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*Abstracts Book*

## **Il Coordinamento nella Mediazione Civile e Commerciale: l'Emergere di Norme Hayekiane e il Percorso Verso l'Ordine Sociale**

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La mediazione è uno strumento alternativo per la risoluzione delle liti civili tra cittadini e commerciali tra soggetti economici ed aziende ampiamente utilizzato nel mondo. Il d.lgs 28/2010, in ottemperanza alla direttiva comunitaria 52/2008, ha introdotto nell'ordinamento italiano l'obbligatorietà del ricorso alla mediazione in un ampio numero di fattispecie. La normativa prevede, infatti, che le parti prima di poter ricorrere al tribunale provino a ricomporre le loro divergenze attraverso una procedura che promuove l'interazione e la comunicazione diretta tra le parti e che, diversamente dal processo ordinario, consente di giungere ad accordi condivisi che non necessariamente coincidono con l'accertamento del diritto oggettivo.

L'entrata in vigore della normativa descritta ha suscitato un ampio dibattito in letteratura (Biancone, 2011) volto a confrontare il processo ordinario e la nuova procedura di mediazione per valutare i potenziali vantaggi economici offerti da quest'ultima in termini di efficienza e di capacità di promuovere la coesione del tessuto economico produttivo (Ambrosino e Biancone, 2011a, b). Tanto il processo ordinario quanto la mediazione, infatti, si propongono come strumenti per il coordinamento di soggetti che interagiscono in contesti caratterizzati da asimmetria informativa, interdipendenza ed incertezza.

Questo articolo si propone di interpretare le interazioni sociali che caratterizzano le procedure di mediazione in un'ottica hayekiana quali strumenti per l'elaborazione della conoscenza e l'emergere di norme di comportamento condivise (Hayek, 1982). Inoltre si intende discutere come gli accordi di mediazione e le norme di comportamento che emergono nella procedura possano costituire importanti elementi del processo di selezione culturale che nella teoria hayekiana innesta il processo di evoluzione istituzionale e conduce all'ordine sociale.

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## **Fiscal Federalism and Economic Growth in OECD Countries: A Bayesian Model Averaging Approach**

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This paper examines the empirical relationship between sub-national governments' real fiscal autonomy and the rate of economic growth using a new panel dataset of 42 variables for 23 OECD countries from 1975 to 2000. In the analysis Bayesian Model Averaging is applied, which provides a coherent mechanism to test the robustness of the estimates: i) when there is an inclusion uncertainty over a considerable number of candidate growth determinants, often leaving most researchers to choose their explanatory variables on an arbitrary basis; and ii) when the economic theory provides relatively weak guidance on channels through which fiscal decentralization should affect growth. The results indicate that: i) the aggregate effects of fiscal federalism have no robust impact on growth rates, neither positive and nor negative, when the measure of fiscal federalism is limited to the share of tax revenues, over which sub-national governments administer full autonomy; and ii) consistent with empirical and theoretical growth models, the most robust growth determinants are gross capital formation, government spending, price of investment goods, inflation, external trade position and fertility rate.

**Ascendancy, credibility and ambiguity: the weighting of subjective probabilities  
in the works of Shackle, Georgescu-Roegen and Ellsberg.**

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and Carlo Zappia (*University of Siena*)

In the years of the early development of the subjective probability approach fostered by Frank Ramsey and Bruno de Finetti and axiomatized by Leonard Savage a number of scholars worked on alternative representations of probability and proposed decision criteria at odds with the maximization of expected utility. This paper concentrates on the works of these early critics of subjective expected utility theory whose insights were to be obscured by the spreading of the subjective approach into the mainstream under the heading of Bayesian decision theory. In particular the paper reviews the works of George Shackle, Nicholas Georgescu-Roegen and Daniel Ellsberg who on different, sometimes even contradictory, grounds attempted to incorporate into decision theory the notion of the reliability of a probability assessment. Through an examination of how they represented the state of information a decision-maker has to take into account when making decision under uncertainty, the paper tries to show that these authors adhered to a viewpoint that finds its origin in John Maynard Keynes's philosophy of probability and his notion of the weight of argument. This viewpoint, rejected as inconsistent by mainstream decision theorist for long, has been vindicated in recent years by certain current developments of decision theory.

## **On the stability of the Ramsey accumulation path**

Enrico Bellino

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In infinite horizon Neoclassical optimal growth theory the Ramsey (1928) accumulation path is characterized as a saddle-path in the standard presentations of the model based on the works of Cass (1965) and Koopmans (1965). From the mathematical point of view a saddle-path is an unstable path: if the system is exactly on it, it converges to the steady state of the economic system; if it slightly diverges from that path, it diverges indefinitely from the steady state. A further condition, called 'transversality' condition, which is tantamount to a perfect foresight assumption, is then invoked to prevent the system follow such divergent paths. This instability, which is implicit in infinite horizon optimal growth models, has been sometime considered to account for actual economic crises. At a deeper level this claim would seem to be grounded on the idea that if the consumer optimizes myopically, i.e., by taking into account just the current and the subsequent period, the ensuing dynamics diverges almost ever from the steady state equilibrium. The present work aims to challenge this idea and the conclusion that convergence is guaranteed just if consumer's perfect foresight is assumed. A simple myopic adjustment processes compatible with consumer's rational behaviour and converging monotonically to the Ramsey steady state equilibrium is here built. Myopic optimization is thus not the ultimate responsible of the instabilities of the optimal accumulation path. Explanations of instability phenomena of actual economic systems (crisis, bubbles, etc.) must be searched in other directions.

**Heterogeneity in cluster life cycle: the role of MNEs**  
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The focus of this article concerns the role of MNEs in industrial clusters life cycle. Despite the model of industrial cluster has been often described as locally self-contained, various empirical researches have recently pointed out its increasing involvement in the process of internationalisation. This is occurring not only in terms of flows of exports, but also in relation to a more complex interchange of inwards and outwards flows of goods, people, knowledge, which often involve the MNEs as crucial players. This article explores in detail the modality through which cluster dynamics is intrinsically interlinked with the origin and evolution of MNEs. In some cases, MNEs are the main actor responsible to giving rise to the local cluster, while in others they enter (or emerge in) the local cluster in one of the subsequent phases of its life cycle. With respect to the origin of the MNEs, 'homegrown' cluster firms may invest strategic resources in innovation and expansion and progressively transform themselves into MNEs. Alternatively, we observe the case of MNEs that originate outside the cluster.

Our paper models analytically the heterogeneous role of the MNEs within clusters, and tries to detect some major implications in terms of the prevailing knowledge accumulation patterns of the clusters. Three are the ideal-type phases of cluster lifecycle: origin (emergence), development (increased number of firms and employees), and maturity (relative decline of firms and/or employees). Among them, we found the presence of an unavoidable heterogeneity, which characterises not only the variety of triggering factors, but also the role played by MNEs in each phase. Our analysis is supported by the empirical observation of six important global clusters, being located in Italy, China, and Africa: the textile cluster in Guandong, China; the microelectronics cluster of the Catania Valley, Italy; the cut-flower cluster of lake Naivasha, Kenya; the biomedical cluster of Mirandola, Italy; the sportssystem cluster of Montebelluna, Italy; and the footwear cluster of the Riviera del Brenta, Italy. The methodology applied is a qualitative meta-analysis, as a method for reviewing qualitative studies. Qualitative meta-analysis is an attempt to conduct a rigorous secondary qualitative analysis of primary qualitative findings (some of them collected directly by the authors, some others found in the literature). Despite the popular view there is not any intrinsic opposition between the model of embedded industrial cluster – the Marshallian stereotype - and the presence of MNEs. The results of our analysis suggest the existence of a variety of evolutionary dynamics where in some cases the MNEs originated the cluster, in some others they emerged out of a process of expansion of an incumbent small firm, and in others the MNEs were attracted by the cluster in a development or maturity phase. The heterogeneity of cluster evolutionary dynamics and MNEs strategy opens up a wide space to the formulation of specific cluster policies, oriented to establish adequate measures for the attraction and localisation of MNEs and for the internationalisation of leading cluster firms.

**Adam Smith's Stationary State:  
Foundation for, or Contradiction to, a Sustainable Economy?**

Nancy Bertaux

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Adam Smith (1723-1790) was an early user of the term "stationary state." This essay discusses the stationary state of Adam Smith, and considers the question of whether it constitutes the foundation for, or instead a fundamental contradiction to, more modern notions of the steady-state or sustainable economy. The essay will explore the ways in which Smith's views of the stationary state, as seen in Smith's *Wealth of Nations*, constitute the historical roots of contemporary models of a steady-state or sustainable economy (i.e., Herman Daly and other ecological economists who hold that growth for its own sake is misguided and ultimately dangerous for the economy). The essay will compare this to the more usual focus on the ways in which Smith's conception of the "dull" stationary state in fact contradicts these modern ideas of a desirable, sustainable economy, based on qualitative development without reliance on quantitative growth.

## **Who desires the paretian optimum?**

Irène BERTHONNET

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The paper studies the role of the economist in Pareto's theory, in comparison with that of the sociologist. Pareto thinks that economics are a specific science among the broader category of social sciences, and he distinguishes it from the sociology: both aims and methods differ between these two sciences. The methodological distinction between economics and sociology is linked to the paretian opposition between logical and non-logical actions. Restricting the economic analysis to that of logical actions (logical being defined as the capacity of consciously using the means that enable to obtain a previously chosen goal), Pareto deprives the economic analysis from a debate on the finalities of the economic action. However, in his own economic theory, Pareto shapes a new criterion (the "ophelimity maximum") which will later be known as the paretian optimum. We will show that this criterion (and the fact that it belongs to the economic analysis) is paradoxical with the epistemology defined by Pareto for economics. Indeed, the criterion is created to allow the economist to know which state of the economy is desirable from an economical perspective, which is something that Pareto refuses in theory, since the economist is supposed to be only a technical expert of the economy and not to think of a social state as desirable. We then show that this paradoxical content of the paretian optimum might explain its later success as an efficiency criterion.



## **Fiscal Policy, Eurobonds and Economic Recovery: Some Heterodox Policy Recipes against Financial Instability and Sovereign Debt Crisis.**

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In this paper, we propose a simple post-Keynesian model on the linkages between the financial and real side of an economy. We show how, according to the Minskyan instability hypothesis, financial variables, credit availability and asset prices in particular, may feedback each other and affect economic activity, possibly giving rise to intrinsically unstable economic processes. Through these destabilizing mechanisms, we also explain why government intervention in the aftermath of the 2007 financial meltdown has been largely useless to restore financial tranquility and economic growth, but transformed a private debt crisis into a sovereign debt one. The paper ends up by looking at the long run and to the interaction between long-term growth potential and public debt sustainability. We explicitly consider the European economic context and the difficulties several EU members currently face to simultaneously support economic recovery and consolidate fiscal imbalances. We stress that: (i) financial turbulences may trigger permanent reductions in long-term growth potential and unsustainable public debt dynamics; (ii) strong institutional discontinuity such as EU financial assistance to member countries may prove to be the only way to restore growth and ensure long-run public debt sustainability.

## **Alfred Marshall on Competition, Monopoly and the role of the State.**

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Free competition, or better “economic freedom” – as Marshall prefers to call it –, is considered “the fundamental characteristic of modern industrial life”: it allows human beings to express their peculiar potentialities and capabilities; it guarantees an efficient working of the market; it is a necessary ingredient for progress and evolution. Nonetheless, free competition is by no means considered always and unconditionally a sort of godsend, as Marshall explicitly warns, because the restraint of competition might not be “more anti-social in its working than the competition itself”.

Accordingly, an important role is recognized also to monopoly and monopolistic combinations – trusts and cartels – deeply analysed by Marshall and strongly present in many of his writings (especially in *Industry and Trade*). There, together with a very detailed analysis especially of the American cases, we find the idea that some monopolies may be justified by reasons of efficiency, may be beneficial to public interests, or may be necessary for the particular kind of good or service produced and distributed.

In this latter case Marshall recognizes that the State should be awarded an important role, as the necessary supplier of what in modern terms are called public goods (education, health). Even taxation – traditionally the *bête-noire* of the leading supporters of market freedom – is regarded as an enrichment rather than a distortion of the competitive economy. Material wealth is esteemed in relation to the yield of taxation it guarantees to be spent for public wealth.

The aims of this paper are to inquire into Marshall's concept of competition, to analyze the nature and the effects of monopolies and their relation to public wellbeing, and to underline the cases in which, according to Marshall, the State may and does play an important role.

**ON THE NEW APPEAL OF CHAPTER 12 OF THE GENERAL THEORY.  
Complicating remarks on the Keynes-Hume connection and the presumed  
novelty of the analysis of financial markets in the General Theory**

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The crisis has produced a revival of interest in chapter 12 of the General Theory (GT), where Keynes analyses entrepreneurs' expectations on investment and the dynamics of financial markets and speculators' behavior. The literature focuses in particular on the notions of “convention” and “animal spirits” employed to analyse investment and financial behavior of agents who have to face a radically uncertain future. A basic presupposition of such rediscovery is that Keynes's treatment of financial markets in chapter 12 represents a crucial novelty in both his economics and philosophical position. As regards the latter, Keynes would have abandoned his “early beliefs” and reversed in particular the critical view of Hume's philosophy he had exposed in *A Treatise on Probability* (TP). The literature is divided on the interpretation of the nature of such novelty: while some authors insist on the Marshallian character of animal spirits, others point at Keynes's interest in irrational, Freudian traits of human behavior; some see Keynes's recognition of the importance of conventions as the possibility to draw an original approach to social interaction from his economics, while others stress the legacy of chapter 12 for modern behavioral finance.

