophy Day (21 November), to reflect on a fundamental question: What sets human societies in motion? Beyond material and institutional structures, the response focuses on the cultural and psychic energies that animate social life.

From this perspective, Hartmut Rosa introduced the concept of resonance, a notion little explored, if at all, by traditional Western philosophy, and which prompts us to ask: What kind of energy are we talking about? Why do we need a concept of social energy?

By raising this question, he calls for a renewal of philosophical dialogue, one that transcends the boundaries of Western tradition and opens up to global perspectives.

The acceleration trap and the double energy crisis

Since the eighteenth century, we have built a high-energy society propelled by a process of social acceleration. This dynamic, on its material side, is fuelled primarily by physical energy-coal and fossil fuels, which still dominate today. However, it is also sustained by the logic of capital accumulation and by a form of political energy: the creation and expansion of infrastructures, the implementation of educational systems, and the establishment of political institutions, such as parties and democracies. It is a model of development that increasingly leads to alienation.

One of the most pressing challenges facing humanity today is the dual energy crisis.

- A material energy crisis, driven by extractivist practices, overconsumption and environmental degradation.
- A psychic energy crisis, evident in the rising incidence of burnout, depression and political fatigue, especially among younger generations.

This model contradicts the very logic of biological life, which naturally seeks to conserve energy. In contrast, modern societies are investing ever more energy – physical, psychic and political – not to advance but merely to maintain the status quo. It is a fundamentally unnatural model, one that leads to exhaustion at both the individual and systemic levels.

Resonance and the global burnout phenomenon

Building on this reflection, a central question emerges: What makes human life good? This is a question explored in depth in the book *Resonance: A Sociology of Our Relationship to the World* (Rosa, 2019), which argues that life is truly good when we are in resonance with the world, with other people, with our work and tools, with nature, and with our own bodies and inner selves.

As the work of Randall Collins suggests, social energy is not something we possess individually; it is generated collectively and flows between people, situations and events. At times, it sparks transformation, creativity or joy, and at others, it fades into apathy, indifference or distress. It is precisely in these moments of resonance that real change becomes possible. This type of energy is not a zero-sum game; on the contrary, when it flows freely, it uplifts everyone.

In contrast to the dominant modern conception of the 'good life' as the expansion of what is available, attainable or consumable, there is another path, one that values the quality of our relationship to the world, as a form of sensitive, lived engagement.

One of the great dangers of our time is widespread burnout, a form of exhaustion that is both individual and collective, and which is particularly acute among younger generations. This emotional distress is not confined to Western societies; it extends across Europe, Latin America, Asia and Africa.

Toward a concept of social energy

One of my current intellectual endeavours is to develop a concept called 'medio-passivity', which is inspired by non-European philosophical traditions. These traditions do not conceive of energy as a resource to be owned or invested towards a goal; rather, it is something that emerges in the in-between, in relationships, in the living interplay between beings and situations.

Drawing on Hannah Arendt's concept of 'natality', genuine transformation arises in this interstitial space, not through force or willpower, but through events that spark something new into existence.

Let us take World Philosophy Day as an example. When such an event is successful, we hope it will ignite something, open a space, create a shift. But if that spark occurs, it becomes impossible to pinpoint exactly who or what caused it. The energy is circulating, collectively generated, and not attributable to any single source.

This framework also helps explain why certain social movements, like Fridays for Future, at one time appear to be overflowing with energy, only to suddenly and rapidly collapse soon afterwards once the space in-between loses its vitality. From one day to the next, the energy seems to vanish.

Stuck in the in-between: the pathology of modern society

Claude Lévi-Strauss distinguishes between 'cold' societies, which aim to preserve their way of life, and 'hot' societies, which are constantly driven by transformation.

Modern society is caught in a pathological form of in-betweenness. We are a 'hot' society, obsessed with transforming everything, objects, systems and rules, yet incapable of enacting genuine change.

This leads to a vital question: How can we cultivate the conditions for this fertile in-between, this generative space where the new can truly emerge?

“Energy is not a resource to be owned or invested towards a goal; rather, it is something that emerges in the in-between, in relationships, in the living interplay between beings and situations.”

Rethinking energy: a global perspective

To conclude, a fundamental philosophical question must be asked: Should we conceive energy as an individual property, a resource each person owns and mobilizes, or rather as a collective force, a preexisting energy in which we participate?

This question, deeply rooted in non-Western traditions, challenges the usual framework of Western thought centred on the autonomous individual.

Contemporary philosophy must urgently become a global dialogue, open to the plurality of cultures and worldviews. Only by embracing these diverse perspectives can philosophy truly grasp the complexity and richness of the human condition.

Takeaways

↘ We need a paradigm shift in how we understand the forces that animate human society. The notion of 'social energy' offers a powerful analytical lens to grasp what society is, but also what drives it.

↘ We are currently living in a dual energy crisis: the material exhaustion of the planet and the psychic fatigue of individuals, especially young people.

