

## NEWS RELEASE

OXFORD MARTIN SCHOOL, University of Oxford

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### **New centre to tackle major economic challenges**

In the wake of the 2008 financial crisis and the ongoing Euro crisis, a number of leading economists, policymakers, and business leaders have called for a fundamental re-think in economics. Today in Berlin the Oxford Martin School and the Institute for New Economic Thinking (INET) announced that they have joined forces to create INET@Oxford, a major new interdisciplinary research centre at the University of Oxford.

INET@Oxford builds on an existing INET research programme at Oxford. The new expanded centre will have a five-year budget of over US\$25 million, with core funding from INET, a New York-based non-profit foundation started by George Soros, matching support from Oxford, and research grants from a number of other institutions.

The centre will have over 40 leading academics involved and will aim to stimulate innovation and debate in economics, support visionary interdisciplinary research, and contribute to the education of the next generation of economists as well as business and government leaders.

Explaining his reasons for funding research at INET@Oxford, Mr Soros said: “Fresh thinking in economics is urgently needed to mitigate many global challenges, not least systemic financial crises, the creation of sustainable jobs and employment, and the wide-ranging challenges of development.”

INET’s Executive Director, Dr Robert Johnson, added: “INET is about leading-edge economic research that challenges conventional wisdom. The Oxford Martin School’s dedication to innovative interdisciplinary research makes it an ideal home for this major INET centre.”

INET@Oxford will seek to leverage thinking from across academic disciplines in its approach to economics. In addition to economists, the centre will work with physicists, biologists, psychologists, anthropologists and others across the physical and social sciences. An important part of the centre’s mission will be to facilitate the application of its research to critical economic policy problems. The centre will engage with leaders from government and business.

“The Oxford Martin School provides a fertile interdisciplinary home for this new centre which will see the acceleration of research with great potential for positive real-world impact. INET@Oxford will greatly enhance our ability to nurture new research and engage with leaders on critical global issues”, commented the Vice-Chancellor of the University of Oxford, Professor Andrew Hamilton.

Professor Ian Goldin, Director of the Oxford Martin School, said: “The establishment of INET@Oxford is an exciting development which aims to yield major advances in key areas of economic theory and policy. The Oxford Martin School focuses on the greatest challenges of the 21<sup>st</sup> century. This new centre will focus on addressing some of the greatest economic challenges we face ranging from avoiding future financial crises to ensuring that the positive potential of globalization is realized and its risks mitigated.”

The director of INET@Oxford will be Eric Beinhocker, formerly a partner at McKinsey & Company and a senior fellow at the McKinsey Global Institute. “INET@Oxford has an ambition to make a significant impact on policy-making at the global level”, said Beinhocker. “In addition to working with a strong network of academics, INET@Oxford will collaborate closely with policymakers in finance ministries, central banks, development agencies, multilateral institutions, and other institutions where key economic policy decisions are being made.”

The announcement of the formation of INET@Oxford was made at the INET Annual Conference in Berlin by INET’s Executive Director, Rob Johnson, and Ian Goldin, Director of the Oxford Martin School. The conference, entitled ‘Paradigm Lost: Rethinking Economics and Politics’ runs April 12-15 and is attended by hundreds of leading economists and policy-makers from around the world.

#### Notes for editors:

**INET@Oxford** ([www.inet.ox.ac.uk](http://www.inet.ox.ac.uk)) will be part of the Oxford Martin School ([www.oxfordmartin.ox.ac.uk](http://www.oxfordmartin.ox.ac.uk)). The Executive Director of **INET@Oxford** will be Eric Beinhocker, formerly a partner at McKinsey & Company and a senior fellow at the McKinsey Global Institute. Beinhocker is the author of *The Origin of Wealth: Evolution, Complexity, and the Radical Remaking of Economics* (Harvard Business School Press, 2006).

INET@Oxford will host several complementary research streams and will be able to provide expert comment and analysis to journalists and policy-makers in the following research areas:

- **Economic Modelling:** Research is underway on the causes and consequences of the financial crisis, the impacts of shifts in inequality of income and wealth, flaws in mathematical tools underpinning neoclassical economics, and developing new methods of forecasting that are robust in the face of discontinuous change.  
Led by: Sir David Hendry, Professor of Economics; Sir Tony Atkinson, Professor of Economics; John Muellbauer, Professor of Economics
- **Complexity Economics:** An interdisciplinary group of scholars working on applying insights from complex systems theory, network theory, and evolutionary theory to economic issues ranging from containing financial contagion, to spurring economic growth, to better managing systemic risks.  
Led by: J Doyne Farmer, Professor of Mathematics; Felix Reed-Tsochas, James Martin Lecturer in Complex Systems
- **Ethics and Economics:** INET@Oxford will expand this programme looking at why financial institutions take such enormous risks which are not always in the interest of their clients and shareholders, and why post 2008 the financial services industry is strongly resisting reforms which would constrain such risk-taking.  
Led by: John Armour, Professor of Law and Finance; David Vines, Professor of Economics
- **Global Economic Development:** Research is already underway in Oxford looking at why some regions have successfully increased participation in the world economy while poverty remains an urgent issue in those countries which have been left behind. This existing programme will be affiliated with INET@Oxford. Led by: Paul Collier, Professor of Economics; Tony Venables, Professor of Economics
- **Employment and Equity:** A new programme will be dedicated to better understanding the economics of creating sustainable jobs and reducing unemployment, and ensuring fairness and equity in a period of intensifying globalization.

- **New Models of Economic Growth:** This future work stream will focus on realignment of models of growth, to ensure sustainable jobs and employment while at the same time achieving a radical de-carbonisation of economies. The macroeconomic, capital market, fiscal and regulatory requirements of such a reform will be explored.
- **Curriculum and Teaching Development:** This planned programme aims to ensure that the teaching of economics in economics departments, business schools, and public policy schools is informed by new economic thinking, and an increased understanding of the complexity of global systems.

The **Oxford Martin School** is a unique interdisciplinary community within the University of Oxford. The School fosters innovative thinking, deep scholarship and collaborative activity to address the most pressing risks and realise new opportunities of the 21st century. It was founded in 2005 through the vision and generosity of James Martin, and currently comprises over 30 interdisciplinary research programmes on global future challenges. The Oxford Martin School's Director is Ian Goldin, Professor of Globalization and Development. <http://www.oxfordmartin.ox.ac.uk>.

The **Institute for New Economic Thinking (INET)** was created in 2009 to broaden and accelerate the development of a new field of economic thought that will lead to real world solutions to the great challenges of the 21st century. The havoc wrought by our recent global financial crisis has vividly demonstrated the deficiencies in our outdated economic theories and shown the need for new economic thinking – right now. INET is supporting this fundamental shift by directly funding research, building a powerful network of economic scholars, and spreading the word about the need for change. INET is a global community of thousands of new economic thinkers, ranging from Nobel Prize-winning economists to teachers and students, all attracted by the promise of a free and open economic discourse. INET also is constantly devising ways to support the next generation of economic scholars by providing funding, mentoring advice and access to senior members of the profession, and new outlets for their ideas. The Executive Director of INET is Dr Robert Johnson. See: [www.ineteconomics.org](http://www.ineteconomics.org)

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