This paper argues that the overall picture emerging from the chapter is not reducible to clear-cut interpretations. First, it shows that in truth, Keynes's presumed new interest in conventional behavior dates back to his 1910 lectures on speculation and investment. Centered on issues Keynes dealt with in writing the *Treatise on Probability*, such lectures offer a complicated picture of financial markets and their agents, whose heterogeneity rests on differences in knowledge and interpretation of the contingency. Second, the article analyses the Keynes-Sraffa correspondence on Hume's *Abstract of a Treatise on Human Nature*, with the aim of throwing further light on Keynes's interpretation of Hume's scepticism (and of Kant's challenge, both discussed in the TP) but also, as an indirect effect, on Keynes's own epistemological positions. Both Keynes's early remarks on speculators' behavior and his view of Hume's approach as detectable also from the correspondence with Sraffa are shown to provide relevant information about conventional behavior as treated in the GT.

## **Learning from Keynes' experience: speculation in the London tin market, 1921-1929.**

Nicolò Cavalli (*Bocconi University*) and Carlo Cristiano (*University of Pisa*)

Amongst Keynes' investments in commodities, tin took the lion share during the 1920s. Tin also featured as one of the most controversial issues in the seven Memoranda on 'Stocks of staple commodities' that Keynes edited for the London and Cambridge Economic Service from 1923 to 1930. In this paper we investigate the way in which Keynes' analysis of the tin industry and his dealings in tin in the London Metal Exchange evolved from 1921 to 1929.

Our main point is that, for several reasons, many of which can be found in Keynes' own writings, speculation in tin fitted rather ill with the idea of speculation as a form of insurance that Keynes put forth for the first time in 1923 and then in his *Treatise on Money* (1930, ch. 29). While the hypothesis of speculation as a form of risk-bearing presupposes a relatively low risk and easily accessible information in a wide market, the tin market before 1929 stood out for the lack of reliable data about production, consumption and inventories, as well as for its high volatility; furthermore, being a narrow market with strong information asymmetries, the tin market was susceptible of manipulation, thus increasing the risk of unexpected (and unpredictable) variations of prices.

Keynes' dealings in tin confirm this view. Instead of replicating the same pattern over a long series of investment cycles, as the speculation-as-a-form-of-insurance hypothesis would prescribe, Keynes continuously adapted his strategy to the information he had at his disposal. In the words that Keynes himself used in 1923, his behaviour was much more an attempt at being a "prophet" than the work of a "risk-bearer".

## **Le parole dei Presidenti di Confindustria: osservazioni metodologiche**

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Questo lavoro offre una riflessione metodologica sull'analisi del contenuto testuale e sul suo potenziale applicativo. Verrà presentata una panoramica generale sulla struttura del corpus dei discorsi dei Presidenti di Confindustria, sulle misure lessicometriche di base, sulle tecniche di analisi dei dati testuali adottate, ecc. Inoltre, questo lavoro raccoglie considerazioni sui dati a disposizione ed elaborazioni "complessive" che generano la struttura di base delle analisi specifiche.

## **On Garegnani's contribution to economic analysis**

Roberto Ciccone

*University of Roma Tre*

These notes outline some aspects of the work of Pierangelo Garegnani, which, as I believe is generally acknowledged, has moved theoretical elaboration many steps forward along the two paths of development of economic theory opened, respectively, by Sraffa and by Keynes.

Garegnani several works on capital theory integrate and extend the results emerged in Sraffa's *Production of commodities by means of commodities* while, in parallel with that line of research, he provides a no less important contribution to the reappraisal of the classical approach initiated by Sraffa himself. The positive contents of Garegnani's work also include the integration of the classical theory of distribution with an analysis of the levels of aggregate product based on the autonomy of demand with respect to the potential output of the economy. It is also pointed out that Garegnani's theoretical work has helped to open an intellectual perspective fruitful to the analysis of real problems and the working out of policies apt to face them.

## **The fiscal systems of Valle d'Aosta/Vallée d'Aosta and País Vasco/Euskadi in a comparative perspective under federal theory**

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Countries that used to be highly centralized like Italy and Spain have made many steps in the devolution of powers to regional government. A peculiar feature of this gradual process of power devolution is the differentiation of the basic financing system over different regions. Some regions have received specific powers in spending, or in the financing of the regional budget. For some, this differentiation has usually been justified by geographical or economic circumstances.

For others, a century-long history of fiscal autonomy – based also on linguistic and cultural diversity – has been the reason for granting additional spending and tax powers.

In our work, we examine the reasons for such a preferential treatment of rich regions, and its economic consequences. We compare the financing system of an Italian region with a special status, Vallée d'Aoste, and the Spanish region of Euskadi.

Vallée d'Aoste and Euskadi have an extensive say over spending decisions, and receive nearly all regional tax revenues. At present, Vallée d'Aoste, receives nearly all tax revenues collected on its territory. For Euskadi, autonomy is even stronger as it is entirely in command over spending and is the only Spanish region to collect all tax revenues, afterward compensating the central government for services delivered on its territory.

These special arrangements result in net benefits for both regions, with financial resources per inhabitant above those of other regions. Despite being among the richest regions, both get a lot of supplementary financing and are nearly exempt from contributing to solidarity mechanisms with poorer regions in the country.

Thus, although both Vallée d'Aoste and Euskadi are among the richest regions in each country, they are both net beneficiaries of the fiscal equalization system. The origin of this preferential treatment is the difficulty for the central government in Rome and Madrid to develop a fiscal arrangement that fully develops fiscal autonomy over the entire country (Garcia-Milà and McGuire, 2007; Ambrosanio and Bordignon, 2008) and its outcome is a fiscal system with limits on taxing power and debt issuance, and meant as a compensation for the lack of autonomy. It so prevents calls for more fiscal autonomy, or even outright secession. At a first glance, the economic effects of this asymmetric federalism appear negative.

Although partial equalization reduces excessive redistribution, more autonomy could pay off with more efficient government. The current situation makes a rich region live from economic rents. This federalism à la carte not only creates economic losses in the short term, but also persistent distortions in political decision making, creating a political deadlock on possible reforms of the financing and fiscal systems. Asymmetric federalism risks creating a political stalemate that makes it impossible to set further steps in devolution in an economically sensible way (Tanzi, 1995).

## **L'analisi linguistica dei discorsi dei Presidenti di Confindustria**

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In questo lavoro viene analizzato il testo dei discorsi annuali dei Presidenti di Confindustria in relazione al contesto economico dominante nel periodo di riferimento. Sul corpus testuale raccolto - che comprende i discorsi per ogni Presidente dal 1945 ad oggi - viene effettuata un'analisi linguistica e testuale per studiare i cambiamenti nella retorica del discorso. Sia i dati lessicometrici sia quelli provenienti dall'analisi lessicale mostrano un alto grado di diversità nelle scelte discorsive dei diversi Presidenti. Sembra che l'evoluzione sia molto più legata ai condizionamenti provenienti dalle tematiche emergenti nei diversi periodi e ai mutamenti delle pratiche comunicative, più che a caratteristiche idiosincratiche dei singoli presidenti. Questa tuttavia è solo un'ipotesi che dovrà essere verificata. Lo sviluppo del lavoro quindi metterà a confronto le caratteristiche lessicali dei parlanti per rilevare se prevale la contiguità temporale (da intendere come necessità di adeguamento del discorso al contesto del Sistema Paese) o la singola personalità (da intendere come capacità di Leadership). In altri termini, s'intende giustapporre contesto e parlante per capire se le strategie definite da Confindustria dipendono prevalentemente dalla Leadership del Presidente (leadership carismatico) oppure dalle pressioni determinate dal contesto economico-sociale e politico (resilienza dell'Associazione).



## **Ideas of ‘combination’ and ‘rationalization’ in the *Economic Journal* and *Economica* from the 1890s to the early 1930s**

Carlo Cristiano

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When ‘Trusts’ and ‘Cartels’ became the new watchwords in German and American economic literature, British industry was experiencing a similar albeit less impetuous movement towards ‘combination’. This trend had been recognised by Alfred Marshall already in the early 1890s. Later, one of Marshall’s pupils, D.H. MacGregor, put forth a theory of the new phenomenon, in which combination was understood as a spin-off from Marshall’s competitive industries. Meanwhile, different, and even opposite interpretations had been put forth by others. H. Macrosty presented combination in British industry as a purely defensive escape from competitive conditions, while the escape from the ‘evils of competition’ was the object of a campaign by the ‘New Trades Combination Movement’ and the *Economic Review*. Other writers concurred in the emerging general opinion that a ‘trust problem’ could not exist in the UK – because Britain was a free trade nation, thus preserving potential competition from abroad – and that the US provided evidence of the inexpediency of anti-trust legislation. As a result, no anti-trust legislation saw the light in Britain. Rather than that, the reports of several official enquiries from 1906 to 1921 bear witness that even the common law prescriptions against monopolistic practices were progressively abandoned, and the acceptance of combination paved the way to the rationalization movement later in the 1920s and early 1930s. Drawing on an overview of the way in which these events and ideas were reported and commented in the *Economic Journal* since 1891, and in *Economica* since 1921, this paper is an overview of the ideas of combination and rationalization as they were received and commented by the newborn economic profession as well as by non-professional writers.

### **Keynes's activity on the cotton market**

Carlo Cristiano (*University of Pisa*) and Nerio Naldi (*University of Roma, La Sapienza*)  
Cotton was one of the commodities that Keynes monitored, from 1923 to 1930, in the London and Cambridge Economic Service Memoranda on 'Stocks of Staple Commodities', and one of Keynes' favourite examples in presenting his theory of speculation as a form of insurance or risk-bearing. Furthermore, among Keynes's investments in commodity markets, cotton occupied an important position amounting to about 16% of his total investments in commodities.

In this paper we will first consider the theoretical approach to speculation developed by Keynes in the 1920s. Secondly, we will illustrate the characteristics of the cotton market at the time when Keynes was engaged in speculative operations in it. Thirdly, following Keynes' Memoranda and related published and archival sources, we will reconstruct the trends in the cotton market and the evolution of Keynes's views on this market from 1923 onwards. We will then analyze his operations of purchase and sale of futures contracts in the period 1921 to 1929. Finally we will relate these operations to Keynes's theoretical analysis of speculation, to the peculiar facts which may have been of special importance to the cotton market and to cotton price movements in those years, and to institutional features of the cotton market.

## **The psychology and policy of mathematical economics according to Alfred Marshall**

Marco Dardi

*University of Firenze*

Most of Marshall's propositions concerning the use of mathematics in economic reasoning amount to commonsensical invitations to moderation, or warnings against the risk of losing touch with factual experience, or mere autobiographical reflections. Two of these however stand out for a certain peculiarity that justifies the attempt to interpret and explain them. One is the emphasis on mathematical instincts (with or without the support of specific mathematical training) as an essential component of the economist's professional equipment; the other, the maxim 'burn the mathematics' when it has served its purpose (although Marshall himself did not burn his mathematics, or at least not all of it). The former seems to have some relation with cognitive psychology, the latter with the policy of communication in scientific research. This paper argues that the two peculiarities are better understood if they are situated in the context of the debates on the foundations of mathematics in Cambridge in the first half of the XIX Century, to which Marshall was exposed in his early years through his participation in the Cambridge Mathematical Tripos and in philosophical discussions at the Grote Club. A reconstruction based on Marshall's early philosophical papers brings out a view of mathematics close to Whewell's proto-intuitionism stripped of its idealistic undertones and tempered with a good dose of evolutionary psychology. This concept of mathematics will leak into Marshall's later economic work, in which 'mathematical instinct' can be interpreted as the ability to 'contemplate' the forms of mathematics and geometry – a kind of (more or less educated) primary perception – and the mathematics to be burnt is the algorithm that serves to check the consistency of an argument for one's own personal use, and not to construct an object of contemplation that can be transplanted from the private to the public sphere.

## THE EVOLUTION OF MACROECONOMICS: SOME REFLECTIONS AFTER THE SUB-PRIME CRISIS

Elisabetta De Antoni

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Orthodox macroeconomic thought has systematically relied on General Equilibrium Theory. As known, such a theory is based on the assumptions of perfect individual and collective rationality. In the Neoclassical Olympus, omniscient agents are perfectly coordinated by an omnipotent invisible hand. Money and finance do not matter and macroeconomic policies are even harmful. The real world, however, does not correspond to this ideal representation. Money and finance matter. The system is affected by pathologies (as unemployment, inflation, financial instability) and macroeconomic policies are needed. How to connect the perfection of the Neoclassical Olympus with the ‘tears and blood’ of the real world? How to explain economic fluctuations, the real importance of money and finance, the pathologies hitting the system? The orthodox strategy has been the following. Let us consider general equilibrium as an ideal benchmark. By introducing imperfections/maladjustments, we can build a bridge between the Neoclassical Olympus and the real world. As Leijonhufvud (1992) shows, the whole evolution of macroeconomics can be re-read under this perspective. Orthodox strategy, however, is intimately flawed: its bridge between theory and real world is fragile and destined to fall. Specifically, imperfections and maladjustments are structurally incompatible with the perfection of the Neoclassical Olympus. Being suboptimal and therefore ‘irrational’, they are destined to be questioned and subsequently expelled by the theoretical debate. This happened to the wage rigidity of the Neoclassical Synthesis in the last 1960s, to the asymmetric information of Friedman’s Monetarism in the 1970s, to the monetary surprises of Lucas in the 1980s. We thus come to the RBC theory and to the DSGE theory, according to which the system is always in its general equilibrium. With this, however, the split between the Neoclassical Olympus and the real world resurfaces. The recent sub-prime crisis made this split evident. General equilibrium is an unrealistic and consequently a misleading benchmark. To keep in touch with the real world, the assumptions of perfect individual and collective rationality have to be abandoned. Authors as Keynes (1936) and Minsky (1975, 1986) show us how fruitful this heterodox strategy is. Their views fully agree with what happens in real world. Money and finance have a crucial and active role, financial crises are systemic, pathologies are endogenous. Coordination (the omnipotence of the invisible hand) is far from being granted and macroeconomic policies are essential.