↘ Energy must be rethought as a collective, relational and cultural force, beyond mere physical or political resources.

↘ Resonance, i.e. the quality of connections and lived engagement, lies at the heart of a truly good human life.

↘ Modern society is trapped in a pathological 'in-between': obsessed with transformation but incapable of deep change.

↘ Drawing inspiration from non-Western philosophies and fostering a global philosophical dialogue are essential to envisioning shared energy that generates collective renewal.

Key concepts

Social energy / Dual energy crisis / Resonance

About the author

Hartmut Rosa is a sociologist and philosopher, a Professor of Sociology and Social Theory at Friedrich Schiller University in Jena (Germany), and Director of the Max Weber Centre for Advanced Cultural and Social Studies. He is known for his influential theories on social acceleration, alienation and resonance, and is considered one of the leading figures in contemporary social philosophy.

Reference

Rosa, H. 2019. *Resonance*: *A Sociology of Our Relationship to the World* (J. C. Wagner, trans.). Cambridge, Polity Press.

CARLOS LOPES

"AFRICA'S FUTURE WILL NOT BE DETERMINED BY OTHERS, UNLESS THEY ALLOW IT. RESILIENCE IS NOT JUST ABOUT SURVIVING THE NEXT CRISIS; IT IS ABOUT SHAPING THE NEXT PARADIGM."

The Future of African Economies – Pathways to Resilient Growth

By Carlos Lopes

Africa is often spoken about as a problem to be solved, defined by what it lacks, i.e. roads, capital, health, education, governance and readiness. As if there were a universal starting line, Africa just keeps showing up late. This narrative is so pervasive that Africans sometimes internalize it, using the vocabulary of scarcity and dependence. Terms like 'bridging the gap' or 'catching up' imply fitting into a model defined by others, rather than questioning it. What holds back African economies is not just underinvestment or weak infrastructure, but a worldview that measures progress by external standards, forcing Africa to explain itself, justify exceptions and seek validation, as if ambition requires permission. These economies need space and leverage to reshape the system based on their realities and goals, with growth that transforms structure, redistributes power and builds agency.

Three megatrends, comprising demographics, climate and technology, will shape this path. They bring risks and possibilities, intersecting with deeper forces like colonial legacies, extractive economics and multilateral double standards. Carlos Lopes's lecture builds on this premise, to explore how Africa can harness these megatrends to drive structural transformation.

Africa is not late for development

Africa is arriving at a different moment in history and a different configuration of challenges, and it must use different tools. The question is not how to catch up but how to reposition itself, and how to revalue what it already has: youth, cities, land and knowledge, and how to convert these resources into structural power. Africa's future will not be determined by others, unless they allow it. Resilience is not just about surviving the next crisis; it is about shaping the next paradigm.

Superficial growth

There is a persistent illusion that Africa has been growing. GDP figures over the past two decades look good on paper, but much of this growth has been superficial, driven by commodity exports, infrastructure booms and externally financed consumption, not structural change. Manufacturing is stagnant, value addition minimal, trade undiversified, and growth in production is too slow to generate jobs, especially in agriculture. Africa grows but does not deepen. Much of what has been borrowed has not gone into productive sectors and is now being repaid under increasingly commercial terms. Infrastructure has not catalyzed transformation, often due to the absence of an industrial base. Meanwhile, global financial architecture is failing the continent. Concessionality has become a gatekeeping word, used to rush in finance, delay delivery and impose outdated policy conditions. Risk is pushed onto African borrowers while guarantees stay offshore. Official development assistance is not just declining in volume; it is shrinking in ambition.

True resilience will not come from financial engineering; it will come from changing the structure of economies. This means investing in sectors with high multiplier effects, like agroprocessing, digital services, clean energy and regional logistics. It means enabling public investment to unlock domestic value rather than creating dependency. It also means treating regional integration as the backbone of future growth. Resilience must rest on foundations under African control. While external forces, like investor sentiment and global double standards, remain influential, lasting transformation depends on shifting economic logic through domestic levers.

Demography and urbanization: opportunity or crisis?

Africa's economies have grown intermittently, but populations have grown relentlessly. Strangely, this reality is still not driving global conversation. Political classes skirt the topic, and multilateral frameworks largely ignore it, and when demographics surface, it is usually in the form of panic about migration. The world is undergoing a once-in-a-century demographic inversion, and the dominant policy response is not planning for engagement; rather, it is building walls. While Africa is growing younger (one in every three people will be aged 15 to 24 by mid-century), Europe and parts of Asia are growing older, shrinking their workforces and raising retirement ages. However, instead of confronting this imbalance, many ageing societies remain politically paralysed, unwilling to rethink labour systems, education or cooperation. They look for quick fixes, usually blocking migration, which is accompanied by destructive narratives: migration as a threat, border protection as policy, and continued marginalization of African innovation, capital and agency. The reality is not that Africa has too many young people; rather, that the rest of the world is unprepared for what this means.

