

Department of Political Science

Course of Political Philosophy

# **Comparison between Civil Economy and Capitalism**

Virtue ethics in contemporary economics

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## Introduction

At the time this thesis is being written<sup>1</sup>, the entire world is being affected by one of the largest and scariest pandemic diseases that have ever occurred in modern history. The cause is the virus Covid-19, commonly known as Coronavirus. This newly infectious illness has been transmitted from animals to human beings in the Chinese region of Hubei and spread globally in a matter of a few months. The etymological origin of the word 'crisis' is the Greek verb *krisis*, which indicates a decisive moment where the situation under analysis is in a state of evolution. It follows that, from a state of crisis, it is necessary to make an evaluation and to endorse some changes, for better or worse. The decisions that people and governments will take are likely to affect the future world: not only the health systems but also the economy, politics, and culture of our time. For months, the vast majority of the world has been put on pause, a large slice of the production system has stopped, and people have been asked to remain home to prevent the spread of the contagion. And yet, it might not be enough. While things are starting to get back to normal, it is increasingly felt the need for answers for the causes of the crisis, which go well beyond the virus and are more profound reflections on the world we live in.

The writer David Quammen in his book 'Spillover' published in 2012, almost prophetically predicted the circumstances of the pandemic's outbreak. According to the expert, at the bottom of the causes, there is the massive exploitation of natural ecosystems by human beings. Accordingly, by interfering with different ecosystems – by cutting down trees and deforest, digging wells and mines, catching animals, killing them or catching them alive to sell them in a market –, we disturb the natural equilibrium, unleashing new viruses<sup>2</sup>. If this theory holds, it would mean that the pandemic could be added to an infinite series of events caused by the exploitative activity that has been carried in the past decades to satisfy an always increasing global demand. It is no coincidence, among other things, that the virus originated precisely in the eastern side of the world, where immoderate consumerism took hold in the past decades after the adoption of the capitalist market model. The enrichment of the 'world's factory' has led to the commodification and consumption of new products. Among these, the selling of precious wild meat – possibly cause of the transmission of the virus – has increased enormously between the wealthy Chinese population.

Globalization plays a fundamental role: if the same virus had generated about forty years ago, it would not have had the same consequences and, perhaps, it could have remained isolated both pandemically and mediatically to the Chinese nation. Differently, during a time when the objects that we own have gone through a worldwide production chain and when people are capable of traveling around the globe within a few hours, the possibility of the spread of a virus are enormously increased. The high level of productive and financial integration, while enabling a successful economic growth in many developing countries, has also made the

<sup>1</sup> Between February and June 2020

<sup>2</sup> Quammen, D. (2012). *Spillover*. London: The Bodley Head.

global system highly vulnerable to external shocks that now have the potential to spread globally in a matter of weeks<sup>3</sup>.

Despite the significant number of lives that are being lost due to the pandemic, the problems are not limited to the health sphere. The damages that this situation will cause economically are expected to be enormous. According to the International Monetary Fund, the world economy will contract of 3% over the previous year, compared to the 3.3% growth estimated before the outbreak of the pandemic<sup>4</sup>. Specifically, this has led many people to lose their jobs, many businesses to close down and the public debt of many countries to increase significantly as a result of the financial interventions that have been adopted. The connection that we have, as individuals, with economic trends has never been so tight: not only we depend on the performance of our profitable activities, but we depend on the global market performance, towards which most of the time we have no power. As stated by Michael Sandel, we are slowly assisting the passage from a market economy, where the market laws govern the economic matters uniquely, to a market society, where market values seep into every aspect of human endeavor, including our survivals. The typically utilitarian approach that has led some heads of state during these months of crisis to consider a trade-off between the number of deaths and the damage to their country's economic efficiency leads us to realize that our lives may not be as precious as we think. Consequently, the question that comes naturally is: shouldn't be the market serving society and not vice versa?

This criticism doesn't imply that we should give up on the wealth and prosperity that streams from the current market model, but instead it suggests a reevaluation of its priorities. The liberal political and economic approach has contributed to the increase in the wellbeing of the majority of the world's population. Nonetheless, as the negative aspects might soon start exceeding the positive ones, there is an urgent need for some changes. Among the main problems with the current economic mechanism, there is the fact that, alongside a global economic development, there has not been an evolution of a worldwide sense of community solidarity. The increasing nationalism is a clear sign of that. As the problems of our society become more international than they had ever been – climate change, immigration, pandemic diseases – the public and political opinion profess to solve the issues by closing borders, raising walls, and abandoning supranational agreements. During this particular and unique historical time, it could be helpful to rethink the role of the market in our everyday life.

A plausible track to follow could come from the Italian tradition of the 18th century and in particular from the thought of Antonio Genovesi and the Civil Economy he theorized. Contemporary of Adam Smith, the Italian

<sup>3</sup> Streeck, W., Camiller, P., & Fernbach, D. (2017). *Buying time: The delayed crisis of democratic capitalism*. London: Verso.

<sup>4</sup> World Economic Outlook, April 2020: The Great Lockdown (April 2020) available at <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

<sup>5</sup> Sandel, M. J. (2013). *What money can't buy: The moral limits of markets*. London: Penguin. p 10

economist rejected the splitting of economic studies from fundamental ethical values. His theory is based on the idea that economic growth is first of all a social expression based on trust, reciprocity and public welfare. Instead of conceiving the relationship between market and life satisfaction as a top-down relationship (i.e. the increase in the nation's general wealth also benefits individuals), civil economy provides a bottom-up approach based primarily on the trust at the heart of human relations to generate mutual economic benefits. Contemporary civil economists do not presume to propose a non-capitalistic market economy, as it would be highly unlikely to change the forces rooted in our societies. But, given the dramatic events we are witnessing, they encourage us to start reflecting on the consequences of capitalism and, above all, on the priorities we should pursue in the coming years. The objective of today's civil economists is precisely that of "civilizing" the capitalist market economy, characterized by a high degree of individualism, which has given up all attachment to the ethical and moral discourse<sup>6</sup>.

To understand deeply the role that capitalism started to play into our daily lives and to reconsider the market's function, it is fundamental to rediscover its historical and cultural origins. The first chapter analyzes the famous theory that identifies the roots of capitalism in the Protestant doctrine. In the same chapter, it is underlined the consequent worldwide spread and adoption and its current negative implications – such as natural exploitation, economic and social inequalities, and the ongoing pandemic. Holding the hypothesis that capitalism as we know it today has generated in northern Europe after the protestant Reformation, the second chapter analyzes the catholic and southern tradition that characterized Genovesi's studies of Civil Economy. The contraposition between the latter and the classical Political Economy theorized by Adam Smith is studied in all its facets, to give theoretically reliable references for addressing the thesis's argument. Finally, in the third and final chapter, it is underlined the role of corporations and consumers in shaping economic path and, hence, their responsibility towards an ethical and inclusive development.

Milton Friedman, Nobel Prize in 1976 and among the fiercest supporters of capitalism, once said “Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around.” A crisis is a good time “to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable”<sup>7</sup>. The next pages will try to explain why the current economic system is obsolete for addressing the issues that plague our society and empirically wrong in many assumptions that are taken for granted. Moreover, they offer more ethical and just remedies that could positively inspire a change of pace, hoping that the current crisis could represent the right moment for making them not simply possible, but inevitable.