## **STAYING THE FEDERALIST ECONOMIC COURSE IN HEALTHCARE DELIVERY**

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Health care delivery is a unique service whose economic consequences have been and are, per historical prime directive, emotionally removed from fiscal planning. The resolution of economic consequences for health care delivery in the USA, like federalism, has become a political concept, in which an unwillingly created group of philosophically opposing members find themselves bound together by covenant with a governing representative head. Economic responsibility for healthcare is constitutionally divided between a central governing authority and constituent political units which both now face the added dimension of globalization. Historic advances in progressivism in the USA have dynamically challenged a decentralized health care delivery system based on individual care to evolve into an integrated central governmental system by organizing not only the economics but also the methodology of the service delivered. Important lessons that can be learned from historical perspectives may not be relevant in a changing dynamic for future health care delivery planning. The evolution of this economic health care delivery paradigm has had a rough and winding course over the past century. Federalist authority and perception of economic realities have risen and fallen in cultural importance, dynamically changing political adventure and often misadventure. Final resolution can only come through compromise, and achieving that compromise becomes a new conundrum, while economic, political and religious forces continue to persist in the performance of open battle before a bedazzled public audience.

**Multipolarity and Regional Integration.**  
**The European Experience and The Others**

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Processes of regional economic integration have become widespread and are today a prominent feature in the spontaneous evolution of the world economy. The advantages of deeper economic integration between countries go beyond the usual arguments about the benefits of free trade based on comparative advantage and international specialization. Economic integration creates conditions that, because of access to a larger market and economic synergy, allows member states to improve economic efficiency and achieve faster growth. A comparison of existing regional experiences shows that the degree of integration between countries varies from simple FTAs to the sharing of complex supranational institutions as in the case of the EU. Undisputedly, the EU has been the most successful experience of integration among developed modern countries. The current structure of the EU emerged through lengthy, gradual integration leading to the European Economic and Monetary Union in 1992 and the introduction of the Euro in the 2000s. In the intentions of its founders, the final stage of European integration was intended as a federal European state, not merely a customs union or common market. Stable peaceful economic relations between nations need strong political cooperation. Only returning to the original vision of the European integration process may the EU overcome the current sovereign debt crisis which is threatening its existence.

The EMU experiment is important because it is a historically unique peaceful transfer of national monetary sovereignty to a common supra-national institution. In the light of the global financial crisis and notwithstanding its political and institutional shortcomings, the EMU is still a model for designing the necessary reforms of the world financial and monetary system leading to a world monetary union ruled by new supra-national institutions capable of providing supra-national public goods.

## **Keynes, Keynesian Economics and the ‘Irrational’ Foundations of Key**

Giuseppe Fontana

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Drawing on the theory of probability that Keynes proposed in *A Treatise on Probability* (1921), this paper develops a theory of rationality and individual decisionmaking, which is then used to explain key macroeconomic phenomena, including the longrun demand for a stock of liquid assets and related possibility of involuntary unemployment, as well as the existence of a flow of final means of payment and their essential role in the financing of productive and speculative activities in modern economies.

## **Causal explanation in evolutionary economics: a critical reappraisal of Veblen's view**

Tiziana Foresti (*Bocconi University*) and Alessio Moneta (*Max Planck Institute of Economics*)

The aim of this paper is to discuss the presuppositions about causality and causal explanation that are at the basis of the evolutionary approach to economics. The term evolutionary economics denotes a way of thinking about economic problems aimed at explaining the process that transforms the economy from within. The causes of the economic change are to a large extent considered endogenous rather than determined by random exogenous shocks. To explain this process of selftransformation, some scholars make explicit reference to the Darwinian evolutionary mechanism of variation, inheritance and selection (Hodgson 2004), others try to avoid over-expanding the domain of Darwinian concepts (Witt 2004). In this paper, we call evolutionary an economic system characterized by the presence of (i) heterogeneous agents displaying various forms of "bounded rationality"; (ii) technological, behavioural and organisational innovations generated by the agents themselves and only in part by exogenous shocks; (iii) interaction arrangements such as markets, which perform as selection mechanisms; (iv) aggregate regularities emerging from out-of equilibrium interactions (Dosi et al. 2005).

To address these issues, we examine Thorstein Veblen's theory of causality in light of the contemporary debate in the philosophy of causation. Veblen, the forerunner of the evolutionary approach in economics, in his philosophical papers, offers many interesting insights about causality and causal explanation in economics. It is therefore unfortunate that present-day methodologists rarely refer to Veblen. A related aim of the present work is to reappraise Veblen's contribution and to fill this historiographical gap.

Veblen's notion of causality can be understood as the ultimate and creative result of a combination of Kantian, Darwinian and pragmatist cues (Foresti, 2004). Veblen, in fact, endorses Kant's conception of finalism as a modality of representation of (states of) things and completes it by acknowledging the acquisitions of pragmatist psychological research and Darwinian evolutionism. From here, Veblen's claim for an evolutionary economics which has to be grounded on a cumulative (and nonteleological) opaque causal nexus. From Veblen's perspective, the opaqueness of causal nexus expresses the absence of an ontological foundation: given the cause, the agent cannot predict the effect. Then the principle of causality involved in every scientific explanatory pattern is a postulate (by definition unproved and improvable). This paper innovatively shows how the main tenets of Veblen's theory of causality are compatible with Jon Williamson's model of epistemic causality (Williamson 2005, 2006). In Williamson's view, causation is an epistemic category that the agents use to chart the world in order to make successful inferences. Along the lines of Williamson, interpreting a statistical model causally is an epistemic activity (Moneta and Russo 2011). As we will argue, Veblen's epistemological conception allows us to support this view.



## THE HIGH WAGES THEORY: FRANCESCO SAVERIO NITTI'S CONTRIBUTION

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Francesco Saverio Nitti can be considered one of the most important Italian economists of the period between the end of the 19<sup>th</sup> century and the beginning of the 20<sup>th</sup> century. His most important contributions, in the field of economic theory and economic policy, involve studies on the economic conditions of Southern Italy and an original analysis of the functioning of the labour market. It is worth noting that – like most of the Italian economists of that period – Nitti did not see his work as merely academic, but he was engaged in communicating his theories in the popular journals of his time and – in the last part of his life - he became Prime Minister.

This paper focuses on his analysis of the labour market, in the conviction that his “high wages theory” can be regarded as a significant contribution, both in the realm of economic analysis and – above all – on the plane of economic policy. The high wages theory predicts that an increase in wages – derived from State intervention in the labour market – stimulates increases in productivity, because of the incentive to innovate on the part of firms, thus driving economic growth. Nitti himself regards this theory as the theoretical foundation of a broader line of economic policy based on the view that a more equal income distribution is a precondition for a more efficient functioning of the economic system.

The period between the closing decades of the nineteenth century and the early decades of the twentieth century was a time when in Italy the first small steps were taken towards policies for the establishment of what would later be called the welfare state. This took place mainly through measures on compulsory insurance, workplace injuries, invalidity, and last but not least on unemployment. It is suggested that such measures derived from the gravity of the clashes caused by the country's industrialisation, which pushed the state to directly shoulder the burden of social conflict in the attempt to provide an adequate response to the growing demands for rights and for the protection of working class employment. According to this interpretation, the resulting social policies, produced by the collaboration of progressive liberals and reforming socialists, along with the gradual extension of the franchise, had a twofold effect. On the one hand, they placed constraints on the entrepreneur's freedom, and on the other, since they reduced potential class conflict in the capitalist system, they promoted the conditions for a ‘social pact’. Nitti's contribution, as an economist, a journalist and a policy-maker, was very significant for this purpose.

## THE ITALIAN TRADITION IN PUBLIC FINANCE: AN ANNOTATED BIBLIOGRAPHY OF MAURO FASIANI

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Mauro Fasiani's scientific figure still does not occupy the proper place in scientific debate, either in Italy or abroad. Following his untimely death in 1950, his high reputation has not paid adequate historiographical interest. The enhancement of the figure of Fasiani therefore presents a very significant scientific interest, in order to finally put into perspective his contribution to the evolution of the theory of public finance not only in the Italian tradition, but in the international context also. This requires the recognition of his scientific work and an adequate critical discussion of the topics that he studied in the light of contemporary literature, to highlight his originality, depth of thought and relevance today.

To that end is directed the present paper within its obvious limits. In fact, the aim is not to discuss Fasiani's scientific thought, but only to draw it to the attention of the international scholars by letting known the content of his work. This is done by scaling down the over 3 thousands pages of his original works to the 1 hundred pages of this paper. The hindrance is that between Fasiani and my readers there is still the wedge of my intelligence: I do hope that only few misunderstandings will occur.

I have considered here all the known works of Fasiani but two, that I was not able to consult: (Fasiani 1933-34) and (Fasiani 1939-40), which are of a didactical scope anyway. However, I do not report on (Fasiani 1934), (Fasiani 1935b) and (Fasiani 1949a), which present a very thin scientific interest.

Mauro Fasiani (Turin, 1900 – Genoa, 1950), young veteran of World War I, had graduated in law at the University of Turin in 1924 with Luigi Einaudi and under his leadership had worked in the Laboratorio Cognetti De Martiis for a decade as an assistant professor and then as professor in both the R. Politecnico and the R. Istituto Superiore di Scienze Economiche in Turin. Winner of the university chair of Public Finance at Messina in 1932, he was called at the end of 1933 at the R. Istituto Superiore di Scienze Economiche in Genoa, where he has spent the last part of his life. On 15 July 1948 he was appointed associate of the Accademia Nazionale dei Lincei. He was elected Dean of the Faculty of Economics, University of Genoa when the Istituto Superiore was merged into the University of Genoa and remained in that position until his death on 20 July 1950.

After Einaudi, namely in the last generation of the Italian tradition of public finance, Fasiani is certainly the most prominent scholar. His scientific work can be compared with that of the great masters of the Italian tradition, as De Viti de Marco, Pantaleoni and Einaudi. His scientific activity can be considered as the highest point in the evolution of the Italian tradition of the general theory of public finance. His approach is purely economic, as opposed to the sociological one followed by Borgatta, first pupil of Einaudi. His scientific effort differs from that of Einaudi, especially because of his strictly logic approach, from the assumption of hypothesis through the development of reasoning, to the identification of uniformities.

In regard to the late Italian tradition in public finance, Fasiani was the single most outstanding scholar, and the scholar who received the Paretian heritage in the most critical but beneficial way. He did not belong to the sociological school – so a clear break is evident between Fasiani and the Paretians from the second generation like Sensini and Borgatta. In fact, he endorsed Pareto's scientific methodology as regards the need for a clear separation between science and politics, morals and

arts. He explored specific fiscal topics basing on economic assumptions only, using a Paretian economic methodology, from the general equilibrium approach to the choice theory. But Fasiani's research programme also extended to offering a general theory of public finance, building on the definition of cooperative, monopolistic and tutorial states, intended as polar cases, based on Paretian maxima for and of the community.

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## **REAL WICKSELL EFFECT, DEMAND FOR CAPITAL AND STABILITY**

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The real rate of interest is seen in many different versions of the neoclassical theory as the variable responsible for establishing equilibrium between the demand and supply of capital (or at least their flow-versions of investment and saving). As the demand for capital (per worker) in value terms may well increase together with the rate of interest, it has been maintained that this phenomenon of “reverse capital deepening” is a possible cause of instability for the capital market equilibrium. Authoritative examples of this view include Garegnani (1990: 61-71), Kurz & Salvadori (1995: 447, 8) and Petri (2004: 226, 7).

This argument is usually presented in terms of Wicksell’s theory, where the exogenously given supply of capital ultimately proves misleading, however, for two reasons. First, since the supply of capital is apparently independent of the interest rate, the property of stability seems to depend on the shape of the demand-for-capital curve alone rather than the shape of the excess-demand curve, as is usually the case. Second, as is well-known, the value of any bundle of commodities cannot be consistently taken as given before income distribution and relative prices are determined and, as a result, no numerical solution of Wicksell’s equations can be regarded as an economically meaningful equilibrium.

The purpose of this paper is to study the relationship between reverse capital deepening and instability in a more general framework where the supply of capital (essentially from saving decisions) can also be affected by changes in the interest rate. It will be shown on the one hand that the shape of the demand-for-capital curve is not particularly relevant for equilibrium stability or instability, and on the other that a badly-behaved real Wicksell effect, as in the case of a “reswitching of techniques”, can involve instability.

## **I tanti volti dell'innovazione nei discorsi dei Presidenti di Confindustria**

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Nei discorsi dei Presidenti, il concetto di innovazione ha assunto un diverso peso e significato. Dall'innovazione per perseguire strategie di costo, richiamata frequentemente nei discorsi degli anni '80 e '90 fino all'innovazione per produrre conoscenza ed efficienza dinamica enunciata dagli ultimi Presidenti.

Il concetto viene però utilizzato anche con finalità istituzionali per denunciare il bisogno di modernizzazione del Paese, di un nuovo assetto nelle relazioni industriali e di nuovi comportamenti nella politica.

L'articolo si prefigge di analizzare, alla luce delle teorie economiche sull'innovazione, l'introduzione del concetto di innovazione nei discorsi dei Presidenti. L'analisi prevede l'utilizzo delle specificità linguistiche dei parlanti, delle concordanze e delle tabelle sulle co-occorrenze per individuare categorie tematiche di utilizzo. Con l'analisi delle corrispondenze s'intende individuare somiglianze e differenze per insiemi tematici d'uso del concetto di innovazione.



## **Thorstein Veblen e alcune delle anticipazioni sul militare**

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Questo paper vuole apportare un contributo alla valutazione di alcuni dei pensiero anticipatori di Veblen relativamente al settore militare.