Urbanization intensifies this story. Africa is urbanizing faster than any region in history but without the industrial engine that fuelled urban growth elsewhere. Cities are expanding due to demographic push, not economic pull, growing before infrastructure or jobs can support them. Yet Africa's urban and demographic transitions are still unfolding, offering strategic leverage. With thoughtful planning, cities, especially secondary ones, can become hubs of structural transformation, where services, supply chains and youth opportunities can align. Demography is not destiny, but ignoring it lacks vision. Africa brings more to the world than labour or markets; it offers renewal. The real question is whether the world is ready for an Africa that no longer fits the mould, because that Africa is already emerging.

The climate and technology paradoxes

Africa's climate paradox is impossible to ignore. The continent contributes less than 4% of global emissions, yet suffers disproportionately from climate shocks: droughts, floods and cyclones. These are no longer cyclical disruptions; they are structural conditions. Agriculture, infrastructure and livelihoods are under stress. To gain agency, Africa must move from moral claims to market position. Here lies the other side of the paradox. Africa is rich in what the world needs to decarbonize: vast solar potential, green hydrogen zones, and critical minerals, such as cobalt, lithium and rare earths. This power is crucial for global transition. Yet the continent remains marginal in terms of green finance, industrial planning and new energy markets. Why? Because the global green transition replicates the same extractive logic as fossil capitalism. The minerals are exported raw, and thus the value is captured elsewhere, with Africa again applauded for its 'potential' even as it loses control of the process. Finance is no better. Of the billions mobilized annually for climate action, only a fraction reaches Africa. Most are low, conditional and mitigation-focused, despite adaptation being the most urgent need to mitigate climate change. 'Leveraging' has become a code for debt, layered with complexity. Africa is being asked to carry the cost of a transition it did not cause, without the capital to shape its trajectory.

Nevertheless, Africa must be treated as a co-architect of the energy transition, which means value addition at home, regional power pools, and investment in green industrialization. That is the latecomer's advantage. One does not need to repeat past difficulties. This is not just an environmental necessity; it is an economic strategy. Adaptation is not charity; it is global insurance. Investing in that resilience is not generosity; it enlightens self-interest.

Technology is often seen as the springboard for Africa's path to economic independence, with promising examples, such as mobile money in Kenya, drone deliveries in Rwanda, and digital ID systems. However, using technology is not the same as owning it. While adoption rises, Africa remains excluded from the architecture behind it, that is, the data, platforms, and the intellectual property shaping today's economy. African languages are missing from AI training sets, and creators face barriers to IP access. Global tech governance, from AI to digital taxation, is advancing without African input, leaving the continent as more of a consumer than a creator. Real change requires structural presence, regulatory capacity, regional strategies, and STEM education rooted in local realities, thus asserting African voices in global tech rule-making. In tech, those who do not shape the code will themselves be shaped by it.

Resilience as redefinition and reclamation

There is now a fashionable push to reform multilateralism, with calls for inclusivity. Institutions admit that they are ageing. However, when it comes to actual power, the system is still frozen in a post-Second World War hierarchy. Africa remains a guest in frameworks it did not design.

We see climate pledges without funding, debt platforms that stall, and trade rules bypassed. Multilateralism is no longer about collective norms; it is about selective engagement. In this vacuum, uncertainty has become a tool of control. Long delays in debt restructuring, unclear green finance standards and shifting eligibility criteria, all function to obscure accountability and disempower negotiations. This is the weaponization of uncertainty. Africa must not navigate this passively. In our fragmented global order, resilience means asserting priorities, not just adjusting to instability. Africa must enter rooms, not just to be consulted but also to negotiate. Where current systems fail, we must build new ones.

Africa does not need better access to a broken system; it needs the audacity to redefine the terms on which it engages. Resilience is one of those overused, misunderstood words. It is not about bouncing back; rather, it is about bouncing forward, towards something more just, strategic, and more grounded in its own terms.

> "Africa' is arriving at a different moment in history and a different configuration of challenges, and it must use different tools."

Africa does not lack potential; rather, it lacks the space to turn that potential into power, a space constrained by narratives it did not write, systems it did not build, and metrics that rarely serve its interests.

However, cracks in the global order are opening up. The demographic imbalance is real and irreversible. The energy transition cannot happen without African minerals, land and labour. The digital economy is expanding, and so is the demand for inclusion and voice. Resilient growth will not come from copying others or waiting for consensus; it will come from insisting on structural transformation, investing in productive capabilities, and leveraging core assets: youth, geography, resources and ingenuity. Africa is not the last frontier of development but the testbed of a future global economy where the rules are still in flux and the opportunity to shape them is real.

So let us not ask whether Africa is ready for the future. Let us ask whether the world is ready for a different Africa that no longer fits the mould because this Africa is already emerging.