<sup>6</sup> Bruni L, Zamagni S. Civil Economy [Internet]. Agenda Publishing; 2016. Available from: <https://www.perlego.com/book/573263/civil-economy>

<sup>7</sup> A quote by Milton Friedman. (n.d.). Retrieved June 18, 2020, from <https://www.goodreads.com/quotes/110844-only-a-crisis---actual-or-perceived---produces-real>

## Chapter 1: History of Capitalism and its developments

The study of modern society cannot be sundered from the study of capitalism. Even though there have been given several definitions to capitalism, for the sake of clarifying the concept, the following chapter will be referring to capitalism as: “an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market”<sup>8</sup>. Since 1989, with the fall of the Berlin Wall and the end of the Cold War, almost the entire world has been following the same path under the guidance of the winning side of the war – the United States – and opened up to a free market economy. Ever since, a credible socio-economic counterculture has not developed. In the general mindset, capitalism is no longer among the options to be adopted to achieve general wellbeing, but the sole option.

Assuming that the economy is first and foremost a social expression rather than a rigorous science, it is evident, given the diversity around the world, that the economic models should differ according to the environments from which they originate. The world economy comes in fact from the Greek word *oikos* – literally ‘the whole house’ – which denotes a set of interdependent elements interacting within a whole context as a unit. The way that people throughout history had experienced their economic life had strongly depended on the formal and informal institutions, the cultural heritage, and, particularly, the religious tradition that they had around. However, as today we still live in a heterogeneous world in terms of cultural features, we are witnessing a process of homologation towards the capitalistic market economy, which has been adopted as a perfect science. This chapter intends to deepen the historical and cultural reasons which led to the birth of the economic model of capitalism and its subsequent successful adoption on a global scale.

It is undeniable that capitalism has allowed for an unprecedented economic and social inclusion that allowed a large slice of the world’s population to benefit from economic growth and escape poverty. This type of development was possible thanks to the adoption of favorable economic policies in line with the western tradition. This success has further marked a victory not only for capitalisms as an economic model but also for the economy as the primary reference for policy evaluation, overpassing any other type of social science – such as politics, sociology, or psychology.

Yet, as it has been underlined in the introduction, within capitalism, there are as many forces carrying it forward as there are forces dynamically undermining it. The capitalist system has allowed, on the one hand, to the people who have rolled up their sleeves to achieve success and happiness. On the other, it has also rewarded the takers and predators who have consumed resources – environmental and human – without contributing to their development. Ironically, as the average income increase worldwide, income inequalities

<sup>8</sup> Merriam Webster vocabulary available from: <https://www.merriam-webster.com/dictionary/capitalism>

grow drastically in developed countries, reducing the standards of living of many middle class' families. Thus, to bring to light the most harmful aspects, it is necessary to analyze the causes and the structural configurations that have allowed this whole process to come to the current stage. The following chapter analysis the historical roots of capitalism and its consequent development and wide adoption. Moreover, it also highlights that the capitalistic model has been applied worldwide without any long sighted projections or precautions.

## **1.4 Origins of Capitalism**

### **1.1.1 The Protestant Reformation**

Among the most famous and acclaimed studies regarding the origin of the capitalist model, there is the thought of Max Weber, a German sociologist who lived at the turn of the 20th century. He identified in the Protestant tradition (particularly Calvinism) and the religious split from Catholicism the beginning of the cultural and economic process that led to modern capitalism. As known, the Protestant Reform carried out by Luther condemned the luxury of the Catholic Church and the widespread practice of buying and selling indulgences. In addition to the harsh moral judgment, Luther's 95 theses stressed some serious religious gaps in the interpretation of the Bible and, thus, of the correct conduct of a Christian. The focus of the theological debate between Protestants and Catholics was mainly on the concept of predestination. On the one hand, the Catholic tradition embraced the possibility of the *de libero arbitrio* – meaning the free will of earning divine salvation through actions and deeds on earth; on the other, Protestants believed in the *de servo arbitrio* – the un-free will of people in changing their predestined divine decree. From this second position, the protestant tradition derived that people have to dedicate themselves to their professional and domestic life to come across their predestination, even though without influencing it. This type of mentality is at the heart of the well-known work ethic that has cleverly characterized Protestants, and in particular Calvinists and Puritans. In a matter of few decades, thanks to the favorable political attitude of the rulers who wanted to escape the subjugation of the Vatican, the Reform spread across northern Europe and, not indifferently, in the United States through the first pilgrim fathers.

Following Weber's thesis, with the elimination of the mediation and control of the church in the life of the citizens, the Protestant church helped to create that atmosphere of immediate freedom in which capitalism found its roots. However, it is essential to underline that Weber never identified a direct correlation between the Reformation and capitalism – indeed he wrote: “There is no point in trying to uphold so madly doctrinaire a thesis as this: (...) that capitalism as an economic system is a product of the Reformation”<sup>9</sup>. The recent and relevant study by the American historian Brad Gregory "The Unintended Reformation: How a Religious Revolution Secularized Society" confirmed that the capitalist process was a side effect of the Reform. The

<sup>9</sup> M.Weber, *Sociologia della religione* (1920-21), (Milan: Comunità, 1982), p. 62.



exaltation of the moral auto-determination of individuals and values such as thrift and the dedication to work far exceeded the religious discourse and expanded into the cultural, social, and economic life of people. To the point that, as stated by Gregory in the title, the unintended outcome of the Reform can still be found in today's general mindset.

Many scholars have contrasted Weber's thesis claiming that the Reformation was among the consequences of a historical phase that was highly transitional itself. Without a doubt, around that time, a series of economic events, political circumstances, and cultural factors certainly had repercussions on the society. The great geographic exploration of the 15<sup>th</sup> and 16<sup>th</sup> centuries established - thanks to the influx of raw materials and precious metal - a form of merchant economy based on the trade of products. This shifted the gravity of trades from Europe, to the westernmost part of the world: the Atlantic Ocean. This new and hazardous activity allowed common men, who did not belong to the nobility or the clergy, to accumulate vast amounts of wealth for the first time in history. Moreover, if at first, the merchants used to supply the craftsman with the raw material and commissioned the finished work, during this period, the merchants took over the ownership of the means of production. They hired wage laborers, who could count only on their labor capacity as a source of livelihood. The emerging class of the *bourgeoisie* made up of figures such as entrepreneurs, merchants, and bankers were emerging in the most developed societies and slowly building its way to success, culminating two centuries later with the industrial revolution and the final adoption of the capitalistic model<sup>10</sup>. Having said so, if the Reformation alone was not the cause of the beginning of the shift of mentality that paved the way for capitalism, it is clear that it facilitated its development.

### **1.1.2 *Homo Homini Lupus***

A fundamental element to mention is the anthropological pessimism that characterizes the theory of sin. According to the Bible, men are natural sinner. However, before the Reformation, it was given great importance to virtue - meaning a moral disposition toward good - which encouraged men to encounter a salvation process thorough life. The pessimism towards man's faults and corrupted soul introduced by the Reformation, resulted in the condemnation of any type of 'frivolity' and interactions among people, which were considered to be driven only by opportunistic purposes - *homo homini lupus*<sup>11</sup>. As a result of this approach, there is Luther's "Two Kingdoms Doctrine." Accordingly, a good Christian must act in two 'kingdoms' applying distinct rules: a spiritual realm where "[the] person, who is that of a Christian, must not worry about money or accumulate it," and a second earthly kingdom where "can and must use temporal goods for [his] body and others, because they concern [him] in the world"<sup>12</sup>. Here Luther is making a clear distinction between the social and economic life of people, which was a matter of the kingdom of men, and the private

<sup>10</sup> S.Zamagni, *Catholic Social Thought, Civil Economy and the Spirit of Capitalism*, University of Bologna, pp.10

<sup>11</sup> *Ivi*, pp.44

<sup>12</sup> E.Bloch, *Thomas Münzer teologo della rivoluzione*, 1980 [1921], pp.120-121

and spiritual life in God's kingdom. This doctrine will again lead to an unintended result that leads to a clear separation between the religious and economic lives of people in the protestant countries. The act of donation, or rather philanthropy, must be clearly distinguished from the financial world, and the two spheres cannot overlap in any way: business is business, and gifts are gifts<sup>13</sup>. The ethics of virtue and donation ended up being bound to the medieval Christianitas, and therefore associated with the southern Catholic Church<sup>14</sup>.