La corsa agli armamenti, gli sprechi, il crowding out e il keynesianismo militare, rappresentano alcuni dei concetti ripresi, molti anni dopo da autori quali, Galbraith (1952, 1967, 1996, 2007), Cypher (1972, 2008), Melman (1975, 2006) e da Reich (1975).

Il ruolo che Veblen attribuiva alla finanza in seno all'economia, ci fornisce alcuni spunti per interrogarci sugli attuali processi di ristrutturazione del settore della difesa, caratterizzata da un connubio tra finanza e concentrazione. In effetti egli già anticipava le caratteristiche particolari del settore della difesa, i legami con la finanza e le conseguenze in termini di fonti di profitto e di sprechi.

La rivalutazione del pensiero di Veblen in questo settore, lungi dall'essere celebrativa, vuole senza dubbio mettere in evidenza la perspicacia di chi, trovandosi di fronte a grandi cambiamenti, ha potuto guardare, con un'ottica privilegiata i processi che si andavano sviluppando. Tuttavia, rimane il dubbio sulla effettiva capacità di comprendere la reale portata di taluni eventi.

## **The Economic Impact of Southern Sudan Secession**

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Sudan gained its independence on January 1956 from the Anglo-Egyptian Condominium, since then the country had suffered from a continuous civil war between the North and the South.

On June 1989 the Salvation Government came into power after overthrowing the elected democratic government of Sadig Almahdi. Indeed the long lasting civil war and the political instability that prevailed during the period of 1985/1989 had always been regarded as one of the main reasons which triggered that military coup.

Accordingly, the Salvation Government declared its intention to stop the war in the south as one of its priorities. A federal system of government had been introduced in 1991 which divided the country into nine states (including the southern states). Nevertheless, the war continues in the south until 2005 when the two parties (north and south) signed the Comprehensive Peace Agreement. As a result a referendum took place in January 2011, where the majority of southerners choose to separate and create a new state.

This paper aims at examining the economic impact of Southern Sudan secession on the economy of both the north and the south, especially its impact on the exchange rate; government revenue; external debt; and balance of payment (Sudan began to export oil since 1999 where 70% of the oil field lies in the south) will be examined critically. In addition, the proposed policies to mitigate the negative impact which may take place as a result will be assessed critically.

## ISOTYPE AND THE TABLEAU ECONOMIQUE

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Otto Neurath, the famous philosopher, was the son of a professor of economics and was himself an economist. In the 20's and 30's he devised a most ingenious visual language. The purpose was to show the working of the economic system and economic facts in general to everyone, irrespective of his idiom and even of his literacy. He utilized his language to organize in Vienna a Social and Economic Museum. This language, named Isotype, is still well known to the specialists and adopted for any type of communication: in the Amsterdam airport, for one instance.

Neurath used his language to illustrate a particular economic theory (*strictu sensu*) only once: the subject is the Tableau Economique. Not surprisingly, since it is a subject particularly fit for his aim and since Neurath's father had devoted a long essay to François Quesnay. The result is a marvellous picture: probably the only coloured picture in the history of economic analysis. The picture was published more than ten years before the famous schemes by Shigeto Tsuru and is structurally definitely superior.

Unfortunately Neurath, presumably more interested in his language's performances than in the details of the Tableau, made an accounting mistake. A mistake which can be easily corrected without affecting the structure of the picture.

## RICARDO'S THEORIES OF THE RATE OF PROFITS

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In his *History of Economic Analysis*, Schumpeter blames Ricardo for a serious methodological flaw, namely that of indulging to what he called the “Ricardian Vice”. In Schumpeter’s own words: the habit “of piling a heavy load of practical conclusions upon a tenuous groundwork”, i.e. of deriving strong factual statements from disputable abstract models.

Now, Schumpeter died in 1950; his *History* was published, posthumously, in 1954. In 1951-52, Sraffa published his monumental, and long-awaited, critical edition of the *Ricardian Writings*. Could Schumpeter have profited of this edition, and in particular of the four volumes of *Correspondence*, he would certainly have discarded his charge. Indeed, it is quite clear that Ricardo did not prove any interest at all in models, at least in their modern meaning, and that, on the contrary, he was primarily interested in standing on what he considered the actual facts.

Nevertheless, in the present exposition, I will act, at least initially, “as if” Ricardo was really addicted to his pernicious “vice”. In other words, I will list a series of abstract models corresponding to the various Ricardian conclusions. Needless to say, Ricardo never adopted these models

**‘Old Lady charm: explaining the persisting appeal of the Chicago School of antitrust law and economics’.**

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*University of Pisa*

US antitrust is in crisis and needs a change. Evidence of its poor status abounds in recent policy events, law and economics (L&E) literature and court decisions. Consider the so-called Section 2 Report by the Department of Justice which aimed at harmonizing the Department’s enforcement of anti-monopolization statutes with current legal doctrine and (supposedly) accepted economic theory (Department of Justice 2008): its flagrant repeal in one of the first acts of the Obama administration revealed to the general public the extent of the fracture between the alleged orthodoxy and what the new government considered proper antitrust policy. Or take the critiques against the last couple of decades of antitrust enforcement, as well as the calls for its drastic redirection, voiced by prominent legal scholars and industrial organization (IO) economists in a recent volume edited by Robert Pitofsky (Pitofsky ed. 2008). Or reflect on the surprisingly benign view of monopoly power expressed by the Supreme Court’s claim that “[t]he opportunity to charge monopoly prices – at least for the short period – is what attracts ‘business acumen’ in the first place; it induces risk taking that produces innovation and economic growth” (Justice Scalia’s opinion in *Verizon Communications v. Law Office of Curtis V. Trinko*, 540 U.S. 398, 2004), a statement dispensing with a century of legal worries about the evils of market power.

The crisis has been aptly summarized as “the efficiency paradox” of contemporary US antitrust (Fox 2008). There is indeed an almost unanimous consensus that efficiency-driven antitrust enforcement is more rigorous, more reasonable and more analytically sophisticated today than it used to be in, say, the 1950s or 1960s. However, by excessively trusting dominant firm strategies and vertical relationships to produce efficiency, current enforcement patterns end up protecting monopoly or oligopoly and suppressing innovative challenges, thereby eventually stifling that very efficiency they are supposed to enhance. The paradox is even more serious in high-tech industries and IP markets, where the drift toward single-firm dominance caused by the joint action of patents, copyrights and network effects is furthered by antitrust complacency towards monopoly power.

The culprit for the present misery is easily identified: conservative economic theory and, in particular, the Chicago School of economics. Despite being the main force behind the fore-mentioned analytical progress, the Chicago School does seem to have “overshot the mark” (so the title of Pitofsky ed. 2008) in recent antitrust L&E. By identifying efficiency as the sole legitimate concern of antitrust, placing excessive faith in market forces, distrusting government and judicial intervention in the marketplace and playing too often the virtual trump card of potential competition, Chicago-style antitrust has been widely recognized as unable to protect real competitive opportunities by real rivals and entrants.

How to explain the US antitrust enforcers’ enduring fascination with the Chicago approach? The standard story is that Chicago success has been due to the acknowledged superiority of its economics, in terms of both theoretical insights and policy prescriptions, over the loose patterns of economic reasoning underlying antitrust enforcement in the three decades following WWII. Starting from the late 1970s and thanks to works such as Posner 1976 and Bork 1978, the Chicago school has revolutionized antitrust L&E. The approach has eventually been endorsed by US courts, first and foremost the Supreme Court – an endorsement

which continues today (see e.g. *Leegin Creative Leather Products, Inc. v. PSKS, Inc.*, 127 US 2705, 2007). However, modern economic literature, especially the game-theoretic, so-called Post-Chicago approach to IO, has showed that several Chicago claims, in both antitrust theory and policy, are at best only partially correct and, sometimes, utterly wrong. In particular, it has been proved that, contrary to their supporters' claim, Chicago solutions are often incapable of warranting the most efficient outcome in the marketplace. Yet, surprisingly enough, Chicago-style antitrust L&E still dominates case law.

The paper aims at sketching an answer to a straightforward, though complicated question: why this persisting supremacy? If Chicago victory since the late 1970s has really been due to its ability to show that "the US antitrust emperor had no proper theoretical clothes" (see Schmalensee 2008), why has the demonstration that new theoretical clothes do exist which would better fit the emperor's needs failed to meet the same success? This specific question paves the way to a broader one. Indeed, we may ask why the new mainstream, Post-Chicago analysis, has been able to win the day in classrooms, but not in courtrooms. How to explain that in so crucial a policy issue like the protection of competition the only usable version of economic theory – the Chicago approach, with its potentially deleterious laissez-faire implications – is known to be wrong and outmoded, while its "correct", up-to-date version – with its pro-efficiency prescriptions against the abuses of market power – is practically useless for judges and courts? Reflecting on the failure of the most refined contemporary theorizations to have an impact on concrete antitrust cases may teach a useful, and quite general, lesson about the power of orthodox economics to turn its sophisticated (though often fragile: see below) results into effective policy tools, capable of truly affecting reality. By showing that there are intrinsic reasons why excessively abstract analysis cannot be successful in courtrooms, my research will aim both at casting new light on the efficiency paradox of antitrust L&E and at providing an interpretive key for assessing the (often poor) policy record of mainstream neoclassical economics.

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## **British economists and the defense of competition (1880 – 1920)**

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The paper aims at answering a simple, though much-neglected, question: why was there no formal antitrust law in late 19<sup>th</sup>-century/early 20<sup>th</sup>-century Britain? The absence is surprising, given the high level of economic development and the substantial degree of industrial concentration which affected Britain much like the other industrialized economies of the period. Yet, contrary to developments in Germany, Austria or the US, and despite the availability of several of the smartest economic minds ever, neither the British government nor the Parliament made any real effort, let alone achievement, towards establishing a legal framework for protecting competition. A few answers have been suggested by the scanty literature on the topic: they range from the peculiarities of the British industrial system and its degree of openness to international trade, to the specific working of the Common Law system. Yet none of them seems convincing, especially in view of what happened in the similar case of the US. This paper offers an alternative (though not fully exhaustive) explanation, based on the specific notion of “free market” traditional in British economic theory, namely, the idea that a market is “free” when it is protected from government interference, rather than when it is unhampered by significant concentrations of market power. As the paper also shows, in the US it was the predominance of the latter view which, in contrast, led the 1890 Congress to pass the Sherman Act and the early 20<sup>th</sup>-century US courts to actively enforce it.

## **Savings, what is it?**

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There is no clear consensus in economics and finance as to what is savings, what is its role in relation to consumption and investment. The standard idea is that more savings means less consumption and more investment, but when the period of time is considered, it will be shown that this statement is not necessarily true. It depends on where the savings is coming from and how long it takes to use it productively and how many jobs it eventually creates. Savings, investment and consumption are real concepts expressed in financial terms, so therefore writings in both economics and finance become relevant for answering the questions about the classification of savings and its effect on the economy. Furthermore, the causes of savings will be shown to be both flows (income) and stocks (wealth). This makes the topic extra tricky to define accurately. Also, over the years, the idea of savings has changed substantially. This took place with the development of corporations in the late 19<sup>th</sup> century. Before that, savings was described as being based on individual motives, not so much related to the earning of profit; wealth was also important. In the corporate economy, the profit motive over time dominated as the cause of saving. Some issues to be considered are the evolution of the savings concept in the literature from strictly a personal decision to the influence of both the personal and corporate motives on savings. The latter type of savings will be shown to be much more direct and to affect investment with much less of a lag than the former. Again, for the corporate sector, just as with the personal sector, both income (profits) and wealth (previously accumulated financial assets), will be important as a savings determinant. This important dichotomy and the still close relation between personal and corporate savings are both important. Corporate and even personal savings may even be thought as directly related to the demand for labor, a “wages fund.” This issue will also be discussed.



## **I Presidenti di Confindustria e la politica**

Grimaldi Selena

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L'analisi dei discorsi dei Presidenti di Confindustria è lo strumento dal quale partire per capire come la massima organizzazione degli interessi del Capitale si sia relazionata con la politica dalla nascita della Repubblica. Il concetto di politica viene scomposto nelle sue tre dimensioni principali : la politics, la policy e la polity. La politics è intesa come conquista e gestione del potere e può a sua volta articolarsi su tre livelli: gli attori, le istituzioni e i processi. La policy è intesa come decisioni e risoluzioni delle domande che provengono dalla comunità, mentre la polity riguarda la definizione dell'identità e dei confini della comunità politica. Il contributo si propone di indagare quale dimensione della politica sia maggiormente rilevante per la Confindustria e se e in che modo tale visione sia cambiata nel passaggio tra Prima e Seconda Repubblica.

Infatti, se per molto tempo gli industriali italiani hanno guardato allo Stato con un senso di estraneità, (Carli in Scalfari 1977), successivamente hanno iniziato ad interessarsi al funzionamento e all'efficienza delle istituzioni, arrivando agli inizi degli anni Novanta a presentare una propria proposta di riforme istituzionali. Per bocca del Presidente Pininfarina, Confindustria ha sottolineato questo mutamento volto a riconoscere che l'efficienza del sistema economico-sociale è direttamente e largamente condizionata dall'efficienza del sistema politico-istituzionale (Petracca 1992).

## **On the construction and development of the critical side of the Cambridge capital controversy: an exploration**

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The Cambridge capital controversies of the 1960s and 1970s unambiguously showed that the basic principle of factor substitution cannot be generalised to encompass economic models with heterogeneous capital goods for the determination of prices and distributive variables through supply and demand functions. Despite the fact that these negative results were acknowledged by prominent neoclassical scholars, the tendency in later phases of the controversy was, first, to play down its relevance for the critique of dominant theory, and eventually to abandon the lessons of this theoretical conflict, one of which being the emergence of an alternative approach.

In the present paper we will not chronologically survey the controversy but will attempt to show why its lessons were losing roots in a later phase of the debates. To achieve that aim, we examine certain contributions from the critically oriented side of the controversy. Specifically we will argue that although over the first phase of the controversy the critical side (Cambridge, UK) was able to establish a somewhat homogeneous stance on the issues at stake, in later phases the same critical side appeared to be rather divided over the scope of the critique of neoclassical theory.

From the viewpoint of the history of economic thought, the initial construction of the critical discourse was building up by Geoff Harcourt in his first survey (1969, and the extended version of 1972) which attempted (successfully) to highlight and unify the different positions and perceptions on the part of the critically oriented side, and to offer an alternative theory. In the present paper we explore such construction by examining of archive correspondence which the above mentioned scholar held with a representative group of economists from Cambridge (UK) but also with some leading neoclassical participants of that time. Yet, also by examining of this archive and published texts we will also attempt to show that in a later phase of the controversy the same critical participants were divided on some theoretical and methodological issues which, along with the reluctance to the controversy on the part of the neoclassical scholars, would have paved the way for the conventional opinion within the discipline that the results of this theoretical conflict only affect the neoclassical versions of the theory based on aggregate production functions but not those versions based on Neo-Walrasian models. To clear up the misunderstandings created in this later phase of the controversy, we will especially examine the contributions of Joan Robinson and Pierangelo Garegnani.

## **Fiscal Federalism and the Interwar Debate over Socialism**

D.W. MacKenzie, Ph.D.  
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There is a neglected aspect of the Interwar Debate over Socialist Calculation. Lionel Robbins and Friedrich Hayek applied the concept of Fiscal Federalism in the debate over Capitalism and Socialism. Fiscal Federalism was central to the way that Robbins (1937) and Hayek (1944) defined and compared capitalism and socialism according to the extent of international competition. According to Robbins and Hayek, even nations with socialistic domestic policies were effectively capitalistic in the long run, so long as nations maintained open trade. Hayek argued for a supra-national order regulated by what would later become known as “Tiebout Competition”. The issues raised by Robbins and Hayek apply to many of the current fiscal controversies in the European Union.

## **Keynes and Hayek on Self-Reversing Booms**

D.W. MacKenzie, Ph.D.

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KEYNES IS BEST KNOWN FOR ADVANCING A THEORY OF UNEMPLOYMENT EQUILIBRIUM. HOWEVER, KEYNES ALSO DEVELOPED A THEORY OF SELF-REVERSING CYCLES, ESPECIALLY IN CHAPTERS 18 AND 22 OF THE GENERAL THEORY. ACCORDING TO KEYNES, BOOM BUST CYCLES RESULT MAINLY FROM ERRORS IN ENTREPRENEURIAL EXPECTATIONS. HAYEK (1933) CONSIDERED THE POSSIBILITY THAT PRIVATE BANK CREDIT COULD GENERATE TRADE CYCLES. THIS PAPER COMPARES KEYNES AND HAYEK ON THE CAUSES OF INDUSTRIAL CYCLES, AND SPECIFICALLY EXAMINES THE COMPARISONS THAT HAYEK MADE BETWEEN ALLEGED PRIVATE AND PUBLIC CAUSES OF INDUSTRIAL FLUCTUATIONS. THE ISSUES RAISED BY HAYEK AND KEYNES CAN BE TESTED BY DATA FROM THE BOOM AND CRASH OVER THE PAST DECADE.

## **Lange and Mises, Capital Accumulation, and the Economic Case for Social Democracy**

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There is a neglected issue in The Interwar Debate on Socialism. Ludwig Von Mises and Abba Lerner argued democratic voting is biased against capital accumulation. Oskar Lange and H.D. Dickinson conceded that capital accumulation socialism is arbitrary, but also argued that private accumulation in capitalism is equally arbitrary. Abba Lerner suggested that political competition could regulate capital accumulation. The views Interwar economists held concerning capital accumulation in democracy reflected differences in both economic theories and socio-economic visions. The Issues debated by Lange and Mises apply to the long term fiscal burdens faced by modern democratic states.

## **Le PMI nei discorsi dei Presidenti di Confindustria**

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Il passaggio dalla produzione industriale di massa a quella caratterizzata da una crescente flessibilità e personalizzazione dei prodotti e dei servizi, fa emergere una realtà produttiva sconosciuta in precedenza: le piccole e piccolissime imprese, i distretti industriali. Infatti, la logica fordista (anche presso gli studiosi e gli opinion makers) considerava come marginali le imprese di taglia piccola in quanto dipendenti dalla grande, non in grado di disporre di una propria autonomia. E con esse, anche i territori in cui queste insistevano. La crisi della grande impresa e il conseguente sviluppo delle piccole e piccolissime imprese, oltre alla scoperta di sistemi produttivi locali, rende evidente l'esistenza di un tessuto produttivo che è in grado di realizzare ricchezza, sviluppo. Di più, configura un sistema nuovo di produrre, di creare relazioni fra imprese declinate in modo orizzontale, piuttosto che verticale. Dalla grande impresa, alle imprese diffuse, alle multinazionali tascabili.

Il riconoscimento e l'analisi di queste nuove realtà del sistema produttivo è ancora oggetto di discussione, nonostante stia anch'esso vivendo una fase di profonda trasformazione conseguente alla crisi mondiale che stiamo vivendo. I distretti industriali, oltre che le PMI, stanno conoscendo un processo di ridefinizione al loro interno, nei loro fattori costitutivi.

Le questioni attorno cui si sviluppa il dibattito pubblico e degli esperti può essere riassunto lungo due assi tematici che individua, in linea generale, due approcci polari fra loro:

1. Il primo è di natura più strettamente economica e divide le opinioni fra quanti ritengono che lo sviluppo non possa prescindere dall'esistenza e dalla crescita di grandi imprese, da un lato. E, dall'altro, quanti ritengono che, in virtù della particolare configurazione reticolare, le PMI possano comunque costituire un asset fondamentale. Ancora, un'ulteriore divisione annovera chi, da un lato, ritiene ancora oggi il ruolo dei distretti fondamentale immutato; chi, dall'altro, ne preannuncia un declino; infine, chi intravede una loro trasformazione. Sotto questo profilo, risulta interessante analizzare in che modo i presidenti di Confindustria configurano lo sviluppo del nostro Paese.
2. Il secondo approccio è relativo ai temi della rappresentanza degli interessi e il riconoscimento del valore delle piccole imprese. Come in precedenza, è interessante analizzare qual è il ruolo che le PMI occupano nei discorsi dei presidenti di Confindustria.

Tutto ciò, potrebbe essere sviluppato mediante un'analisi diacronica, in modo tale da coglierne l'evoluzione e l'insorgenza (o il declino) nel tempo.

## **Post-keynesismo ed ecological economics. Esistono davvero dei punti di contatto?**

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Il paper muove dalla considerazione di un recente articolo di Kronenberg (2010) volto a stabilire delle connessioni fra la scuola post-keynesiana da una parte e quella dell'ecological economics (o bioeconomica) dall'altra.

Tale articolo, in particolare, afferma l'esistenza di forti similitudini e convergenze nella teoria della produzione e in quella del comportamento del consumatore, oltre che, almeno in parte, nel ruolo della distribuzione riguardo allo sviluppo economico; tutto ciò renderebbe possibile, secondo l'autore, una più stretta cooperazione fra due paradigmi sinora molto distanti, nonostante la comune appartenenza all'area dell'eterodossia rispetto al mainstream neoclassico.

Il paper mette in discussione tali asseriti punti di contatto dimostrando come in realtà i due approcci risultino mossi da preoccupazioni profondamente diverse, se non contrastanti, sia nella visione preanalitica che nelle prospettate soluzioni di politica economica; parziale eccezione può essere costituita dal filone di studi di derivazione sraffiana incentrato sull'analisi delle risorse non rinnovabili (Steedam, Kurz e Salvadori), se e in quanto il sistema di Sraffa sia pienamente ascrivibile al Post-keynesismo.

Nel complesso le basi della complementarità auspicata da Kronenberg non sembrano al momento essere sufficientemente solide, benché sia comprensibile il tentativo da parte dei post-keynesiani di proporsi come paradigma onnicomprensivo alternativo ai neoclassici e di stabilire a tal fine, nel panorama di generale frammentazione dei saperi che caratterizza anche la scienza economica, alleanze con il campo di studi inaugurato da Daly, Boulding e Georgescu-Roegen.

## CONSTITUTIONAL VS INSTRUMENTAL FEDERALISM. THINK-TANKS, POLICY PROPOSALS AND THEORETICAL DEBATES (1918-2011)

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The recent publication of an Italian translation of the Anti-federalist papers which circulated before, during and after the 1787 Philadelphia Convention where the United States of America were founded testifies three crucial elements: a) the main topics which characterized that old debate are still deemed relevant today; b) there are powerful vested interests that use the main arguments of that debate to sustain different policy proposals through specific instruments like publications, journals and think-tanks; c) the main points of that debate are still somehow obscure to the general public and clarification is needed.

The crucial feature of the debates that led to the USA federal constitution lies in the relative importance given to markets and public authorities. The so called Anti-federalists actually argued in favour of a light federation where only economic freedoms were guaranteed; whereas Federalists were named those who claimed that a strong and legitimate governing body was needed alongside national ones to produce common public goods such as internal peace (the administration of justice), defence from foreign attacks, a strong fiscal and monetary policy.

This old and embryonic distinction between these two different approaches to federalism, one instrumental to the decrease of public intervention into the economy and the other directed to the foundation of a new, supranational public governing body protected by constitutional laws, would powerfully surface the economic debate again in the 1930s, with Hayek, Robbins and many other intellectuals.

The rise and success of neoliberalism à la Mises-Hayek after WWII and powerful lobbies and think tanks helped instrumental federalism gain success in several integration processes, even in Europe.

The recent global and euro crisis is now leading to a reconsideration of the constitutional approach to federalism as a vehicle of multilevel governance.

The paper aims to provide a general look at the main periods in which the confrontation between instrumental and constitutional federalism should be divided.



## **Methodological Nationalism, Federalism and the Challenges to Economic Theory**

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The whole modern economics is implicitly or explicitly based on the assumption that the only administrative and juridical relevant framework of both theory and policy is the nation-State.

All the literature on local finance and international cooperation is not against this claim but it is actually the recognition of the sovereign and exclusive power of nation-States to decide whether or not to allocate some competences to sub or supra-national bodies.

Following the sociologist Ulrich Beck, we claim that such “methodological nationalism” is detrimental to the capacity to understand the operation of economic relations and to effectively achieve economic policy goals. The high interdependence (hardly hierarchical) of economic relations worldwide calls for a multi-layer perspective of both analysis and governance, where the constitutional principles of federalism may play a significant role.

The paper highlights some theoretical cases in which methodological nationalism is hidden but well rooted in economic theory and singles out some challenges to economic theory deriving from giving up the approach of methodological nationalism, especially when tackling questions like externalities, public goods, international trade, etc.

## **LABOUR AND THE PRODUCTS OF LABOUR IN SMITH'S AND RICARDO'S CONFLICTING THEORIES**

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The labour theory of value was often set out in the past, and is often re-interpreted in the present, as if there were no relevant difference between “labour” and the “products of labour” as well as between the “source” and the “measure” of the value both of labour and of its products. This tendency goes back to Ricardo’s initial criticism of Smith’s theory of value as command of labour. The aim of this paper is 1) to re-examine Ricardo’s criticism of Smith’s theory of value in the light of some ambiguities in Smith’s exposition; 2) to focus on the value of labour as “labour” rather than on the value of commodities as “products of labour”; 3) to extend the analysis of this criticism to Smith’s and Ricardo’s diverging views of the long-run interaction between demand and supply in the labour market; 4) to question the consistency between Smith’s and Ricardo’s common views of the market price of labour with Ricardo’s rejection of Smith’s theory of value as command of labour; 5) to assess Ricardo’s and Smith’s diverging views of the long-run trend of the natural price of labour in the light both of their conflicting theories and of the historical record.

## **D. Ricardo in the Histories of Economic Thought in Russia**

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The history of economic thought as a discipline emerges only after the economic science itself reaches a fairly advanced level of development.

Each main approach in economic science possesses its own version of the history of thought. One of the main functions of the history of economic thought is to prove and to justify a certain theoretical approach in the past — and, therefore, here and now. For example, the first distinctive piece of research in the history of economic thought written in Russian — Ivan Vernadsky's *Critical Historical Study of the Italian Literature on Political Economy* (1849) — unequivocally defended the cause of economic liberalism in the political atmosphere marred by the oppressions of the revolts of 1847–1848 in Europe and the subsequent toughening of restrictions on intellectual freedom in Russia.

The 'historical weapon' is not rarely used in the competition between the different approaches. The legacy of David Ricardo, who had presented one of the most remarkable examples of economic theorizing, was bound to be the subject of different interpretations as competition between the approaches evolved. In the Russian economic literature since the 1870s, when the first extensive piece of research on Ricardo and the translation of his *Principles* were published in Russian by N.I. Sieber, several versions of the history of economic thought has been worked out (of which now the 'Marxist', the 'Marshallian' (or neoclassical), and the Sraffian are present).

The interpretation of the Ricardian theory in each of them provides an important point of reference that allows to discern the difference between their basic analytical assumptions and to understand better a general history of the economic science in Russia

## Fausto Vicarelli e la controversia keynesiana

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Lo scritto intende proporre una ricostruzione del pensiero dell'autore articolata in tre parti. Muovendo da una sintetica illustrazione del « modello keynesiano tradizionale», la prima (par. 2-8) mira a far emergere quello che Vicarelli ne identifica come limite principale: l'incompatibilità del principio della domanda effettiva (per Vicarelli, l'espressione «domanda effettiva» sta ad indicare la coesistenza di una funzione di consumo, e dunque di risparmio, con una di investimento, ovvero di domanda di capitali nuovi) con l'esito di pieno impiego, pena la sovra determinazione del medesimo. Verrà inoltre fatto cenno al dibattito suscitato da tale interpretazione. La seconda (par. 9-11) intende mettere in luce i caratteri qualificanti l'interpretazione del pensiero keynesiano avanzata dall'autore con particolare riguardo alla teoria degli investimenti. La terza e conclusiva sezione (par. 12-15) si sofferma sulle implicazioni ritratte da Vicarelli sulla base di tale processo interpretativo. Fra queste, ci concentreremo tuttavia su quelle di natura più schiettamente teorica, ovvero, in sostanza, sull'«inquadramento delle relazioni base del modello keynesiano in una cornice teorica di tipo sraffiano» (Fauci 1977, p. 12). A questo riguardo, riporteremo altresì le reazioni di alcuni fra i principali economisti italiani all'analisi di Vicarelli. Al contrario, esulano dagli scopi di questo lavoro sia la ricostruzione del contributo di Vicarelli all'analisi della stagflazione sia l'indagine, cui pure l'autore dedica diversi significativi contributi, relativa all'accumulazione di capitale<sup>1</sup>.

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<sup>1</sup> Per i necessari approfondimenti in proposito si confrontino: (Vicarelli 1981a), (Vicarelli 1981b), (Vicarelli 1981c), (Vicarelli 1981d) e (Vicarelli 1986). I problemi dell'accumulazione e della stagflazione nel pensiero di Vicarelli sono stati approfonditamente esaminati in (Gnesutta 1996), (Gnesutta 2001) e (Garofalo-Gnesutta 2010). Mentre (Fazio 2003) ha carattere maggiormente aneddotico-memorialistico, in (Ciocca et al. 1988) si propone una visione d'insieme delle principali piste di ricerca battute dall'autore.

## ASPETTI ISTITUZIONALI DELLA CRISI DELL'EURO

Maurizio Mistri

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Il paper punta ad analizzare la attuale crisi dell'Euro non tanto come conseguenza della instabilità finanziaria innescatasi con la crisi USA dei mutui subprime, ma come conseguenza della architettura istituzionale dell'UE e, quindi, dell'Euro. La crisi dei mutui subprime è stata il catalizzatore di una crisi che, tuttavia, ha le sue fondamenta nel metodo comunitario di affrontare problematiche complesse. Si ricorda che l'UE non è uno stato federale, ma un insieme di stati che condividono alcuni obiettivi-quadro di politica economica, ma che hanno preferenze nazionali divergenti rispetto ad alcune politiche economiche e di bilancio. Pertanto i processi negoziali messi in atto dai paesi di Eurolandia comportano la "esigenza" da parte dei singoli governi di fare concessioni minimizzando il rammarico relativo ai possibili effetti negativi derivanti da tali concessioni. Il disegno istituzionale che sta alla base di Eurolandia prevede, quindi, una multi-level governance nella quale ad ogni possibile accelerazione sul piano delle riforme istituzionali in chiave sovranazionale corrisponde il rafforzarsi di contropesi di garanzia a livello nazionale.

La multi-level governance, specifica dell'UE, genera una architettura istituzionale barocca che rende difficile trovare una sintesi tra esigenze nazionali opposte, paralizzando i processi decisionali.

## **The Italian marginalist Maffeo Pantaleoni and the "universal force" of competition**

Manuela Mosca  
*University of Salento*

This paper analyses the concept of competition in the writings of the Italian marginalist Maffeo Pantaleoni (1857-1924), against the background of the economic history of the period and compared with the international literature on the same topic. Pantaleoni deals with the concept of competition in most of his writings, and this paper examines his intellectual evolution, also using his correspondence. His scientific production didn't follow a straight path: his first book (1882) was inside the classical tradition; then in 1883 and in 1889 he became one of the most prominent theoreticians of marginalism; finally, he found neoclassical economics too narrow, and turned to dynamic analysis (1900, 1903, 1909); the latter is the most intriguing part of his work. Pantaleoni was a strong believer in the free market: in his description of the competitive process entry always remains free and the only explanation for firms' conduct is efficiency. As he thought that competition endogenously determines firms' efficient size, he regarded combinations and associations with approval, and was against antitrust laws. The reduction of the excess number of small firms was for him the positive effect of a selection process, the only way to produce at the lowest costs, and therefore a blessing for consumers. Pantaleoni uses an individualistic, selectionist and hedonistic concept of competition also to explain social phenomena: for him competition is a universal force, the main source of social dynamism.

## **Cardinal Utility: When It Did Really Come to Town?**

Ivan Moscati  
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Cardinal utility in the current sense of the term is associated with the uniqueness of the utility function up to increasing linear transformations, and is related, among other things, to the ranking of utility differences. Cardinal utility plays an important role in many branches of current economic analysis, such as the theory of decisions under risk, the theory of intertemporal decisions, and social welfare theory, and hence it is important to understand when and how it entered economic analysis.

According to the canonical reconstructions of utility theory, cardinal utility was the form of utility originally employed by Jevons and the other early marginalists of the late 19th century. In opposition to this narrative, I contend that the early marginalists were not cardinalists, that cardinal utility entered economics only in the late 1930s in the course of a discussion over “the determinateness of the utility function” to which contributed Oskar Lange, Paul Samuelson and others, and that it acquired a firm role in utility theory only after the mid-1940s and the debate over the nature of the utility function featuring in John von Neumann and Oskar Morgenstern’s Expected Utility Theory.

I also bring into focus the usually overlooked interplay between the utility theorists’ understanding of measurement and their utility analysis. In doing so I show that in the discussions related to cardinal utility these utility theorists moved from the so-called “classical” to the “representational” view of utility measurement.

## The correspondence between Pierangelo Garegnani and Piero Sraffa

Nerio Naldi

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This paper attempts a brief survey of the correspondence between Piero Sraffa and Pierangelo Garegnani conserved among the Sraffa Papers, Trinity College, Cambridge. The extant correspondence dates to the years 1961 - 1980, but the majority of the letters were written between 1961 and 1966.

The documents will be distinguished according to five main themes they discuss.

(1) A first group of letters, written between July and September 1961, mainly deals with a paper Garegnani had submitted to Sraffa asking for comments (the paper, apparently not extant among the Sraffa Papers, is referred to by Garegnani as "Nota sull'alternativa delle tecniche" and remained unpublished).

(2) Letters dating to the same period also refer to the discussion Sraffa was having with Paul Samuelson on Samuelson's paper "A New Theorem on Nonsubstitution" and one of Garegnani's letters contains a long discussion of Samuelson's positions.

(3) The discussion on Sraffa's *Production of Commodities* is concentrated in letters dating to the year 1962.

(4) In 1963 Sraffa and Garegnani discussed a note Garegnani was writing on Samuelson's paper "Parable and Realism in Capital Theory: The Surrogate Production Function" (*Review of Economic Studies*, June 1962). Garegnani's note was published (in the same journal) only in 1970 with the title "Heterogeneous Capital, the Production Function and the Theory of Distribution".

(5) Finally, in 1966 they discussed Garegnani's reply to David Levhari's paper on the surrogate production function "A Non-substitution Theorem and Switching of Techniques" (*Quarterly Journal of Economics*, February 1965) and Garegnani's contribution to the symposium "Paradoxes in Capital Theory" (*Quarterly Journal of Economics*, November 1966).



## **Limiti costituzionali e nuovi strumenti di governance nell'UE.**

Gabriele Orcalli  
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Da circa dieci anni stanno acquisendo importanza, all'interno dell'UE, nuovi modi di governance sostanzialmente basati sull'indicazione di performances standard accettate volontariamente dai Governi nazionali piuttosto che imposte da regolamentazioni comuni. Si tratta, principalmente, del metodo aperto di coordinamento, degli accordi volontari, ma anche di altre forme di governance che, comunque, hanno in comune il fatto di essere guidate da principi di adesione volontaria (obiettivi non vincolanti ed uso della "soft law"), di sussidiarietà (le azioni sono decise dagli Stati membri) e di inclusione (gli attori coinvolti, anche non pubblici, partecipano al processo di governance).

I meccanismi previsti sono la diffusione delle best practices e dell'apprendimento, la persuasione, la standardizzazione delle conoscenze circa gli strumenti e gli esiti delle politiche di intervento, l'iterazione dei processi di monitoraggio e di riformulazione degli obiettivi e l'uso di time-settings.

Le analisi e le interpretazioni sull'uso dei questi nuovi modi di governance europei sono molte, ed in particolare riflettono la necessità di affrontare nuovi problemi di integrazione delle politiche economiche per i quali i tradizionali metodi europei - il metodo intergovernativo ed il metodo comunitario - si rivelano insufficienti o non proponibili politicamente.

La nostra ricerca, che cerca di sfruttare le possibilità offerte dagli strumenti di analisi della constitutional economics, sottolinea una delle motivazioni importanti per l'adozione di questi modi di governance, ossia il raggiungimento di "limiti costituzionali", vale a dire la difficoltà dei Governi nazionali di aumentare la propria offerta di integrazione.

I riferimenti teorici principali saranno Buchanan e Tullock (1962), Downs (1951), Frey (1984) e Vaubel (1986).

## **Kaldor on buffer stocks: a late Keynesian heritage ?**

Paolo Paesani

*University of Roma Tor Vergata*

This paper reconstructs the ideas of Nicholas Kaldor on buffer stocks as an instrument to stabilise commodity prices. While this issue has already been investigated in the literature, by Spraos (1989) among others, no attention has been paid to the discussing the linkages between Kaldor's proposals on buffer stocks, in the 1980s, and Keynes's own plans in the 1940s. This is puzzling in view of the fact that Kaldor himself acknowledged his debt to Keynes (Kaldor 1983). It is not even clear when Kaldor came into contact with Keynes's plans; whether in the 1940s, as Hart (1991) suggests, or in 1980 when they appeared in the circumstance of the publication of Keynes Collected Writings.

Investigating this issue, in the context of Kaldor's changing ideas on commodity prices, and comparing the two sets of plans constitutes the main contribution of this paper. The resonance of Kaldor's ideas on buffer stocks, both at the institutional (Laursen 1978, Meizels 1992) and academic level (Kanbur 1984, Kanbur and Vines 1986, Labys and Maizel 1993, Kannapiran 2000), and the possibility of reviving those ideas today in the context of a return to Keynes (Bateman et al 2009) for the of reform international institutions, provide further motivation for the present research.

The paper is organised as follows. Section 2 explores Kaldor's doubts on buffer stocks as they emerge in a series of contributions in the 1950s and early '60s (Kaldor 1952, 1963). In this context, we briefly discuss Kaldor's advocacy of commodity reserve currency in the 1960s, an amply researched issue in the literature. Section 3 discusses Kaldor's conversion to buffer stocks in the 1970s (Kaldor 1984, 1987) and investigates when Kaldor came into contact with Keynes's plans on buffer stocks. Section 4 compares the two sets of plans from an historical and technical point of view. Section 4 discusses the common inspiration animating Kaldor and Keynes proposals and concludes the paper.

## **An Analysis of Keynes's Investments in the Wheat Futures Market, 1925-1935**

Paolo Paesani and Eleonora Sanfilippo

*(University of Tor Vergata and University of Cassino)*

This paper intends to reconstruct the main features of Keynes's speculative activity in the wheat futures market in the period 1925-1935. This analysis represents a further development and extension of the work carried out in Fantacci-Marcuzzo-Sanfilippo 2010 and is mainly based on the archival material, first of all Keynes's ledgers and papers relating to the Tilton Company but also his correspondence with brokers and businessmen.

The investment activity in the wheat market recorded in the ledgers concerns the wheat futures traded in the wheat markets of Liverpool, Chicago, Winnipeg and Buenos Aires, that were the most important markets for this commodity at the time. After a presentation of the characteristics of the wheat futures market on the whole and of the peculiar aspects of these trading places in the period considered, the paper proceeds to a reconstruction of Keynes's main operations, trying to explain the main factors influencing Keynes's choices to go short or long in a particular market at a particular date and, more generally, Keynes's behavior. In this search, the futures and spot prices at dates in which Keynes did his operations play a key role, together with all kinds of data and general information about crops, productions, stocks and demand. A further element worth considering in the interpretation of Keynes's behavior as speculator is the price differentials between the main market places. The conclusive part of the paper is devoted to verify to what extent Keynes's theoretical views on speculation match with his practical experience as an investor on the wheat futures market.

## **David Hume on Banking**

Maria Pia Paganelli

*Trinity University*

David Hume opposes banks. The only bank he approves of is a public 100% reserve bank. With contextual analysis and textual support, I show Hume's aversion to banking is due to both his ancient understanding of money and intervention in the economy. Rather than being a forerunner of modern monetary theory, Hume is a pre-modern monetary thinker.

## **Financialisation and the Monetary Circuit: a Macro-Accounting Heterodox Approach**

Marco Passarella

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This paper aims to cross-breed the standard monetary circuit accounting model with inputs from the current Post-Keynesian literature. The goal is twofold: (i) to analyze the impact of household credit-based consumption, fed by capital-asset inflation, on the soundness of a 'pure sign-money' economy of production; (ii) to supply a bit more sophisticated description of the working of modern financial systems than the one grounded on the usual 'bank-based vs. marked-based' distinction.

## WHICH PSYCHOLOGY FOR ECONOMISTS? THE CASE OF FINANCIAL MARKET INSTABILITY.

Roberta Patalano

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*Università La Sapienza, dip. di Psicologia Dinamica e Clinica*

Nel paper evidenziamo come nei modelli di behavioral economics esista un'ipotesi implicita, e a nostro avviso molto vincolante, che consiste nel limitare i rapporti tra l'economia e la psicologia a quelli tra l'economia e la psicologia cognitiva (o, al limite, la neuropsicologia cognitiva). Raramente si prende in considerazione la psicologia sociale. Ancor più raramente la psicologia dinamica. Nella prima parte del lavoro, rendiamo dunque esplicita questa scelta metodologica e puntiamo ad evidenziarne le conseguenze. Fondamentalmente, una volta persuasi della necessità di comprendere il funzionamento mentale per spiegare comportamenti economici anche molto semplici, gli economisti sembrano essersi concentrati:

- solo sulla mente conscia;
- prevalentemente su quella parte di mente conscia legata ai processi mentali cosiddetti "superiori", comprendenti in particolare la percezione, classificazione e categorizzazione delle informazioni, nonché la loro disamina razionale e consapevole (per quanto costellata di imperfezioni ed errori).