Takeaways

- Africa's challenges go beyond underinvestment; progress is often measured by external standards that limit its agency and ambition.
- Growth so far has been superficial, driven by commodities and external finance, without deep structural transformations or productive investments.
- True resilience requires reshaping economies by investing in sectors like agroprocessing, clean energy and digital services, while prioritizing regional integration.
- Africa's youthful population and rapid urbanization are major assets, but they require strategic planning and education reforms focused on local realities and technology ownership.
- Climate change disproportionately impacts Africa, yet the continent holds critical resources for the global green transition. Africa must add value locally and gain more control over its resources.
- Global governance remains skewed. Africa needs to assert its priorities, participate in rule-making, and build new systems rather than just seek access to old ones.
- Africa is not late to development, but it is entering a new phase that demands different tools that can leverage its unique strengths to transform and lead on its own terms.

Key concepts

Resilient growth / Urban, demographic and digital transitions / Concessionality / Dependence / Demographic inversion

About the author

Carlos Lopes is a development economist and Honorary Professor at the University of Cape Town, as well as a Visiting Professor at Sciences Po, Paris. Former UN Under Secretary-General and Executive Secretary of UN Economic Commission for Africa (UNECA) (2012–2016), he has held several leadership roles in the UN and the African Union, including the High Representative for the African Union-Europe partnerships. A leading voice on Africa's structural transformation, he advocates for green industrialization, regional integration and reduced aid dependency.

JAYATI GHOSH

"CENTRAL TO A REDEFINITION OF DEVELOPMENT IS A REVERSAL OF CONVENTIONAL LOGIC; THAT IS, INSTEAD OF STRUCTURING SOCIETIES AROUND THE IMPERATIVES OF ECONOMIC GROWTH, THE FOCUS SHIFTS TO SOCIAL OBJECTIVES. HEALTH, EDUCATION, HOUSING, FOOD SECURITY AND DIGNIFIED EMPLOYMENT BECOME THE PRIMARY METRICS."

What Does Development Mean Today? Rewriting the Socio-Economic Paradigm

By Jayati Ghosh

Development is often discussed as a linear progression, a technical problem to be solved, measured by indicators devised decades ago. But the assumptions that underpin these indicators, and the ways economists and policy-makers have framed development, are increasingly inadequate for the challenges of the twenty-first century. Historical models of growth, focused narrowly on per capita income or market expansion, have become detached from the broader realities of human welfare, environmental limits and social justice.

Rethinking development: beyond linear growth

From the earliest economists to the post-war development thinkers, the study of economic growth was tied to structural transformation. Classical political economy was concerned with processes of accumulation, the distribution of wealth, and the dynamics of structural change. In the post-war period, development economics became a discipline focused on newly independent countries seeking material progress, with growth equated to increasing per capita income, and industrialization seen as a natural, inevitable process. Agriculture, fisheries and other primary activities would decline. Conversely, industry would expand, and eventually services would dominate. Women would enter the formal workforce, followed by urbanization and the modernization of markets and institutions.

However, these patterns are rarely universal. Many countries did not experience the structural shifts anticipated by these models. Growth did not automatically lead to industrialization, formalization, or gender parity in employment. The assumption that economies would develop along a uniform trajectory masked the diversity of real-world experiences. Albert Hirschman's work emphasized the need for context and the importance of unbalanced growth, where targeted investments in specific sectors could generate forward and backward linkages, creating new industries and markets organically rather than through a single, orchestrated 'big push'. The industrial revolutions of England, Germany and the United States exemplify this principle: growth often emerged unevenly, but with transformative effects.

A narrowing vision of development

By the 1990s, the framework of development economics shifted dramatically. The fall of the Berlin Wall coincided with the rise of the Washington Consensus, ushering in a model that prioritized market efficiency over state intervention, deregulation over planning, and individual solutions over systemic reform. The macroeconomic lens that had once focused on structural transformation narrowed into microeconomic problem-solving. Poverty alleviation became the central measure of success, reducing development to discrete interventions targeted at isolated populations rather than entire economies.

This approach treated poverty as a localized, self-contained phenomenon, largely independent of broader structures of inequality or accumulation. Randomized control trials epitomized this logic, attempting to identify interventions that worked in specific contexts without accounting for the systemic conditions that created poverty in the first place. The reductionist framework ignored macroeconomic realities, the need for universal access to essential goods and services, and the connectedness of wealth and poverty.

Yet the decades in which microeconomic tinkering dominated development economics coincided with unprecedented transformations in countries that relied on macro-level interventions. China, for example, achieved dramatic reductions in poverty through state-led investment, directed finance, and high levels of public spending on infrastructure and industry. Similar patterns were evident in Japan, South Korea, and other mid-sized economies.

We need to rescue development economics from the narrow focus on poverty alleviation and return to a broader understanding of evolutionary, institutional and macroeconomic processes that shape both wealth and poverty as interconnected outcomes. When we talk about development, we must also consider the idea of progress, whether material or human. Amartya Sen's concept of human development (Sen, 1999), centred on the expansion of people's capabilities and freedoms, offers an important lens for this. Yet our understanding of progress has been distorted by our obsession with measuring it mainly through GDP, which fails to capture the broader dimensions of human development.

Progress beyond standard measurements

What we measure determines what we do, and so it is very important that we measure the correct indicators. Conventional indicators, particularly GDP, have reinforced narrow conceptions of progress. GDP measures aggregate economic activity without distinguishing between socially productive and destructive outputs, while ignoring unpaid labour, environmental degradation and wealth distribution. Financial services, insurance and real estate, for instance, contribute disproportionately to GDP without necessarily enhancing human welfare. Care work, largely unpaid and socially undervalued, is invisible in these metrics despite being essential to societal functioning.

Alternative frameworks, including the UN's Beyond GDP initiative and the Sen-Stiglitz-Fitoussi Commission recommendations, attempt to address these shortcomings by proposing indicators that capture employment quality, income distribution and social welfare. A key measure is the labour market indicator, which considers median wages multiplied by employment rates. In many countries, including India and the United States, GDP per capita has increased dramatically while the labour market indicator has stagnated or declined, revealing a growing disconnect between aggregate economic growth and the lived reality of most citizens.

Other widely used measures, such as productivity or Purchasing Power Parity (PPP) exchange rate adjustments, are equally problematic. Productivity measures fail to account for unpaid care work, while PPP estimations overstate incomes in low-wage countries, obscuring inequalities and affecting international negotiations on trade and climate responsibility. These distortions highlight the need for a small set of robust, contextually relevant indicators that provide an accurate picture of economic and social well-being.

The constraints of contemporary global economies

Developing countries today face what can best be described as a 'perfect storm'. Climate change imposes disproportionate costs on nations that contributed little to global emissions. Debt burdens, compounded by high spreads and opaque financial systems, constrain domestic investment. Capital flow volatility, rising inequality and outdated international economic architecture amplify social tensions. Trade rules, while eroding in some areas, remain complex, and tax systems fail to capture the wealth of domestic elites and multinational corporations in a fair and equitable way. In this environment, national economies are vulnerable to shocks, and citizens tend to bear the brunt of systemic failures.

At the same time, rising inequality within and between countries exploited in the absence of robust social safety nets has reduced social cohesion. Discontent increasingly turns inward, targeting weaker groups or minorities rather than systemic injustices. Migration, gendered disparities, ethnic differences and cultural conflicts are exploited to distract from demands for the changes required, further entrenching inequality.

Opportunities in the collapse of old paradigms

Nevertheless, the breakdown of conventional development paradigms offers openings. The model of export-led growth, which treated domestic labour and markets as costs rather than engines of development, has lost credibility. Its failure in most countries, beyond a few significant exceptions, despite being promoted globally for decades, creates space to consider alternative approaches that leverage domestic and regional markets, enhance employment, and ensure fair wages.

Similarly, the collapse of traditional foreign aid models, which were often tied to geopolitical interests and conditionality, opens up the possibility for genuine international cooperation. Shared global challenges, climate change, pandemics and migration require coordinated public investment and collective action. New frameworks for financing global public goods are emerging, reflecting a shift toward multilateral responsibility rooted in recognized needs rather than political influence.

Reimagining socio-economic designs

Central to a redefinition of development is a reversal of conventional logic; that is, instead of structuring societies around the imperatives of economic growth, the focus shifts to social objectives. Health, education, housing, food security and dignified employment should become the primary metrics. Economies are then designed to achieve these ends sustainably, while respecting environmental limits and ensuring equitable access to resources.

This approach revalues care work, integrates environmental costs, and emphasizes the importance of universal public services. Resilience becomes a core design principle, preparing societies for inevitable shocks while preventing their impact from concentrating among the most vulnerable. Economic policy becomes a tool for meeting social needs, not the other way around.

Hirschman's lesson for our times

The current global landscape, with its instability and uncertainty, echoes the tumultuous periods that shaped Hirschman's life and work. Historical periods of disorder, far from halting progress, often created opportunities for experimentation, autonomy and industrialization. Hirschman's insights remind us that change rarely follows predictable trajectories and often emerges in unexpected ways. Flexibility, contextual understanding, and the willingness to revise assumptions are essential to navigating these dynamics.

Periods of disruption also offer opportunities to discard outdated paradigms, to experiment with alternative policies, and to reclaim agency in shaping economic structures. Autonomous industrialization in the early nineteenth century, social experiments in the twentieth century, and innovative domestic and regional strategies today demonstrate that even in challenging conditions, transformative possibilities exist.

> "Rewriting the socio-economic paradigm requires recognizing the limitations of conventional measures, embracing broader notions of progress, and designing economies around human and planetary needs."

Toward a new socio-economic paradigm

Rewriting the socio-economic paradigm requires recognizing the limitations of conventional measures, embracing broader notions of progress, and designing economies around human and planetary needs. It entails a shift from abstract indicators to meaningful dashboards capturing employment quality, income distribution and social welfare. It requires reclaiming public investment, protecting domestic markets, and ensuring that growth serves social objectives rather than external metrics.

The collapse of old paradigms, the death of export-led growth models and the decline of conditional aid frameworks create an opening for new approaches that are inclusive, equitable and resilient. By prioritizing social goals, integrating environmental considerations and valuing care work, economies can be designed to meet the needs of the majority rather than the profits of the few.

Conclusion

Development today is not about returning to established formulas or pursuing growth for its own sake; rather, it is about rethinking the fundamental logic of economies, reclaiming agency, and redefining progress in terms of human well-being and ecological sustainability. Resilience is not a reactive measure but a proactive strategy; it is the capacity to build societies that can withstand shocks, flourish in uncertainty, and provide dignity and opportunity for all.

The task ahead is formidable. Developing countries are confronted by a confluence of structural inequalities, climate threats, financial constraints and social tensions. However, within these challenges lie opportunities to reshape economic systems, expand capabilities, and reclaim the promise of development in its fullest sense. This is not a theoretical exercise; it is a practical imperative. History shows that when existing paradigms fail, possibilities for innovation and transformation emerge. By re-focusing on social objectives, embracing systemic thinking and designing institutions for resilience, development can become a tool for justice, sustainability and shared prosperity.

In the twenty-first century, development must be understood not as a path to growth defined by external standards, but as a project of human and planetary well-being, anchored in equity, context, and the capacity to respond creatively to an uncertain future. The challenge is not merely to adapt to existing systems but also to envision and enact new ones. In this, the spirit of Hirschman remains profoundly relevant: development is less a predetermined trajectory than an evolving, contingent process that demands flexibility, courage and imagination.

Takeaways

- ↘ Conventional definitions of development, focused narrowly on GDP and market outcomes, obscure real inequalities and social needs.
- ↘ Poverty alleviation as a discrete goal, divorced from structural processes, underestimates the importance of macroeconomic policies and state intervention.
- ↘ Indicators of progress must reflect human and planetary welfare, incorporating employment quality, income distribution and social resilience.
- ↘ Old development paradigms, export-led growth, conditional aid and narrow microeconomic interventions have largely failed and should be reconsidered.
- ↘ Economies should be designed around social objectives, integrating environmental limits, valuing care work, and ensuring universal access to services.
- ↘ Periods of instability offer opportunities for experimentation, systemic reform, and the redefinition of economic and social structures.
- ↘ Resilience is proactive; it requires redesigning economies to meet social needs, withstand shocks, and ensure dignity and opportunity for all.

Key concepts

Economic development / Resilience / GDP / Poverty alleviation/ Human development

About the author

Jayati Ghosh is a development economist and a Professor of Economics at the University of Massachusetts Amherst. Her research focuses on macroeconomic policy, labour markets, and the intersection of economic growth with social and gender equity. She has served on numerous UN panels and international advisory boards, advocating for inclusive development strategies and the restructuring of global economic governance. Ghosh's work emphasizes the need to move beyond narrow growth metrics and to design economics.

Reference

Sen, A. 1999. *Development as Freedom*. New York, Alfred A. Knopf.

INGRID ROBEYNS

"WE CAN ASK OURSELVES A VITAL QUESTION: HOW CAN PHILOSOPHY HELP? THE ANSWER IS ROOTED IN VALUES; THIS TOOL WILL BE KEY TO OUR PROGRESS."

The Values of Societies of the Future

By Ingrid Robeyns

In this period of transition, marked by uncertainty and what Professor Ingrid Robeyns calls ‘confusing times’, on World Philosophy Day 2025 she invites us to critically examine the present so as to better understand and shape the societies of the future.

As a normative political philosopher, her lecture emphasizes the duties of philosophy and introduces us to a ‘toolbox’ of ethics and normative political philosophy.

Through this framework of core values, principles and conceptual tools, she seeks to illuminate the complexities of the contemporary world and demonstrate how these values can guide our collective efforts to envision, design and build more just, sustainable and equitable societies.

What do Philosophers do?

Philosophy can make a concrete contribution to transforming the world. While philosophers are often expected to explore both timeless and practical questions, such as ‘What is a human being?’ or ‘Does a colour exist?’, they do not merely pose questions but also engage with them deeply. Through this engagement, they learn to:

- Analyse the evolution of concepts that transform over time; for instance, the close connection between technological change and the meaning of privacy. Concepts like privacy evolve over time in response to changes in society and technology. Thus, analysing their significance requires us to consider their historical and contemporary contexts. For example, the issue of privacy, which originally arose in response to the paparazzi’s intrusion into the lives of famous people, is not the same as today’s concerns over public surveillance, online activity, and the sharing of personal data on mobile phones and the Internet.
- Identify incorrect facts and falsehoods as both a philosophical and a civic responsibility. Philosophers have a duty to expose fallacies and misleading claims, especially when they are spread by powerful actors.
- Interpret the world; not everything is detailed and logical. Philosophers analyse and make sense of major trends, such as the state of democracy or regime changes, often collaborating with political scientists.
- Propose alternatives to existing norms and institutions, not least because societies, regions and continents are shaped by diverse sets of norms, ideas and institutions. Philosophers have the capacity to reflect on these structures and imagine new ways of organizing social life even when such proposals, such as open borders, may seem politically unlikely.
- Confront dangerous political developments. Philosophers and thinkers actively challenge propaganda, authoritarianism and harmful ideologies, exemplified by Jason Stanley’s work on fascism (Stanley, 2018).
- Speak truth to power. It is a duty to challenge authority and power when necessary, while advocating for ethical, informed and just action in society.