Although it may seem bizarre nowadays to associate theology with economics, it is essential to research the historical and cultural reasons that led to the development of today's mentality. The loss of the ethic of virtue and the imposition of a theological self-centric mindset could be the heart of the economic development of the past centuries and, likewise, of the problems that derive from it.

## 1.2 Today's Capitalism

### 1.2.1 A worldwide success

Capitalism has become the economic model par excellence. Although economic heterogeneity is an intrinsic feature of the world's historical and cultural diversity, capitalism has been able to find fertile ground in entirely different contexts. The always increasing demand and the advantageous costs in the developing world have led to a worldwide production chain and to unprecedented economic success in recent decades from which an enormous slice of the global population benefited from. Between 1975 and 2002, more than 97 percent of the world's countries experienced increased wealth, and almost half saw annual increases in real GDP of more than 3 percent<sup>15</sup>. Consequently, although some groups benefited from this growth more than others, vast swaths of the global population experienced unprecedented improvements in their standards of living. By the World Bank's reckoning, worldwide income had doubled since 1980, and more than 450 million have been lifted out of extreme poverty since 1990<sup>16</sup>.

Even though this process has several significant reasons, it is fundamental to stress the important role played by the United States in the spread of liberal democracy. Probably pushed by the fear of a rebirth of communism and well aware of the economic potential of and export-driven growth, the winners of the Cold War decided to rebuild their enemies rather than plunder them leading to the global spread of free-market policies. When in 2001, China joined the World Trade Organization while remaining an authoritarian communist state, it seemed to everyone that capitalism and international free trade had no enemies<sup>17</sup>.

<sup>13</sup> L.Becchetti, L.Bruni, S.Zamagni, *Economia Civile e sviluppo sostenibile*, Ecra, Roma, 2019, pp.53

<sup>14</sup> *Ibid*, pp.52

<sup>15</sup> Bower, Joseph L., Herbert B. Leonard, and Lynn Sharpe. Paine. *Capitalism at Risk: Rethinking the Role of Business*. Boston (MA): Harvard Business Review Press, 2011, ch.2 pp.7

<sup>16</sup> *Ibid*, ch.2

<sup>17</sup> *Ibid*, ch.2

## 1.2.2 Future scenarios

In July 2018, OECD published a long-term projection of the world economy in 2060<sup>18</sup>. The study offers a mere economic scenario that does not take into account any possible changes in the institutional and policy setting nor unpredictable events (such as the ongoing COVID-19 pandemic). However, it is still helpful to understand the economic development that will occur given global trends.

Based on the main findings, the world economic growth does not intend to stop, and the GDP will continue to increase. However, this growth is predicted to decelerate slightly, and the way wealth will be spread among the globe will sharply change. Accordingly, the center of gravity of the world economic activity will shift from North America toward Asia. The living standards will continue to advance in all countries through 2060, but GDP per capita worldwide will be affected by profound changes in the demographic trends. In the OECD countries, in particular, the population will age, and the birth rates will diminish: two elements that will sharply weaken the working class.

Thus, from a bare economic analysis, it is likely that the promising growth that we have experienced so far will benefit the upcoming generations as well. However, as the authors of the dossier did not wisely hesitate to mention “long-run scenarios are useful, but not always sufficient, to provide country-specific policy recommendations, which must take account of particular economic and policy contexts that cannot be fully incorporated into such a stylized exercise” and “long-run scenarios focus on GDP per capita as a measure of living standards and leave out many other aspects of wellbeing”<sup>19</sup> Such as level of education, health, environmental issues, inequalities, immigration, etc.

## 1.3 Intrinsic Problems of Capitalism

### 1.3.1 The Problem of GDP

So far, in this chapter, we have talked about wealth in terms of GDP. The Gross Domestic Product - meaning the influx of goods and services produced and invoiced in a given time within a country - is, in fact, the most popular, and often only, an indicator of the economic performance of a nation. For a long time, economists used the GDP as a synonym of people’s wellbeing and satisfaction, which is conceptually wrong. The success of GDP as an indicator of wellbeing dates back once again to the Cold War, when the conflict between the United States and the Soviet Union was played, other than in the military front, also on the capacity of the two opponents to produce goods and services in their territory<sup>20</sup>. Higher the GDP wealthier was seen the country

<sup>18</sup> Guillemette, Y. and D. Turner (2018), *The Long View: Scenarios for the World Economy to 2060*, OECD Economic Policy Papers, No. 22, OECD Publishing, Paris (available at <https://doi.org/10.1787/b4f4e03e-en>.)

<sup>19</sup> *Ibid*, pp.7

<sup>20</sup> L.Becchetti, L.Bruni, S.Zamagni, *Economia Civile e sviluppo sostenibile*, Ecra, Roma (2019), pp.15

internationally, and happier the people. The race between capitalism and communism was therefore played on a mere sum that should have indicated not only the outcome of the production system but also the efficiency of one model compared to the other.

Amartya Sen, Nobel prize in 1998, gave a considerable contribution to development studies when he recalled to the world that GDP and GDP per capita were not sufficient measurements for the real conditions of life. He introduces the Capability approach, where he identified the main elements that are fundamental to be capable of function as an individual that goes beyond the economic performance of the country of origin<sup>21</sup>. A striking illustration of the fact that growth does not mean an increase in the living standard for the whole population come from South-Africa during apartheid: from the beginning of the 20<sup>th</sup> century GDP per capita grew significantly in the country, but the real wages – not to mention education and health - of black people, who make up the majority of the population, fell during this period<sup>22</sup>. This example does not imply that economic growth does not benefit the country - in fact, financial wellbeing is a fundamental element to achieve decent living standards - but it warns us about the potential contradiction that might be contained in a merely economic indicator.

### 1.3.2 Life satisfaction

The general assumption at the heart of the liberal economic theory is that an increase in the GDP makes everyone's better off. This central idea was denied by Richard Easterlin's paradox, where it is analyzed the correlation between happiness and economic growth. As an outcome, the American economist showed that, while an initial increase in GDP makes the whole population happier, once it has reached a specific pick, the average life satisfaction tends to decrease as growth continues<sup>23</sup>. Indeed, from the empirical evidence offered, it emerged that - while there is a positive global correlation between economic performance and general satisfaction - among the OECD countries, there seems to be no linear relation between the two measurements<sup>24</sup>. The answer to that is that the GDP growth can be due to factors that do not necessarily benefit people by making them better off. Take as an example the 2016 Irish elections, where the outgoing government came to the polls with a bombastic GDP growth rate of 6.2%, but was soundly defeated in the face of the fact that most of that economic growth stemmed from the convenient tax laws that had attracted many foreign companies to move their branch to Ireland and hardly benefited the Irish population. Ironically, in the same period, the wellbeing of people was diminished due to some policies that reduced public support for health and education, aggravating the living standard of the low-middle classes<sup>25</sup>.

21 Sen, Amartya. *Development as Freedom*. New York: Knopf, 1999.

22 D. Acemoglu, *Introduction to Modern Economic Growth*, Princeton University Press, 2009, pp.10

23 Easterlin, R A. *Does Economic Growth Improve the Human Lot?* (1974)

24 World Bank, *World Happiness Report 2019* (available at <https://ourworldindata.org/grapher/gdp-vs-happiness?stackMode=absolute&time=2017..>)

25 L.Becchetti, L.Bruni, S.Zamagni, *Economia Civile e sviluppo sostenibile*, Ecra, Roma (2019), pp.17

Accordingly, what the Easterlin's discovery suggests is that sufficient economic stability of your country's economy is a fundamental element to be satisfied with your life. However, once you reach a certain level – as for the majority of the developed countries – an increase in the GDP does not necessarily lead to an improvement in your wellbeing. This leads us to the next question: what are the characteristics that make a developed country happier compared to another? Also, what are the objectives that should be pursued by a society that intends to guarantee people's wellbeing? Since Easterlin's findings, many researchers have been made, and scholars developed a new scope of the investigation that aims to study what are the determinate factors that contribute to the general wellness of people.

### 1.3.3 Inequalities within developed countries

A parameter that has started to be considered more carefully is that of the relative income - that is, the income according to the national purchasing power - from which it was possible to make detailed insights regarding economic inequalities within countries. In the book 'The Spirit Level: Why Greater Equality Makes Societies Stronger', the two authors (Richard Wilkinson and Kate Pickett) highlight how the growth of the GDP that causes increasing inequalities within a society, can have significant causes on the level of people's general problems. The findings showed a shocking high correlation between income inequalities and factors such as life expectancy, kid's math and literacy scores, infant mortality rates, homicide rates, imprisonment, teenage birthrates, level of trust, obesity, and mental illness (including drug and alcohol addictions). For a practical sake, the authors collected all these data in one single index – Health and Social Problems – and the results of the correlation with income inequalities within countries were summarized in the following graph<sup>26</sup>:



<sup>26</sup> Wilkinson, R. & Pickett, K. *The Spirit Level: Why Greater Equality Makes Societies Stronger*. New York: Bloomsbury Press, 2009

All the countries are taken into account, and that appear on the graph are liberal democracies characterized by a highly-developed economy, and still, the wellbeing of their populations diverges a lot. In particular, what seemed to be fundamental from the results obtained by the study conducted by the authors is the perception that people have on inequalities and particularly on the possibility of social mobility, i.e., the possibility of moving from a disadvantageous socio-economic situation to a more advantageous one. Practically speaking, a girl born in an unfavorable condition in Sweden will have the opportunity to escape from that situation thanks primarily to the education and healthcare that is guaranteed to her, but also to the perception that she has of the society in which she lives and to the desire for redemption which is transmitted to her. This thought brings us back to the beginning of the chapter, where it was analyzed the birth of capitalist thinking and its innate individualistic spirit. The problem of economic inequality and the psychological condition that derive from it have their roots in a general mindset that puts people against each other and, over time, has led to the total deterioration of social and ethical relationships. *Homo homini lupus* - all against all.

#### **1.3.4 The exploitation of ecosystems as the cause of Covid-19**

Another fundamental problem that has arisen from the spread of capitalism is the massive exploitation of environmental resources. As economic wellbeing has increased in many developing countries in recent years, the demand for goods and services has also increased and - thanks to the global spread of some multinationals companies - has standardized the world's preferences to those of the western world. Among them, the massive increase in meat consumption in China in recent years could be at the root of the causes of the pandemic in place<sup>27</sup>. The Covid-19 virus belongs to a family of viruses generally classified as 'coronavirus,' which is divided into several subspecies: some of these are widely present in some animals and own the characteristic of being zoonotic, i.e., they can be transmitted from animals to human beings<sup>28</sup>. Biologist Rober G. Wallace, the author of the book 'Big Farms Make Big Flu', said that it would be a dangerous mistake to consider the current pandemic as an isolated incident. According to the American biologist in fact "the increased occurrence of viruses is closely linked to food production and the profitability of the new industrial model of agriculture and more specifically livestock production" and "the deforestation of huge tracts of land allows previously boxed-in pathogens to spill over into local livestock and human communities.

The outbreak of the coronavirus did not come as a surprise for the scientific world, which has been warning us for a long time. Just four years ago, in 2016, 24,693 piglets died across four farms in the province of Guangdong, China, due to a swine epidemic diarrhea virus (PEDV), that was later recognized to be an early form of coronavirus that affects the cells of the animals' intestine. In a study published in 2018 in the journal 'Nature', a group of Chinese researchers published a report that identified the origin of the infection in the bat

<sup>27</sup> April 2020

<sup>28</sup> S.Subudhi, N. Rapin, and V.Misra. *Immune System Modulation and Viral Persistence in Bats: Understanding Viral Spillover Viruses*, 2019 Feb (available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6410205/>)

population of the region. According to the study, the exponential growth of macro farms in China – which has more than tripled in the time period between 1970 and 2010<sup>29</sup> - and the consequent deforestations caused an increase in the possibility of contacts between wildlife and livestock, facilitating the spread of the viruses<sup>30</sup>. However, the risks that emerge from intensive livestock farming are certainly not a Chinese novelty. In 2004 the World Health Organization (WHO), the World Organization for Animal Health (OIE) and the United Nations Food and Agriculture Organization (FAO), in the 'Report on the emerging zoonotic diseases,' signaled the increase in demand for animal protein and the intensification of its industrial production as the main causes of the appearance and propagation of new diseases from animal species. The report reads among the main risks: modified environment, displacement of animals, disruption of habitat by deforestation, and mining for economic interest<sup>31</sup>.

What surprises most of all is that, despite these reports from the scientific community, the intensive livestock sector is continually increasing. By making cross-countries comparisons, it emerges that the demand for meat increases as the population of a particular country gets more affluent. As a global average, per capita, meat consumption has increased from approximately 20 kilograms in 1961 up to around 43 kilograms of meat in 2014<sup>32</sup>. And as the demand increases, the economy always finds more efficient and suitable ways to offer an equivalent supply. Why should a Chinese or an Indian who has finally reached a salary that allows him to buy meat for his family deprive himself of doing so? Meat consumption is just one of the many gifts that capitalism has given to the rest of the world; however, what we have said shows that from pure pleasure, it could turn into a dangerous weapon against our very own survival.

### **1.3.5 Climate Change**

The problem analyzed above is added to the countless dramatic consequences of the market on our planet. Climate change, now widely recognized by the scientific community and the public opinion, is the phenomenon that sees as a consequence of human activities in the last two centuries - specifically the burning of fossil fuels - the general rise of temperatures and the consequent changes in the ecosystems. In addition to the visible environmental damage, climate change is having a meaningful impact on our lives. William Nordhaus, Economic Nobel prize in 2018, estimated the social and economic losses caused by the phenomenon. Accordingly, the people that will be hit the most by the catastrophic outcomes of climate change are the poorest; specifically, those living in the tropical countries are more exposed to storms and extreme

29 UN Food and Agricultural Organization (FAO) (available at [OurWorldInData.org/meat-production](https://ourworldindata.org/meat-production))

30 Zhou, P., Fan, H., Lan, T. et al. Fatal swine acute diarrhea syndrome caused by an HKU2-related coronavirus of bat origin. *Nature* 556, 255–258, 2018 (available at <https://www.nature.com/articles/s41586-018-0010-9?proof=true1>)

31 World Health Organization, Food and Agriculture Organization of the United Nations, World Organisation for Animal Health, Report of the WHO/FAO/OIE joint consultation on emerging zoonotic diseases, Geneva, Switzerland, 2004 (available at [https://apps.who.int/iris/bitstream/handle/10665/68899/WHO\\_CDS\\_CPE\\_ZFK\\_2004.9.pdf](https://apps.who.int/iris/bitstream/handle/10665/68899/WHO_CDS_CPE_ZFK_2004.9.pdf))

32 Hannah Ritchie and Max Roser (2020) - "Meat and Dairy Production." Published online at [OurWorldInData.org](https://ourworldindata.org/meat-production). (available at <https://ourworldindata.org/meat-production>)

weather conditions without having sufficient adequate housing and infrastructure. The World Bank estimated that by 2050, 140 million people would be forced to move from their countries due to climate change phenomena – the so-called climate refugees<sup>33</sup>.

Despite the evidence of the impact of climate change on the economy, in recent years, there have been figures belonging to the political and economic class who have denied the general alarmism towards the problem and, above all, have opposed policies aimed at CO<sub>2</sub> reductions. It is evident that, being our current economic system mostly based on fossil fuels, the legislative measures anti-pollution would harm production growth. However, what is crucial to underline is that climate change will have an increasingly negative impact on economic activities. According to an article published by CNN Business in January 2020, climate disasters mainly caused by climate change cost 150 billion only in 2019, causing massive losses for businesses and the economy<sup>34</sup>. If adequate and preventive policies are not taken, this cost is expected to increase in the coming years. Detaching the economic evaluation from all other fields of study has been a colossal mistake, and it has led to the development of a short-sighted approach. The success of capitalism has led to the general conviction of its invincibility without having realized what is happening in large part - and will mostly occur in the future – to our planet will not have any possibility of remedy<sup>35</sup>.

In conclusion, in the second half of the 20th century, liberal democracy posed itself against all forms of ideologies, opposing the political and economic oppression of the totalitarian regimes that had brought the entire humanity into two world wars. Capitalism must be recognized for its successes: it has taught how to create value and how to increase the wellbeing of millions and millions of people. However, in the past 30 years, liberalism has become an ideology itself. Not accepting the possibility that phenomena - such as inequality and environmental degradation - also had aspects to govern, it has favored economic progress above all, forgetting about its primary goal, making people's better off. At this particular historical moment, there is a massive distance between the general and individual thoughts; the latter finds itself alienated from unstoppable progress over which it has no power. It is precisely for this reason that it is necessary to retrace the steps back and light on the ancient origins of contemporary thought to address its errors and from there reconstruct a more egalitarian, and yet efficient economic model.

<sup>33</sup> Climate Change Could Force Over 140 Million to Migrate Within Countries by 2050: World Bank Report. (n.d.). Retrieved May 23, 2020, from <https://www.worldbank.org/en/news/press-release/2018/03/19/climate-change-could-force-over-140-million-to-migrate-within-countries-by-2050-world-bank-report>

<sup>34</sup> H.Ziady, *Fires, storms, and floods cost \$150 billion in 2019. More disasters are on the way*, CNN Business, Updated 1158 GMT (1958 HKT), January 8, 2020 (available at <https://edition.cnn.com/2020/01/08/business/munich-re-climate-change-natural-disasters/index.html>)

<sup>35</sup> William D. Nordhaus, *Is Growth Obsolete?* From *Economic Research: Retrospect and Prospect*, Volume 5, Economic Growth, NBER, 1972



## Chapter 2: Civil Economy

Can all the problems that were highlighted in the previous chapter be related to the same origin? Yes. Inequality and its consequences, climate change, and even the pandemic in progress are all attributable to the same cause: a short-sighted system that has valued profit and economic efficiency instead of individuals' protection and wellbeing. The current market system based on capitalism has raised the problem that has plagued humanity for years, i.e., the scarcity of resources. However, to distribute the wealth equitably and to create a sustainable and long-sited production system.

Today more than ever, we need to begin to rethink the economic market system we have created in the past decades. Even if recent scholars and researches have given essential contributions, none has been able to develop a credible non-capitalist market economy. We are way far from even considering a world that might be not driven by market interests – we are “as a baby in its mother’s womb that cannot think that a world beyond might exist”<sup>36</sup> – and it would certainly be ambitious and hard to propose a radical alternative to capitalism. But, given the dramatic outcomes that we are experiencing, it is nonetheless essential to try to start a reflection on the consequences of our system and, most importantly, the priorities we should seek in the coming years. An interesting starting point could come from the model of Civil Economy originally theorized by Antonio Genovesi - 18th-century philosopher and economist - and which is carried out today by many scholars globally<sup>37</sup>. Civil economy is defined as “a tradition of thought that, to save the market economy, recalls it to its ancient original vocation as an ally of the common good, representing a space for liberty, sociality and the expression of our capabilities and vocations as persons”<sup>38</sup>. The aim of today’s civil economists is precisely to 'civilize' the market economy, characterized by an individualistic-financial focus, which has lost any attachment to the ethical and moral discourse at the heart of human interpersonal relations<sup>39</sup>.

In the comparison between the Political Economy - i.e., the market economy theorized mainly by Adam Smith and widely accepted as the dominant economic science nowadays - and the Civil Economy, there are both many common and divergent elements. The main contrast between the two derives from the different purposes they attribute to the economy – its *telos*. For the former the wealth of nations<sup>40</sup> is understood to be an endlessly and prosperous accumulation of money and physical resources that will, as a consequence, benefit society as a whole. In the latter, the priority is the *felicitas publica*, i.e., the public happiness and wellbeing, and therefore the market instead of being the final aim is considered to be merely a tool to guarantee that. Civil economy

36 Bruni L, Zamagni S. Civil Economy (2016) [Internet]. Agenda Publishing; available at <https://www.perlego.com/book/573263/civil-economy>

37 among the most important ones: Stefano Zamagni, Luigino Bruni and Leonardo Becchetti

38 Bruni L, Zamagni S. Civil Economy [Internet]. Agenda Publishing; 2016. (available at <https://www.perlego.com/book/573263/civil-economy>)

39 *Ibid*

40 Adam Smith’s foundational work (1776)

presents, in fact, a different story about the market: it does not necessarily upset all the convictions and beliefs that we took as assumptions until now, but it tries to light up a different perspective on the same mechanism.

Historically, civil economy has its roots in the Catholic traditions. Its golden age was during the Renaissance Humanism, where the classical readings of the *polis* and the *civitas* were brought to life in the civilization of the medieval towns<sup>41</sup>. At the heart of civil economy, there is the principle of solidarity – understood to be the willingness to pursue general wellbeing within a group of single individuals cooperating among each other - and the sharp refusal to celebrate individualism over communitarianism. The Catholic roots of this theory allowed it to re-emerge from time to time in the Italian peninsula: firstly, during the 18<sup>th</sup> century, where Genovesi and other scholars contrasted the Anglo-Saxon counterparts, and lately in significant economic and social experiences that distinguished themselves from the rest of the developed world for an intrinsic cooperative spirit – such as the cooperatives of the last century or industrial testimonies as the one carried out by Adriano Olivetti.<sup>42</sup> However, the broad thought of civil economy finds common points among different studies and scholars who are neither Italian nor Catholic. It is, therefore, essential to broaden the spectrum and include in the discourse contributions from authors of different backgrounds – liberals, communitarians, socialists - that are usually not formally recognized as civil economists who, nevertheless, share the same values.

## **2.1 Antonio Genovesi and the tradition of the common good**

The term "civil economy" was first coined by Antonio Genovesi, who, other than the funder, has been the main point of reference for the school of thought. Despite having a theological background, Genovesi dedicated the last fifteen years of his life almost exclusively to economic, ethical, and anthropological matters. His major work 'Lezioni di Economia Civile' (Lesson of Civil Economy), was strongly influenced by the Enlightenment Naples at the height of its cultural splendor at which the author lived. Unlike the northern European contemporaries, the generation of Neapolitan and Italian and Catholic reformers of which Genovesi was part linked the study of the economy to a broader academic culture aimed at creating practical application into people's lives wellbeing. As it used to be for the Civic Humanists, in fact, for Genovesi, the market was a matter of *philia* – i.e., reciprocal affection and respect among friends or even 'siblings'. Accordingly, the economy is a social expression. Hence, it is communitarian in its intrinsic meaning and represents a friendly interaction based on reciprocity and fraternity.

Nonetheless, this does not imply that people should prioritize the society's over their own wellbeing – which would be against humans' nature – but rather that someone cannot claim to be happy and satisfied with their own life if the people around them are not happy and satisfied as well. According to the author's anthropology,

<sup>41</sup> Bruni L, Zamagni S. Civil Economy [Internet]. Agenda Publishing; 2016. Available from: <https://www.perlego.com/book/573263/civil-economy>

<sup>42</sup> *Ibid*

human beings rely on an equilibrium between two opposing forces: on the one hand, a diffusive force, i.e., the "love of the species," and on the other a concentrative one, i.e., "self-love"<sup>43</sup>. Among these two opposing energies, there is the need to cultivate a perfect balance. The excessive growth of one over the other would cause disequilibrium and causes damage both to the individuals and to society. At the same time, the two forces are indispensable for the other, and their interaction allows for the perfect functioning of the community. On this matter, Genovesi states: "the concentrative force often overpoweringly draws towards itself, resulting in a weakening of the diffusive force, which destroys the basis of the concentrative force [itself]." But also: "in doing too much good for others, it kills itself; thus, its efficacy ceases"<sup>44</sup>.

### **2.1.1 *Homo homini natura amicus***

Traditionally we find two main streams of thought that explain human interactions: some scholars support the idea that people are 'social' in their nature and cooperation streams from this inherent sociality; others see the interactions as driven exclusively by individual needs and the higher benefit that can be obtained from cooperation. Civil economy is based on the former hypothesis and relies on the main concepts of the virtue ethics of the ancient Aristotelian and Thomist tradition. Accordingly, sociality is a natural rather than an artificial human characteristic, and if it is forced, it goes against human beings' nature. Genovesi makes a step forward to acknowledge the idea of social animals and adds that human beings are not merely social, they are characterized by a "reciprocal right of being assisted, and consequently the reciprocal obligation to assist each other in [their] needs"<sup>45</sup>. It follows that economy according to him is not a tool for the obtainment of individual interest, but instead an expression of cooperative forces that aim at reaching a mutual interest that benefits all the actors involved – a win-win type of transaction<sup>46</sup>. Reciprocity is the typical element of human sociality and goes beyond the mere relationality described by the classics as it implies a deeper understanding of people's needs for mutual assistance. With Genovesi, we have a shift in the conventional economic vocabulary: words such as "happiness," "mutual advantage," and "trust" gain more importance. Public faith is the soul of commerce – i.e., a genuine interaction among people that act for the general wellbeing – and the prerogative for economic and social development. Similar to what contemporary scholars have defined social capital, public faith represents the genuine understanding of the common good – "the fabric of trust and civil virtues that make it possible for human and economic development to begin and sustain over time"<sup>47</sup>.

43 Genovesi (1766a), *Diceosina o sia della filosofia del giusto e dell'onesto* [Diceosina, or the Philosophy of the Just and the Honest], Naples: Simoniana, p.17

44 *Ibid.*, p.19

45 A.Genovesi [1769] (2005), *Lezioni di commercio o sia di economia civile* [Lessons of Commerce or Civil Economy], M.L. Perna (ed.), critical edition, Naples: Istituto Italiano per gli Studi Filosofici, ch.1, paragraphs 16-17

46 Bruni L, Zamagni S. *Civil Economy* [Internet]. Agenda Publishing; 2016. Available from: <https://www.perlego.com/book/573263/civil-economy>

47 *Ibid*

In sharp contrast, we saw in the previous chapter how the birth of capitalism and the consequent loss of reciprocity has a connection to the anthropological pessimism linked to the second interpretation of human interactions. Through Protestantism, it was spread the assumption that people are not cable of virtuous actions and, consequently, their economic and social interactions had to be limited exclusively to personal interest. According to the most recent capitalistic economic tradition, someone successful is either forced – through taxes - to redistribute their wealth or can freely decide to contribute to charitable actions in the form of philanthropy. Vice versa, civil economy considers mutual aid a fundamental human right that spontaneously pushes these successful people to create wealth that multi-dimensionally benefits society. This interpretation may seem particularly naïve and it could result bizarre to consider aid as a person's fundamental right. Indeed, Genovesi distinguished social rights (such as mutual aid) from the classical private rights (such as properties) precisely for their imperfect appliance and understanding. He writes: “Among the rights of our nature is not just that of being secure in one’s property, which is a perfect right, but also of being a person assisted by another person in one's needs, that of reciprocal aid, which is an imperfect right, seemingly because others cannot be forced to offer it to us”<sup>48</sup>. The dialectics that identifies personal rights merely with possessions and freedoms, despite being taken for granted in our contemporary societies, is the result of a type of mentality that has overshadowed the aforementioned social rights, which perhaps should be reconsidered and revalued for their importance.

### **2.1.2 The ethics of the virtue<sup>49</sup>**

The ethics of virtue is a distinctive element of civil economy. Virtue is tied to the ethics of the common good. All the doctrines that start from virtue presuppose that human beings are capable of genuine actions that contribute to the benefit of society. Giacinto Dragonetti was the civil scholar – one of Genovesi’s students - who best explained this concept in his work ‘Delle virtù de’ premi’ (A Treatise on Virtues and Rewards). The author starts with the assumption that societies are made of individuals who are naturally driven to pursue their interests but are at the same time capable of solidarity and love towards others. Individuals can either act selflessly or decide to act for the other's benefit. When someone, despite not having to do so, chooses to act in the second manner, it is a matter of virtue. Hence, we can consider being a virtuous person, anyone who acts selflessly towards the common good. Dragonetti states, "the name virtue is given to all actions that regard other's interest, or to the preference for other’s good over one's good”<sup>50</sup>. According to Gragoretti, therefore, the mere research of one's interest cannot be considered virtuous, and to pursue the public utility, someone has to sacrifice its own partially.

48 A. Genovesi (1766a), *Diceosina o sia della filosofia del giusto e dell’onesto* [Diceosina, or the Philosophy of the Just and the Honest], Naples: Simoniana.

49 Zamagni, S. (2010). *Perché ritoranre a Giacinto Dragonetti*. Università di Bologna.

50 Dragonetti, G. (1766) *Delle virtù e de’ premi* [On Virtues and Rewards]. Genoa: Gravier, ch.7

The great thesis of his work can be found in the introduction: "Men have made millions of laws to punish crimes, and they have not established even one to reward virtues"<sup>51</sup>. Hence, the 'award' that someone obtains from acting virtuously is not included in the sphere of laws and contracts: practically speaking, it is essentially a gratuitous act. Nonetheless, it is precisely within the gratitude of the gesture that human beings find the maximum realization of their actions. According to the ethics of virtue, someone who pursues their activity for personal interest – such as fame, money, or career – will not reach a condition of excellence. For example, an artist who paints for glory and not for the general research of beauty, or a sportsman who pursues success for the economic prize, will not act virtuously. It follows that there is a difference between incentive - that has been underlined in the section above - and reward. First of all, the incentive of a contract is decided among the parties involved *ex-ante*, i.e., before, the action occurs. Differently, a reward that derives from a virtuous act is perceived *ex-post*, i.e., after having done it. This implies that the type of relationship established with a reward improves the general trust among the actors involved, whereas incentives represent a form of erosion of that same trust.

For example, a son obtains an unexpected reward from his parents when, at the end of the school year, he receives good grades for which he had studied and worked hard without expecting anything back. Instead, he obtains an incentive when he negotiates a particular condition with his parents - such as "if you obtain certain grades, you will be given this" – which is most likely influenced by the distrust they have in his study skills. It follows that when an incentive is offered, there is a positive outcome in terms of motivation, but it is not spontaneous, and hence, damages the trust bond between the actors involved. This same trust described here is the one that Genovesi considers the soul of civil economy. Allowing the possibility that people act virtuously and not merely for incentives, encourage the creation of a social network based on reciprocal trust. Differently, in the dominant mentality, we have been convinced that humans are incapable of virtue, and we have become accustomed to the idea that incentives are the only normalcy for our interpersonal relations.

## **2.2 The catholic side of capitalism**

### **2.2.1 The relationship between Christianity, Reform, Counter-Reform, and Economics<sup>52</sup>**

In the previous chapter, we analyzed the correlation between capitalism and the protestant Reformation in northern Europe. However, to have a full picture, it is necessary to understand what happened during the same period in the southern and catholic European states. Amintore Fanfani, a protagonist of Italian and international politics of the second half of the 20th century and expert professor, was one of the scholars who attempted to investigate the relationship between Christianity, Reform, Counter-Reform, and economics.

<sup>51</sup> Dragonetti, G., Clerici, L., & Bruni, L. (2018). *Delle virtù e de' premi*. Milano: Vita e pensiero.

<sup>52</sup> Bruni L, Zamagni S. *Civil Economy* [Internet]. Agenda Publishing; 2016, ch.5: The “Catholic” spirit of capitalism: Amintore Fanfani, Available from:<https://www.perlego.com/book/573263/civil-economy>

Unlike Weber's theory, Fanfani, in one of his significant works, identifies the roots of capitalism in the upheavals that occurred between the end of the Middle Ages and the beginning of the Renaissance eras<sup>53</sup>. The author states that religious faith alone was not sufficient for the economic take-off of individual countries. Moreover, Fanfani intends to demonstrate that the forms assumed by capitalism in its recent historical implementation are not compatible with a correct Christian conception of economic activities.

The starting point of Fanfani's thought is the contrast between the typical mentality of the medieval era and the humanitarian spirit that developed during the Renaissance. In the historical passage, the center of discourse has changed significantly: if during the Middle Ages, religiosity was the fundamental element of people's lives, with Humanism we witness an exaltation of humanity, with a marked individualism that became an expression in all spheres of human endeavor, including the economy. According to Fanfani, the historical and cultural "deviations" related to the commercial and geographical expansion, lead to a shift in the perception of reality during the 15<sup>th</sup> and 16<sup>th</sup> centuries. If at first, the Church was able to regulate people's behavior through biblical justice and the condemnation of excessive money accumulation, a period of enrichment followed, motivated by resourcefulness and desire for personal success. Consequently, Fanfani holds that the Reformation was only one of the consequences of this shift but not certainly the reason why it started in the first place<sup>54</sup>.

Fanfani continues by saying that the Reformation, while touching on theological subjects, truly expressed a conflict between two civilizations during a transitive phase: the Germanic world and the Latin world. What Luther, and mostly Calvin, criticized was not the Catholic world per se, but the form it had assumed with the humanistic transaction; Fanfani states: "When the Germanic world came into contact with the Latin world, which had been refined by Renaissance manners, it withdrew in horror"<sup>55</sup>. The central thesis that Fanfani holds is that the protestant Reform and Renaissance were two different reactions to the very same transitional phase. Both were, in fact, the result of the transitive process that encouraged the shift from a voluntaristic form of life, which imposed a repression of human needs in favor of divine ones, to a naturalistic rediscovery of individualistic goods. However, what distinguishes the two processes is a different understanding of human nature. If, as we saw, the Protestant tradition has an anthropologically pessimistic vision of men and therefore encourages individualism in economic and religious terms, the thought behind Humanism is strongly linked to the immense capacities which are attributed to man in all the arts and the sciences.

53 'Cattolicesimo e protestantesimo nella formazione storica del capitalismo' (1934)

54 "If Catholicism has fought the capitalist spirit, then and always, why did it manifest itself in the Catholic era?" (Fanfani, 1934)

55 A. Fanfani (1968), *Storia economica, I: Antichità, Medioevo, età moderna* [Antiquity, the Middle Ages, and the Modern], Turin: UTET, pp.508

In this context, the Counter-Reformation adopted by the Catholic Church as a response to the critics moved towards it, sought to appease this process of innovation by reintroducing medieval ethics and forcing an arrear social and religious system. While the Protestant Reformation continued - although not in its social dimension - the transitional process that was already begun by Humanism, the Catholic Church put a brake on it. Regarding this, Fanfani writes: “the northern countries, which Reformation individualism was oriented towards production and the creation of wealth, and the Catholic countries, in which the Counter-Reformation blocked that subjectivist revolution and returned the world to medieval ethics – ending up however accomplishing nothing except encouraging conspicuous, positional consumption and discouraging corporate economic activity and work”<sup>56</sup>. Hence, the measures that the Catholic Church took – particularly regarding rents and consumption - obstructed the ongoing process of “humanization” of the economy that could have created a form of *civil capitalism* capable of combining individual freedom with the common benefit. Both theological Reforms can be found guilty of the same fault: Protestants, by clearly distinguishing the economic sphere from the ethical sphere, created an economic individualism that no longer sought for the collective wellbeing, and Catholics have slowed down and discouraged the "civilization" of the market and the development of an efficient - and yet moral - economic model that could have found its roots in the civic realities of Siena, Florence, and Venice.

The distinction between naturalistic and voluntaristic societies is fundamental in Fanfani’s verdict. The former relies on the idea that the whole world is shaped by naturalistic laws that lead to a spontaneous order. The latter conceives human beings as capable of virtuous as well as vicious actions and identified in the institutions the essential element for shaping and transferring the necessary "communal" good. Translated into economic terms, these two branches lead to entirely different types of economic doctrines: "either one believes that the rational most beneficial economic order is imminent, or that rational and beneficial economic system does not spontaneously actualize but can be realized without insurmountable obstacles if humanity bows to human reason"<sup>57</sup>. If an economic model shares the first mentality and thus, believes that the natural laws should be left operate freely, it is considered a form of economic naturalism. Differently, economic voluntarism provides for the creation of certain norms and rules by the institutions that are “capable of guiding humanity towards the realization of a considered rational economic order." Empirically, we can identify an example of the naturalistic approach in the pure liberal economic model, which discourages the intervention of political institutions into financial affairs, and that has inspired much of the history of North American capitalism until now. Instead, the European and Italian economic and political traditions have always had a voluntaristic approach that encourages the development of *mixed economies* that provided for a higher level of intervention from the institutional apparatuses.

<sup>56</sup> *Ibid*, p.512

<sup>57</sup> *Ibid*

<sup>58</sup> Bruni L, Zamagni S. Civil Economy [Internet]. Agenda Publishing; 2016, ch.5: The “Catholic” spirit of capitalism: Amintore Fanfani, Available from:<https://www.perlego.com/book/573263/civil-economy>

### 2.2.2 Public Happiness

The Italian economist Achille Loria at the end of the 19<sup>th</sup> century, wrote: "All our [Italian] economists deal not like Adam Smith with the richness of the nations, but instead with its public happiness"<sup>59</sup>. Capitalism's founding father, Adam Smith, is here accused of focusing on the wealth of nations rather than public happiness, as civil economy does. In opposition to this thesis, someone might argue that in the classical theory of Political Economy, there is an attention to happiness as the total wealth of a nation intrinsically benefits whole society. However, as was pointed out by Malthus in his famous Essay in 1798, "[even though] the causes that lead to increase the wealth of a State, in principle, tend to increase the happiness of the lower classes of the society; (...) Dr.Smith considered the link between these two riches stronger than it truly is"<sup>60</sup>.

Civil economy conceives a different relation between prosperity and public happiness. According to Genovesi, the relationship between public happiness and economy, instead of being a top-down approach – i.e., personal happiness streams from the general wellbeing of the State - it is a bottom-up approach. By observing into details the commercial societies of his time, he underlines the importance of mutual assistance and public faith to develop a market economy that guarantees general wellbeing and happiness. Genovesi is inspired by the Aristotelian and Thomistic classical thoughts, which identified happiness as the meaning and fulfillment of virtuous actions and social relations. On this respect, he states, "that one must thus be virtuous to be happy"<sup>61</sup>.

Precisely because Genovesi had in mind what a civil society is, he criticized the Kingdom of Naples where he lived and - even though they date back to the 18<sup>th</sup> century - his critics might still now suggest a lot about the contemporary economy. Notably, he noted within the society of the time an abundance of private trust – social bonds linked to blood ties or feudal vassalage pacts – but little public trust emerging from civil virtues<sup>62</sup>. Quite impressively, this type of attitude was observed two centuries later in the same geographical area and defined by the scholars Banfield and Putnam as amoral familism: the social action-oriented exclusively to the economic interests of the nuclear family and not of the common good<sup>63</sup>. Moreover, Putnam in his work 'Making democracy work' makes a detailed analysis of the Italian regional governments established in the '70s and, through various indicators, underlines the importance of what he defines the *social capital* of a society, i.e., the combination of "features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated associations"<sup>64</sup>. In particular, Putnam uses the

59 A. Loria (1904), *Verso la giustizia sociale*, Società Editrice Libreria, Milano, pp.85

60 T.R. Malthus (1977) [1798], *Saggio sul principio di popolazione*, Einaudi, Torino.

61 Genovesi A. (1766a), *Diceosina o sia della filosofia del giusto e dell'onesto* [Dicosina, or the Philosophy of the Just and the Honest], Naples: Simoniana

62 Bruni, L., and Zamagni, S. (2016). *Civil Economy*. [ebook] Agenda Publishing. Available at: <https://www.perlego.com/book/573263/civil-economy>

63 'amoral familism.' Oxford Reference. Retrieved May 21, 2020, from <https://www.oxfordreference.com/view/10.1093/oi/authority.20110803095409231>.

64 Putnam, R. D., Leonardi, R., & Nanetti, R. (2006). *Making democracy work: Civic traditions in modern Italy*. Princeton, NJ: Princeton Univ. Press., p.167



concept of social capital in order to explain the spontaneous cooperation which emerges in the civil community. Social capital facilitates spontaneous collaboration among citizens because it enables them to create a widespread and robust community in which everyone relies on each other and where “free riders”<sup>65</sup> are easily caught and punished. By contrast, in a society where there's no social capital, everyone seeks their interest - amoral familiarism - and no cooperation is created among the citizens. The most important conclusion that Putnam reaches is that, despite what at the time was a general assumption<sup>66</sup>, is not economic efficiency that mostly influences institutional performance and interpersonal cooperation but instead, the civic tradition of the territory itself<sup>67</sup>.

Hence, despite being two centuries apart, Putnam seems to demonstrate Genovesi's through underlining the importance of trust and, most importantly, devotion towards the common good. In tracing the roots of the inequalities observed during his studies, Putnam traced back the origin of the civiness of northern Italian regions in the precise experience of the communes of Renaissance. Accordingly, the practice of civic republicanism that developed between the 15<sup>th</sup> and 16<sup>th</sup> century in many towns of northern and central Italy allowed for a widespread and unprecedented form of self-government, where “a strong sense of belonging – quite apart from definite legal obligations – made possible the participation of all kinds of people with their savings in the production process”<sup>68</sup>. The emphasis that is put on the spontaneity of the civic engagement in the latter citation brings us back to the concept of virtue, which is characterized precisely by its gratuity. On his definition of reward, Dragonetti states, "a reward is the necessary bond linking individual interest with the general interest"<sup>69</sup>. In conclusion, in a society – such as the one described above – where everyone acts virtuously, individuals rely on each other reciprocally and the bond of trust that it is created guarantees the spontaneous development of an economy that seek - while still guaranteeing individuals' utility - public happiness.

### **2.3 Political Economy vs. Civil Economy**

Having analyzed the origins of civil economy and its main characteristics, let's now compare it theoretically with the widely accepted and adopted political economic theory. We can differentiate the two referring to the three main points underlined by Zamagni in the book ‘Economia Civile e sviluppo sostenibile’ (Civil Economy and sustainable development)<sup>70</sup>. The first point regards the refusal by the civil economy of the principle of

<sup>65</sup> a benefit obtained at another's expense or without the usual cost or effort (“Free ride” Merriam-Webster.com Dictionary, Merriam-Webster, <https://www.merriam-webster.com/dictionary/free%20ride>. Accessed May 22, 2020)

<sup>66</sup> The book was first published in 1993 when liberal economic thought achieved its maximum fame among scholars and politicians in the western world

<sup>67</sup> Putnam, R. D., Leonardi, R., & Nanetti, R. (2006). *Making democracy work: Civic traditions in modern Italy*. Princeton, NJ: Princeton Univ. Press.

<sup>68</sup> Dragonetti, G. (1766) *Delle virtù e de' premi* [On Virtues and Rewards]. Genoa: Gravier, p.128

<sup>69</sup> *Ibid*, p. 13-14

<sup>70</sup> Becchetti, L., Bruni, L., & Zamagni, S. (2019). *Economia civile e sviluppo sostenibile: Progettare e misurare un nuovo modello di benessere*. Roma: Ecura. pp.77-82

NOMA (*Nonoverlapping magisteria*). In 1829, Richard Whately stated that for the economy to become an actual science, it was necessary to separate it from ethics and politics. Accordingly, politics was said to be the study of the *aims* of a society, whereas the economy, the study of its *means*. Therefore, for the latter to function correctly, was necessary to act in an ethical vacuum. Apart from a few exceptions, all the subsequent economic thoughts and scholars have accepted the principle in question and endorsed the ‘scientificity’ of the economy. Nevertheless, with the gradual adoption of the liberal market model worldwide and the advent of globalization, the roles had switched: the economy has become the reign of the aims and politics one of the means – meaning that economic efficiency has become the priority and contemporary politics serves this objective by limiting its interventions to ‘correcting’ market failures. On the contrary, civil economy conceives the economy as a social expression and thus emphasizes the importance of ethics and norms in its managing. Therefore, instead of having a naturalistic economic model, civil economy admits the possibility of institutional moral and ethical guidance endorsing a more voluntaristic type of model.

The direct consequence of this brings to the second point underlined by Zamagni: the relationship between the right of equity and reciprocity in the market. While providing for the right of equity in front of the law and on the social sphere, liberal democracies had limited the right of reciprocity to the familiar, religious, and intimate fields of a person's life. Contrary, civil economy puts reciprocity at the heart of its economic and social discourse: the natural social side of individuals results in a trust bond among each other that, consequently, considers mutual aid as a fundamental and spontaneous right.

Finally, Zamagni distinguishes the final aim towards which the two theories strive: for the political economy is the *total* good – the sum of the individual goods – whereas for the civil economy, the *common* good – which can be metaphorically understood to be the arithmetic product of individual goods. In a sum, even though some of the addenda are equal to zero or highly diminished in favor of the others, the result does not change, and inequalities among the components are not shown. Differently, if one of the factors is equal to zero in a product, the result will be zero. The refusal of this type of Schumpeterian economy leads consequently to the refusal of GDP by civil economy as an accurate economic criterion of wellbeing and to the predilection of ‘civil’ economic index, which will be analyzed below.

Nonetheless, the Smithian tradition of political economy and the civil economy of Genovesi share a fundamental aspect: market relations are mutually beneficial to the actors involved. However, they differ in the way this factor is evaluated subjectively. Indeed, according to the more pessimistic view of human nature, any economic transaction is made possible only by individuals' interests, and the parties involved do not have at heart the other's wellbeing while evaluating their utility. Differently, Genovesi - who valued the virtuous side of people – states that people have an inherent collective intention in pursuing each other's interests when

entering into an economic agreement. