



UNIVERSITY OF TRENTO - Italy  
Department of Sociology  
and Social Research

# The vitality of people, organisations and communities

## Inclusion and exclusion in the governance of our economies

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**Sustainability 2022 WEBINARS**

## Sustainability, Stakeholder Governance and New Theories of the Firm

6 JUNE 2022, 03:00 PM (CEST)

MDPI WEBINARS

Chair: DR. ERMANNO TORTIA; Speakers: PROF. DR. DAVID P. ELLERMAN, DR. SILVIA SACCHETTI AND PROF. DR. VLADISLAV VALENTINOV

 sustainability 

The banner features a background image of water splashing over a globe. It includes a green box on the left with the text 'Sustainability 2022 WEBINARS', a central title 'Sustainability, Stakeholder Governance and New Theories of the Firm' with the date '6 JUNE 2022, 03:00 PM (CEST)', a blue circular logo on the right that says 'MDPI WEBINARS', and a bottom section with the chair and speaker names, the 'sustainability' logo, and the 'MDPI' logo.



# Themes

- 1. The current reality of "economic development"**
- 2. Vitality as a perspective of analysis**
- 3. The difference between vitality and competitiveness (of individuals, organizations, territories)**
- 4. Vital activities**
- 5. How do we observe the vitality of individuals, organizations, territories?**
  - 1. What supports vitality?**
  - 2. What limits vitality?**
- 6. The parable of vitality**

# 1. The current reality of economic development



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## Man in the cage – Lyle Rowell

Widespread loss of creativity and critical thinking with respect to socio-economic challenges, including inequality, marginalization, and more generally reduced perception of one's own value, ability to choose and identify opportunities (empowerment).

A decline not only of the economy but also of culture and democracy, despite the rhetoric.

A loss of vitality.



Sacchetti, F., Sacchetti, S., & Sugden, R. (2009). Creativity and socio-economic development: space for the interests of publics. *International Review of Applied Economics*, 23(6), 653-672.

*Man in a Cage*, Lyle Rowell; photograph by Trama afonA



## 2. Vitality as a perspective for analysis

**Vitality** is the attitude of an actor or collectivity of actors to achieve what is **desirable**, that is, to enact a series of **actions** aimed at **creating** activities deemed compatible with those goals, through **self-determined actions** and the **efficient coordination** of available resources.

**Empowerment** is an individual and collective **process** through which individuals can **build and expand their capacity** to choose and undertake projects, and regain a sense of their own value, potential, and opportunities

Vitality is therefore both an **attitude** and an **outcome**, supported by **specific capabilities and coordination solutions**.



### 3. The difference between vitality and competitiveness (of individuals, organizations, territories)

- The idea of vitality does not overlap with the idea of competitiveness or economic growth.
- A competitive environment is not necessarily vital
- **Competitiveness** is instrumental in consolidating **market power** for the **appropriation of value**, even at the expense of other actors. A competitive person, organization or territory is not necessarily vital.
  - If to increase the competitiveness of regions firms and policy makers rely on low wages, this does not help the vitality of individuals, who see their subjective vitality or their propensity to achieve what they value reduced.
  - An organization that, to increase competitiveness, increases the use of exchange for gain (e.g. outsourcing), even where this harms stakeholders, does not help vitality



## 4. Vital activities

I associate vitality to events, or more specifically to economic activities, under specific conditions, mainly:

- a) the activity reflects the multiple motives of the individual actor or a collectivity of actors according to what they identify as desirable (inclusive and participatory process dimension)
- b) the activity contributes to a person's self-actualisation (individual dimension),
- c) the activities produce positive external effects in excess of negative ones (collective dimension).

## 5. How do we observe vitality – e.g. within an organisation

Let's consider - to begin with - **productivity** per worker and per organization (Output/N): e.g., number of productions attended both as individuals and in teams / collectively

However, the same volume of productions can take place through:

- More or less **inclusive** modes of **governance**
- More or less **empowering organizational processes** (participatory, deliberative, deep cooperation among people, fairness) more or less aiming to self-actualization (autonomy, competence, relatedness, creativity)
- more or less differentiated **networks of relationships** with respect to skills, power, etc.