Beyond the fundamental activity of asking questions, philosophers undertake several other essential responsibilities that are closely connected to contemporary challenges.

Reflecting on the world we inhabit

Building from this perspective, Prof. Robeyns explains her interpretation of the current world and its pressing challenges. She draws on insights from her book *Limitarianism* (Robeyns, 2024) to frame these issues and highlight the ethical and political stakes involved.

> Values help us analyse society and guide future choices. A value exists when a person desires or finds meaning in something in the world, or an aspect of it. Value can be intrinsic, meaning they are important in themselves, or instrumental, meaning they are important to something else.

Regarding economic and ecological issues, we note the persistent problem of extreme poverty alongside the continuous rise of extreme wealth concentration, emphasizing the fact that wealth and climate injustice are strongly connected. Humanity is failing to move in the right direction as greenhouse gas emissions remain high and are very unequally distributed, with the poorest contributing very little, whereas the top 1% contribute many times more, and billionaires 'thousands of tons'. These disparities disproportionately affect those who bear the least responsibility for the crisis.

With regard to social and political issues, the emergence of fascist ideologies, which reject the equal moral worth of every human being, is at odds with core philosophical principles. In this sense, societies are also regressing in their acceptance of natural human diversity. For instance, many countries that had previously recognized the rights of LGBTQ+ and non-binary individuals are now witnessing significant rollbacks.

Humanity continues to struggle to establish lasting peace. Wars and genocides persist, and we are gradually moving into a world where values aligned with an 'anti-human philosophy' are spreading. In the meantime, the global community remains largely unable to prevent or halt these atrocities.

On values

Through this grim picture, if we are in a situation like this or in any difficult situation, we can ask ourselves a vital question: How can philosophy help? The answer is rooted in values; this tool will be key to our progress.

Values help us analyse society and guide future choices. A value exists when a person desires or finds meaning in something in the world, or an aspect of it. Values can be intrinsic, meaning they are important in themselves, or instrumental, meaning they are important to something else. Many things are commonly called 'values' even though they lack inherent value.

The reflection on human values should begin with the principle that every single person has equal moral worth, or equal human dignity. Acts such as war, genocide, discrimination and the denial of human rights directly undermine this principle.

As part of the 'toolbox of ethics and normative political philosophy', there are certain core values, as outlined below.

- **Peace**. A precondition for all other values. It is a value that we should think of when we think about the kind of society we have, as well as the kind of society we want to have.
- **Democracy**. In essence, democracy is about collective governance and decision-making. It goes beyond voting every few years, which – although important – only reflects citizens' will if they are well informed. Today, this is compromised by misinformation and the influence of social media. Scholars and journalists thus argue that protecting the 'public sphere', the quality of our discussions and the information we receive is now the most important task for democracy. Indeed, it is not just about elections but also a healthy 'public sphere' with truthful information, and citizens who are genuinely informed.
- **Freedom**. This is the freedom not to be dominated and to live one's own life, free from oppression, discrimination or control. There is a philosophical tradition that emphasizes non-domination and discrimination, viewing freedom and basic liberties as central values, particularly within the liberal tradition.
- **Well-being**. This includes mental and physical health. It is a value that raises the question of how well a person is doing. The relationship between well-being, as a holistic concept, and welfare as understood by economists and many policy-makers as purchasing power, shows that there is much more to well-being than what you can buy on the market, even though they are related. It is deeply problematic that our economic system prioritizes purchasing power and GDP over well-being.
- **Non-alienation.** People should not feel that the structure of society prevents them from being who they want to be. This value is often discussed by philosophers from a Marxist or classical political-economy viewpoint, who see the economic system and the way we organize it as a source of alienation. But we can also see this more broadly. For example, if society imposes a religion on you or does not allow you to practice your own religion, this can be a form

of alienation because there is a sense that society does not work for you, and you want to be a different kind of person.

- **Belonging (community)**. Relational values, such as friendship and love, are essential. Many non-Western philosophies, including Ubuntu and Indigenous traditions, place relational values at their core. They emphasize relationships with other people and nature, and across generations, including those who have passed away. This contrasts with the modernist way many people in Europe, North America and beyond live their lives. The values of belonging, friendship and love are not private because today's society can restrict the space we allocate to them. If people work on zero-hour contracts and never know when they will be home, how can they be present for their children or meet their friends? How we organize the economy affects these values.
- **Justice**. This value has many aspects: climate justice, social justice and economic justice. Global injustice arises when international capitalism produces value that is unevenly distributed, mostly benefiting the wealthy in the Global North. In economics, values are often ignored, but they are also unavoidable. The plea is to be open about them for everyone, not just for economists. Intergenerational justice – closely linked to climate and environmental justice – matters because if we make the planet less safe, our children and grandchildren will inherit a tougher world.
- **Caregiving and protecting the vulnerable**. In the welfare state built after the Second World War in Europe and the United States, there was a genuine commitment to care for the vulnerable, such as disabled people or those unable to support themselves. These protections still exist, but they have been weakened and made more conditional, reflecting a societal distrust of benefit claimants. The question is whether we want to live in a society that protects the vulnerable or wish to see caregiving as purely a private matter.
- **Planetary well-being and sustainability**. Protecting ecosystems and ensuring a safe planet for future generations. These questions can also be seen as a value in themselves, even though they are intrinsically linked to human well-being.
- **Reciprocity.** Taking responsibility for self, others and the planet. This is not just about how one benefits from the social contract or how society is organized but also about one's contribution to society. It involves taking responsibility for ourselves, others and the planet. It poses a moral question: What are you expected to give?

We can use neoliberal capitalism as a concrete example to illustrate how values shape society. It has had its best day, with its narrow focus on economic efficiency dominating both public and private sectors and creating layers of control, mistrust and pressure. People are primarily seen as economic actors who invest in their own human capital, as pension savers, homeowners or workers, which undermines the richer idea of being a citizen.

Democracy has become 'thinner', as citizenship has been too often reduced to voting every few years. Indeed, economic roles have taken precedence over civic engagement. Values such as justice, belonging, care for the vulnerable, non-alienation and sustainability are often superseded by economic goals. For example, large dam projects regard homes merely as material objects, disregarding people's deep connections to the place they call home.

Neoliberalism also reduces well-being to monetary indicators while ignoring socio-psychological and relational dimensions. By prioritizing economic efficiency and freedom over other fundamental values, neoliberalism demonstrates how neglecting a broader set of ethical principles can shape society in ethically and socially problematic ways.

What kind of future do we want?

We are clearly in a transition to something new, but it is unclear what this will be. Two possible paths emerge: politics dominated by the most powerful, economically and politically, or a balanced economy that takes a plurality of intrinsic values seriously and allows societies to democratically choose the values that matter most.

Achieving the latter path requires that all of us embrace our roles as active citizens, learn to recognize and challenge misinformation respectfully, and work collaboratively. Prof. Robeyns's final message underscores collective responsibility: 'We need to do this all together'.

Takeaways

- ↘ Philosophers do more than ask questions; they analyse the evolution of concepts, identify incorrect facts and false claims, interpret words, propose alternatives to existing norms and institutions, confront dangerous political developments and speak truth to power.
- ↘ Considering the realities of the current world, values are the key tools for understanding and shaping future societies. Essential values include peace, democracy, freedom to live one's own life, well-being, non-alienation, social belonging, justice, caregiving and protecting the vulnerable, planetary well-being, and responsibility for self, others and the planet.
- ↘ Given the uncertain direction of the world, two possible future scenarios emerge: one shaped by the most powerful actors, or a society that seriously embraces a plurality of intrinsic values and collectively decides what truly matters.
- ↘ Achieving a better future requires active citizenship and collective effort.

Key concepts

Philosophers / Toolbox of ethics and normative political philosophy / Values

About the author

Ingrid Robeyns is a Belgian/Dutch philosopher and economist. She studies contemporary political philosophy and applied ethics, with a particular focus on practical and non-ideal normative theory, as well as interdisciplinary and integrative research approaches. She holds the Chair in Ethics of Institutions at the Ethics Institute of Utrecht University. In 2025, she was awarded the Stevin Prize, the highest academic honour in the Netherlands.

References

Robeyns, I. 2024. *Limitarianism: The Case against Extreme Wealth*. New York, Astra House.

Stanley, J. 2018. *How Fascism Works: The Politics of Us and Them*. 1st edn. New York, Random House.

New Ways of Thinking About Society and the Economy

Seven experts share their insights at UNESCO

The MOST Programme

MOST is an intergovernmental programme dedicated to understanding and responding to social transformations. It draws on the social sciences to help governments navigate the interconnected changes shaping today's world– from climate and technological shifts to evolving socio-economic challenges. Through research, direct policy support, and accessible knowledge sharing, MOST provides evidence and guidance to inform public decisions. It also creates a space for dialogue, bringing together Member States, researchers and partners in forums and roundtables where ideas are exchanged and solutions explored. At its core, MOST works to help reduce the inequalities and forms of exclusion that can emerge or deepen as societies evolve.

MOST and 'la Caixa' Foundation

This publication is part of the ongoing collaboration between UNESCO's Sciences Sector and the 'la Caixa' Foundation. Through this partnership, MOST develops both in-depth flagship reports, as well as shorter policy papers and knowledge-sharing events, including the Thought Leaders Series.

unesco

Management of Social Transformations Programme

"la Caixa" Foundation

9 789231 008832