Le conseguenze per la teoria sono significative. Solo nell'ultimo decennio si è cominciato a riflettere sul ruolo delle emozioni nelle scelte economiche degli individui, con risultati ancora piuttosto rudimentali. Il trattamento delle motivazioni è molto limitato. Manca una teoria della creatività; non esiste nei modelli economici un ruolo definito per l'inconscio; non si rintraccia in letteratura un tentativo sistematico di indagare sulla memoria e sui suoi meccanismi. Rispetto a queste difficoltà suggeriamo che non basti "aggiungere" qualche nuovo concetto nell'armamentario degli economisti (come pure si è tentato di fare), ma che invece serva una prospettiva nuova sul soggetto sociale in grado di prendere in considerazione anche il suo mondo interno, inteso come mondo rappresentazionale, affettivo ed emotivo.

Un tentativo particolarmente riuscito in questa direzione è stato recentemente compiuto da Tuckett & Taffler (2008), uno psicanalista ed un economista, nell'intento di analizzare l'instabilità sui mercati finanziari. Nel paper discutiamo questo contributo ed il successivo lavoro di Tuckett (2011) con l'obiettivo di evidenziare cosa ci offrano di diverso e di ulteriore rispetto alle interpretazioni della behavioral economics.

Nella terza parte del lavoro, infine, presentiamo uno schema base di dialogo tra la teoria economia e la teoria psicodinamica suggerendo in che direzione esso potrebbe arricchirsi per favorire lo scambio tra queste due aree di ricerca.

## **Recent Marxist redefinitions of labour values: a critique**

Fabio Petri

*University of Siena*

This paper was to be an appendix to a paper by the late P. Garegnani on Marx and the labour theory of value (an English abridged version of his 1978 articles in *Rinascita*, submitted to the *Cambridge Journal of Economics*); it accepts Garegnani's views and examines their implications for the validity of 1) the "New Interpretation" of Duménil and Foley, 2) the very similar approach of Wolff, Callari and Roberts, and 3) the Temporal-Single-System approach of Kliman, Freeman and others. It argues that the redefinitions of labour values proposed by these approaches do not contribute to an understanding of the working of the capitalist economy, amounting to terminological choices that leave the issue of what determines prices and income distribution totally unanswered, and that risk obscuring the difference between surplus and neoclassical approach.

## **Federico Caffè e il problema della fondazione scientifica dalla politica economica nella tradizione italiana**

Mario Pomini

*Università di Padova*

Federico Caffè per unanime riconoscimento ha occupato un posto di primo piano nel panorama degli economisti della seconda metà del Novecento in Italia. Tuttavia l'ampia gamma dei suoi interessi scientifici e la sua notevole produzione intellettuale rende alquanto impegnativo lo sforzo di individuare quale sia stato il suo contributo specifico nello sviluppo delle complesse vicende del pensiero economico italiano. L'idea di fondo, che cercherò di sviluppare in questo lavoro, è che una delle direzioni di ricerca più fruttuose intraprese da Caffè sia stata quella di gettare le fondamenta per una visione scientifica della politica economica. Questo progetto ha trovato la sua più completa espressione nel manuale *Politica Economica* del 1966, testo che è rimasto per molti anni il punto di riferimento in Italia di questa disciplina. In esso, come negli scritti teorici degli anni Cinquanta, Caffè ha ripreso la nozione di politica economica come era stata elaborata fin dagli inizi del Novecento dalla tradizione italiana, offrendole un ben diversi spessore analitico.

Peraltro, nel periodo immediatamente successivo alla seconda guerra mondiale a seguito della ripresa della teoria dell'equilibrio economico generale si sviluppa anche in Italia un dibattito sull'economia del benessere. Federico Caffè non solo si è occupato dell'economia del benessere in numerosi scritti (1955, 1956, 1966) ma si è servito di un'analisi critica di quest'ultima per approdare ad una rigorosa fondazione teorica della politica economica. Naturalmente, nel pensiero di Caffè, insieme a Pigou, e con un'importanza ben maggiore, ritroviamo Keynes. Noi ci occuperemo in questo lavoro del versante pigouviano, quello meno noto ma che probabilmente ha dato un contributo meno controverso alla costruzione della politica economica come autonoma disciplina economica. Vedremo che grazie anche al contributo di Caffè, la politica economica perderà quel suo carattere precettistico e pratico che fino allora aveva avuto, per acquisire un suo autonomo profilo scientifico.



## **Scitovsky and behavioural economics**

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Scitovsky, in his book *The Joyless Economy* and related writings, anticipated behavioural economics in methods and contents. This has not been well-recognised in the literature (see, e.g. *Behavioral economics* by Angner and Loewenstein, 2007). However, Scitovsky also maintained a perspective and some insights which still await to be developed.

This paper will reconstruct Scitovsky's innovative analysis, and it will show how he anticipated the use of psychological concepts and results in economics, which are issues currently investigated in behavioural economics. Scitovsky's main insight regards the reformulation of people's preferences in terms changes in the expected reward, rather than in terms of levels (Kahneman and Tversky). He also extended people's need to take a reference to the case of comparing their own consumption with that of others. Another insight regards people's projection bias in foreseen future changes of their preferences (see Loewenstein, O'Donoghue & Rabin, 2003). Scitovsky also considered the psychological phenomenon of adaptation, which is at the base of the hedonic treadmill (Kahneman 1999), as well as the problem of addiction as a rationality failure (O'Donoghue and Rabin 1999).

However, the paper also shows where Scitovsky departed from behavioural economics. Firstly, he put forward an analysis of well-being where all these insights play a role, rather than treated as single anomalies. Secondly, one of the results he obtained from this analysis regards uncertainty, which emerged as desirable (under certain conditions) rather than as a cost, as it is usual in behavioural economics. Therefore, Scitovsky would not take conventional rationality as the normative benchmark in decision-making, as (at least Kahneman's stream of) behavioural economics does.

## **Human short-sightedness and the role of the State**

Tiziano Raffaelli

*University of Pisa*

At a time when sovereign debt is running out of control, Keynes risks being seen as the culprit. To be sure, he is considered the noble parent of deficit spending, the Keynesian policy par excellence, which was urgently needed in the 1930s to drive the economy out of the Great Depression, and is still far from out of date in a time of crisis: very few would deny that the US Recovery Act contributed to keeping up demand and preventing economic collapse after the 2008 financial breakdown. However, this is a one-sided and simplified view of Keynes's political message, which is more general and can be summarised as follows: left to its own devices, the capitalist market is unable to guarantee a decent way of life. Demand management is only one of the ways in which state intervention can prevent or repair market failures, part of a wider social philosophy that distrusts the self-healing virtues of the market. Whereas the acute but temporary illness of unemployment may call for deficit spending, the other major shortcoming of the market is the limited time horizon of entrepreneurial decisions and their intrinsic unreliability for defeating 'the dark forces of time and ignorance which envelope our future'. Human action, in the economy and elsewhere, rests on irrational animal spirits, and human society faces the twofold task of preserving their vital existence in the short period and taking care of the general movement they give rise to. This means that according to Keynes the role of the State is not exhausted by performing anticyclical policies. Its main task is to pursue the goal of ensuring long term stability and helping to develop a free, just and culturally refined society, a goal which the market by itself is doomed to miss.

The paper investigates the philosophical background of this position and its relevance to contemporary political issues.

## **The social costs of business enterprise today**

Paolo Ramazzotti

*Università di Macerata*

Il lavoro riflette sulla scarsa considerazione che, nei dibattiti di politica economica, viene attribuita al concetto di costo sociale, inteso nell'accezione Kappiana di un costo privato che le imprese traslano sulla collettività. Vengono delineate varie ragioni di ciò. La prima è che il concetto sarebbe improprio, in quanto i problemi generalmente ricondotti ad esso dipenderebbero da inefficienze di mercato o da circostanze politiche; non sarebbe un fenomeno intrinseco all'economia di mercato. La seconda è che si tratterebbe di un concetto di scarsa rilevanza pratica. La terza riguarda i vincoli strutturali che precluderebbero azioni correttive dell'operato delle imprese.

Nel lavoro si sostiene che le tesi in questione sono accomunate dall'ipotesi implicita di un'economia sistemicamente chiusa e che il problema di fondo è costituito dalla difficoltà che gli analisti hanno ad abbandonarla. Dopo aver delineato le circostanze che spiegano questa ritrosia, anche in chi sarebbe sensibile ai drammi sociali che i suddetti costi generano, si rileva che è la ricerca persistente di confini ben definiti che porta a trascurare i costi sociali. Questi ultimi, infatti, si manifestano proprio in corrispondenza dei punti di intersezione fra ambiti – reali nonché teorici - prettamente economici e ambiti più propriamente sociali. La difficoltà a individuarli coglierne la rilevanza dipende, quindi, dalla loro scarsa 'visibilità', data la rigidità e impermeabilità dei confini di riferimento.

## **Mezzogiorno e politica commerciale nella lettura de “La Riforma Sociale”**

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*Università degli studi di Verona*

In questo articolo si intende analizzare la relazione tra Mezzogiorno, sviluppo e politica commerciale svolta sulla rivista “La Riforma Sociale”. All’interno della battaglia liberista portata avanti dalla rivista, il tema del rapporto tra lo sviluppo del Mezzogiorno e la sua apertura con l’estero emerge in maniera interessante. Altresì interessanti sono i dati che alcuni articoli pubblicano sull’apertura internazionale delle regioni, sui dazi commerciali, sull’agricoltura meridionale e sulle colonie, dati che meritano di essere riportati all’attenzione degli studiosi e che possono fornire un filo interpretativo su questi temi.

## Why a so huge proliferation of models in economics?

Andrea Salanti  
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For the most part modern theoretical economics (and other disciplines, for that matter: see Frigg and Hartmann 2009) can be regarded as a collection of exercises in developing models. In many cases a lot of effort is devoted to deriving similar results from slightly different alternative sets of assumptions, so that we witness a huge proliferation of (abstract and mathematical) models within the discipline.

One of the interpretations of this state of affair, shared by a growing number of philosopher of science (especially, but not only, by those particularly interested in the methodology of economics), regards it as an attempt to establish the robustness of the conclusions so obtained by comparing results obtained by different arrays of particular modeling assumptions (see, for instance, Kuorikoski et al. 2010). The idea is that in this way we should obtain “robust” results, in the sense that they do not depend on the details of the particular (and often unrealistic) assumptions employed. Comparable conclusions are also reached along with a different approach, which considers models mainly as tools for analogical inferences (see, for instance, Gilboa et al. 2012)

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The aim of this paper is, among other things, to show that:

- 1) the search for robustness may assume different forms other than a downgrading of the importance of single assumptions of dubious appropriateness by showing the independence of some results with respect to particular modelling assumptions;
- 2) proliferation of models may also be due to the pursuit of different goals (among which, for instance, the willingness to affirm a general “principle” or to test the fruitfulness of a particular analytical technique.

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## **Teoria quantitativa, legge di Say e domanda effettiva nelle teorie della moneta.**

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L'idea che la domanda effettiva sia strettamente connessa all'offerta di moneta, o che addirittura si identifichi con essa, è emersa più volte nel corso della storia del pensiero economico, nel contesto di approcci teorici di diversa matrice e impostazione. Nel paper si analizzano alcuni dei principali contributi teorici in cui questa tendenza si manifesta in modo più o meno esplicito. In particolare, si esaminano le tesi di Lange e di Patinkin sul fronte ortodosso e quelle della Luxemburg e dei teorici del circuito monetario sul fronte eterodosso. La tesi fondamentale che si vuole sostenere è che tale tipo di conclusione teorica è strettamente legata all'assunzione, più o meno esplicita, di due ordini di ipotesi fondamentali. Il primo è che risulti valida o la legge di Say o, in senso meno restrittivo, la legge di Walras o, in senso ancora più generale, una complementarità degli scambi all'interno del prodotto sociale. La seconda è che la moneta sia un "bene" particolare, cioè che abbia utilità solo ed esclusivamente come numerario e mezzo di scambio, che presenti costi di produzione nulli e che sia messa in circolazione in modo del tutto indipendente dalla quantità degli altri beni scambiati. Si pone inoltre in evidenza come questa impostazione teorica sia incompatibile non solo con una moneta che sia riserva di valore, ma anche con una moneta-merce, dotata di un valore di scambio intrinseco, o con una moneta endogena, strettamente connessa al ciclo del credito.

### **Adam Smith on Monopoly Theory. Making good a lacuna**

Neri Salvadori (*University of Pisa*) and Rodolfo Signorino (*University of Palermo*)

The paper analyzes Adam Smith's views on monopoly focusing on Book IV and V of *The Wealth of Nations* and argues that Smith has left his analysis of monopoly in an embryonic form while the majority of scholars have assessed it starting from premises different from those, actually though implicitly, used by Smith to approach this subject. We show that Smith makes use of the word 'monopoly' to refer to a heterogeneous collection of market outcomes, besides that of a single seller market, and that Smith's account of monopolists' behavior is richer than that provided by later monopoly theorists.

## **Il federalismo Glocal di Luigi Einaudi: tra integrazione economica e integrazione politica**

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Einaudi è notoriamente riconosciuto come il principale ispiratore della riflessione sul Federalismo europeo (A. Spinelli e E. Rossi). Tuttavia questo riconoscimento ha finito con il relegare le pur importanti riscoperte e ricostruzioni del federalismo einaudiano negli schemi dell'«Ideologia Federalista» elaborata da M. Albertini (e poi ripresa da U. Morelli). Questo paper si propone di riscoprire un aspetto altrettanto dimenticato ma non meno decisivo sia per l'interpretazione del pensiero einaudiano sia, e soprattutto, per intenderne la sua straordinaria rilevanza per la comprensione delle attuali difficoltà del processo di integrazione politica e identitaria dell'Europa. In primo luogo, mostrerò come la lunga e lungimirante riflessione einaudiana sulla globalizzazione dei mercati, sulla guerra e il problema della pace, sulla crisi e soprattutto sulla necessità del superamento del «dogma» della sovranità attraverso la formazione di istituzioni sovranazionali, di un mercato e di una moneta unica europea, debba essere inquadrata non solo nella prospettiva del suo pensiero liberale (C. Cressati, R. Faucci) ma nel suo più ampio tentativo di riconfigurare il problema di un «buon governo» liberale a partire da un ethos 'locale'. Di qui la specifica consapevolezza einaudiana della difficile tensione tra istanze locali e processi globali. In secondo luogo, mostrerò come la riflessione einaudiana secondo cui «bisogna cominciare dal politico se si vuole l'economico», e su cui si è recentemente tornato a riflettere (A. Quadro Curzio, P.L. Porta), e il passaggio dall'originaria teoria funzionalista dell'integrazione a quella politico-federalista denotino soprattutto la sua consapevolezza dell'importanza della dimensione simbolica dell'istituzionale ai fini dell'integrazione non solo economica, ma, soprattutto, politica e identitaria.



## **Leopold Kohr's warning on the European federation: Quality against size**

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During the past few years, the post-war discourse of a 'Europe of the Regions' has received renewed attention. Leopold Kohr (Austrian by birth, British by nationality, Welsh by choice), describing himself as an anarchist, published the book *The Breakdown of Nations*, glorifying the virtues of small-scale societies and arguing that Europe's problems arise from the existence of the nation state. He claimed, comparing Europe to USA and Swiss federation, that Europe's problem — as that of any federation — was one of division, not of union. He also pointed out an original doctrine of 'subsidiarity', arguing that governmental decisions should not be taken by the supra-nation institutions of the European Community, but preferably by regional or local levels of administration, rather than by national governments. Colin Ward (1992) argued that this particular principle has been adopted by the Council of Europe, calling for national governments to adopt its Charter for Local Self-Government "to formalise commitment to the principle that government functions should be carried out at the lowest level possible and only transferred to higher government by consent." Kohr developed a peculiar theoretical view on the relevance of size to form. In the 1950s he also proposed a set of papers on European unification which analyse that issue with his simple theoretical framework.

The work of Kohr has attracted attention from social scientists in the field of international political studies but few political economists have studied his theoretical argument in detail. Few students have tried to join economic and political arguments to understand his contribution in a more analytical way. We will argue that the main point of Kohr (diseconomies of scale) was inherently economic. It was an attempt to elaborate the concept of scale in a more complex way, including the idea of quality and, in particular, of power relations.

In this paper we try to make sense of Kohr's idea of diseconomies of scale by studying his contributions from a political economy perspective. Moreover, some conclusion will be drawn relating Kohr's view to the present day problems of governance in the EMU region, where the actual governance reflects all dangers feared by this scholar.

## **Le riforme economiche e l'intervento dello stato nell'economia**

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Il contributo analizza l'evoluzione della posizione dei Presidenti di Confindustria riguardo le riforme delle istituzioni economiche con particolare riferimento al ruolo dello Stato nell'economia. Si procederà ad elaborare un quadro delle principali riforme economiche dalla fine degli anni '50 ad oggi, selezionando i fatti più rilevanti nel determinare un cambiamento del ruolo dello Stato nell'economia. Per quanto riguarda al quadro teorico delle relazioni tra Stato ed economia faremo riferimento a quanto teorizzato da Delorme (2010). Si farà poi riferimento alla letteratura secondaria economico-politica per analizzare i termini dei dibattiti e le posizioni assunte in sede accademica e politica. Si cercherà quindi di rintracciare l'eco dei dibattiti relativi a queste riforme nei discorsi dei Presidenti cercando di determinarne la posizione politica, il quadro teorico di riferimento e l'enfasi (o importanza).

## **Us and the Others: building on Sen and Smith**

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In his 2009 *The Idea of Justice* Sen contrasts the closed impartiality approach which he ascribes to John Rawls with his view on open impartiality. The former notion refers to impartiality inside a group of people sharing similar values, it is an intra-societal impartiality; the latter concept indicates inter-societal relationships since it strives for the involvement of the viewpoints of others.

Needless to say the terminology derives from Smith's impartial spectator metaphor. The question is:

how can modern societies implement the open impartiality approach? How can they progress on the impartial arbitration of different perspectives? This paper indicates a possible strategy in this direction.

We propose a scheme, Us-The Others, that conjugates Sen's open impartiality with the idea of inexhaustible truth of the Italian philosopher Pareyson (1954). His contribution wants to promote the value of respecting otherness and it aims at finding the way to help equivalent people and groups of people to feed their differences one on the others.

The Us-The Others scheme shows how to create trust among different focal groups. Pareyson describes truth as inexhaustible and accessible only by each singular perspective. Thus every man becomes a particular source of truth and moral balance; all the more so when the same values are shared by a group of people. How can different points of view lead to mutual trust? The communication of different judgments builds a relationship and imagination and sympathy are important ways for this relationship to lead to trustable linkages. But they can be greatly helped by another extremely important element which has not yet been fully recognized: truth as sincerity, everyone's ability to communicate the personal truth. In general the higher the degree of transparency the more likely is to achieve a social compact based on a good degree of trust.

Sincerity builds on self-command, a sometime underrated passion.

Sympathy, imagination and self-command make sincerity and transparency a workable strategy in the process of playing the game of inter-societal impartiality. Each individual (and group) has many identities, but in this communication of views the blend of original identity can evolve. Identities are not given once for all, they do change in a dynamic way. The process of open impartiality and the Us-The Others scheme, which is based on the use of sincerity, are essential component of a society based on open identity.

The first section describes the concepts of closed and open impartiality and highlights some open issues which are still open for debate. In section two we present Pareyson's contribution. Section three brings the two approaches together and highlights the notion of open identity and the Us-the Others scheme. Section four shows that Smith provides us with many notions which support the open identity view. Section five summarizes and concludes.

## **Lavoro, funzione imprenditoriale e conflitto industriale nei discorsi dei Presidenti di Confindustria**

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Questa parte del progetto mira ad analizzare i discorsi dei Presidenti di Confindustria sotto un profilo sociologico. In particolare si intende focalizzare l'analisi su alcuni elementi cruciali per la sociologia economica e del lavoro: il valore attribuito al lavoro, le caratteristiche del ruolo imprenditoriale e la dimensione del conflitto industriale.

Sul piano dell'analisi la rappresentazione che emerge nei discorsi dei Presidenti offre la possibilità di tracciare un quadro di lungo periodo degli elementi tipici della società industriale in cambiamento. In tale direzione, di peculiare interesse risulta l'analisi dei tre elementi citati sulla base del quadro sociale ed economico di riferimento. L'analisi diacronica dei discorsi dei Presidenti, dal 1945 al 2008, dovrebbe permettere di evincere le componenti di fissità e quelle di cambiamento presenti all'interno della rappresentanza datoriale e, allo stesso tempo, dovrebbe evidenziare i tratti salienti del peculiare rapporto tra la rappresentanza datoriale e quella dei lavoratori, nel tentativo di delineare le continuità e le discontinuità presenti nel quadro regolativo nel suo complesso.

## **Ragnar Frisch e il concetto di equilibrio normale**

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Un breve articolo della metà degli anni Trenta dell'economista norvegese Ragnar Frisch è generalmente considerato come uno dei lavori che più hanno contribuito ad aprire la strada alla moderna teoria economica 'dinamica'. È d'altra parte opinione comune che la versione contemporanea della teoria economica neoclassica, basata sulle nozioni di equilibrio temporaneo o di equilibrio intertemporale, trovi la sua origine nella necessità di superare i limiti entro i quali era stata costruita la versione tradizionale di quella teoria e che la avrebbero confinata allo studio di economie stazionarie.

Non può dunque non destare meraviglia scoprire che, lungi dal fornire le basi metodologiche per le versioni contemporanee della teoria neoclassica, Frisch scrisse il suo lavoro stimolato da una discussione intorno alla nozione di tasso di interesse normale in Wicksell – ovvero un autore, e una nozione, spesso portati ad esempio dell'approccio 'stazionario'. Il lavoro di Frisch è in effetti particolarmente chiaro nel mostrare come la nozione di equilibrio normale sia stata concepita come uno strumento per lo studio di economie in cambiamento. Particolarmente interessante risulta poi l'idea avanzata da Frisch secondo la quale la nozione di equilibrio normale sarebbe specifica della scienza economica o, al più, delle scienze sociali. Una rilettura del classico lavoro di Frisch non sembra dunque fuori luogo. Essa sembra in particolare poter fornire un utile terreno di confronto fra studiosi che, da punti di vista diversi, sono oggi impegnati a studiare l'origine, e la natura, della versione contemporanea della teoria neoclassica.

## **The Legacy of Irving Fisher's Conception of Interest for Contemporary Social Quality Theory**

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Irving Fisher's theory of interest is referred to in literature in the singular form. Yet it is a composite of three issues extending over nearly quarter of a century including its 1907 publication, and subsequent restatements in 1911 and 1930. The final restatement is known as the Impatience and Opportunity theory of interest. In this paper I propose that principal influences for its inception may have included Fisher's early life experiences and subsequent altruistic pursuits in seeking to improve the human condition. Two life events in particular cast aside Fisher's doubts about the efficacy of philanthropy in improving quality of life, and promoted a much increased sense of urgency about the timing of societal reform. Quality of life is a precondition for social quality which is a theoretical construct that in our time seeks to explain economic and social progress. Social quality serves as an indicator of distributive justice for members of society, ranging from the micro-collective to supra-national collectives. To this end, I adopt a Janusian perspective in sketching Fisher's conception of interest and its legacy for contemporary social quality theory.

## **Quando la teoria si trasforma in “cultura economica”: l’evoluzione di Confindustria.**

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Il paper si focalizza sull’evoluzione delle posizioni e delle scelte di Confindustria, dalla sua costituzione ad oggi, poste in relazione ai mutamenti che hanno caratterizzato la teoria economica. Assunto che un’organizzazione economica difficilmente evidenzia cambiamenti radicali e repentini, ci concentreremo sull’adeguamento continuo delle posizioni espresse dai Presidenti di Confindustria, ipotizzando che esso abbia due origini. Una conoscenza interna che elabora gli impulsi e le pressioni derivanti dall’ambiente e dalla società, adattandoli alla funzione principale dell’associazione: tutelare gli interessi degli imprenditori associati. Una conoscenza esterna che deriva dai mutamenti che caratterizzano la riflessione culturale e accademica sull’attività imprenditoriale e sul ruolo delle organizzazioni economiche portatrici di specifici interessi.

## **The Regional Confrontation and the Possibility of Federalization in Ukraine**

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In his book "Clash of Civilizations" Samuel Huntington among varying illustrative examples gave the sample of Ukraine. For this he used the data of the presidential elections of Ukraine for 1994: while the majority of the western regions' electors voted for L. Kravchuk, the industrial East preferred L. Kuchma. In the opinion of Huntington, on the territory of modern Ukraine coexist two, not conflicting among themselves but different, civilization - Western and Russian (Orthodox). If Huntington wrote his work later and used the data for 2004 presidential elections (or 2010), figures to prove his argument would be even brighter. And if he added the results of parliamentary elections, his theory would deserve applause. Indeed, the results of absolutely all elections in Ukraine have a clearly defined regional coloring. Generally saying, the western regions of Ukraine mainly support the politicians who proclaim the national patriotic values and the democratic European future for Ukraine (the Western vector of integration). Politicians based on the Eastern Ukrainian electorate build their demagoguery around the nostalgia for Soviet Union, the Russian as a second (or single) state language and pro Russian Federation integration vector.

It seems that during political elections in Ukraine they are not political leaders or political parties but the western and the eastern regions of Ukraine who compete. And it seems that the victory of the western electorate means the victory of democracy in the whole Ukraine and its accelerating European integration. However, supported by the western Ukraine electorate and having won after the Orange revolution in 2005, the new government has failed such euro-democratic expectations. Very soon it became clear that the "orange" president's actions did not pursue the state goals but clan interests.

In conditions of continuing regional confrontation some prominent people in Ukraine consider that only federalization (or even the territorial split) can save the situation. If it takes place, what really can we have?

Of course, different regions of Ukraine have the different historical past and thus different cultural heritage. But the western regions of Ukraine are not only the embodiment of the long communist past with the dominance of Russian language, but they are also the embodiment of industrialism. Political representatives of these regions are typical technocrats. Behind their big love to Russia we can guess the big love to Russian gas on which the Ukrainian heavy industry depends because bases on old technologies. So, using the classification of Alvin Toffler, we can identify the eastern Ukraine with the civilization of the second (industrial) wave.

As for western regions of Ukraine, they demonstrate a lot of features characterizing the civilization of the first wave. We can find here the majority of agrarian and agrarian-industrial territories of Ukraine. Precisely here we can observe a lot of traditional society features and also regions with the highest level of corruption in Ukraine. Thus in Ukraine we deal not only with the confrontation of regional sentiments (using the word of Pareto) or the clash between western and Russian civilizations but also we deal with the clash between civilizations of the first and the second technological waves. Clearly, neither second, nor the first wave civilization can not generate the real progress in modern Ukraine. So we must answer the question, if it is really necessary to change (and how to change) the territorial administrative division in Ukraine to overcome its regional contradictions and stimulate its institutional and technological development.