



Transdisciplinary Foundations of the Market

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Society determines economy

Primary determinants of economy & employment are social

- **Social Aspirations and VALUES**
- **Social Institutions and social organization**
- **Democracy, rule of Law & Governance**
- **Distribution of Social Power**
- **Access, quality and type of Education**
- **Technological Innovation and Adoption**
- **Social Equality**
- **Ecological constraints**
- **Organization of the global economy and society**
- **Population growth, distribution and composition**
- **Connectivity through transportation & communication**
- **Urbanization**

Boundaries of economy are shifting

- **Globalization** – the nation state is no longer a viable unit of conception for understanding economy.
- **Political Economy** – economy and markets function within a political, legal, institutions framework and are governed by forces and processes that determine the distribution, consequences and beneficiaries of power.
- **Value, Uncertainty & Security** – the evolution of service economy requires reassessment of the concept of value to reflect the costs and uncertainty of utilization over time and their contribution to human security.
- **Non-monetarized Sector** -- critical services for the promotion of human welfare and well-being lie outside the monetarized sector covered by conventional economic thought.
- **Ecology** – economy is founded on, operates with and depends on interactions with the physical environment which impose their own conditions and limitations.
- **Social Evolution** – economy is influenced by the evolution of social aspirations, values, knowledge, technology and social organization.

Premises

1. Social science should be based on a conception of society as a complex living, conscious, continuously evolving organism, rather than that of a static, inanimate, mechanistic inorganic system.
2. Economic performance is a function of the performance of each of the components of society and the effectiveness of their integration.
3. The market is a social organization that releases, directs, channels and coordinates the expression of social energies for economic purposes.

Discussion Questions

1. To what extent do economic models actually represent the functioning of markets?
2. What social forces & resources can be mobilized to enhance the capacity of the market to promote human welfare?
3. Can we conceptualize a market system that more effectively promotes human welfare and well-being?