**Hypotheses:** a greater presence of these factors improves vitality

### Elements that help vitality (hypotheses)

- Inclusive governance
- Empowering organizational processes
- Complementary and cooperative network relationships



### Mix of measures of vitality

- Volume of individual and aggregate output in areas of relevance
- Subjective vitality (energy, motivation, behavioural attitudes)
  - Positive externalities on other stakeholders and the broader community

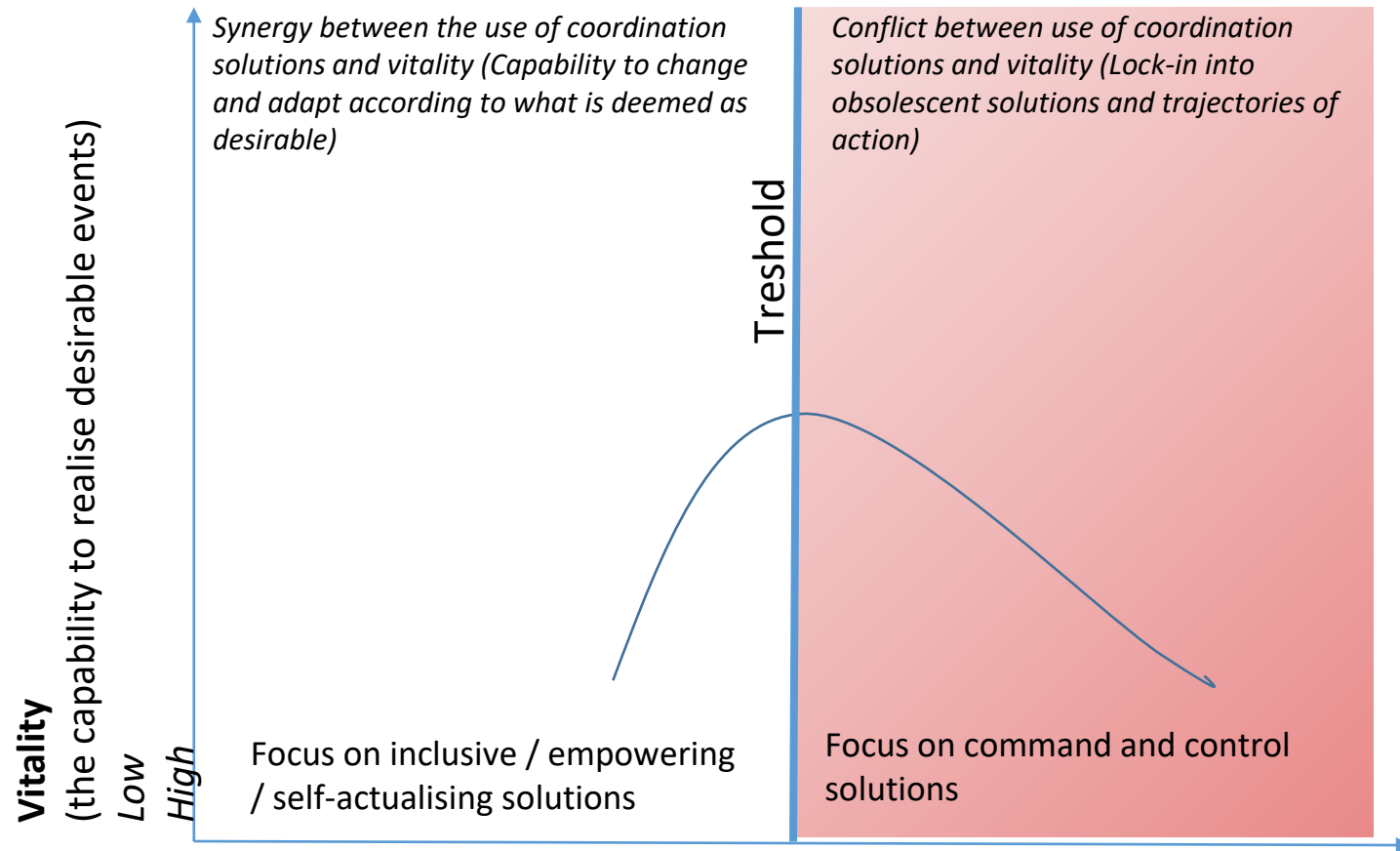


## 6. What limits vitality

- Organizational factors centered on command and control/excluding/unenabling
- Lock-in with respect to inadequate organizational models and practices or with respect to certain behavioral expectations about individuals (cheating, opportunistic)



# 7. The vitality parabola





*Tullio Pericoli, "Figura8643", Foto Matteo Zarbo*

*Man in a Cage, Lyle Rowell; photograph by Trama afonA*





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Thank you!

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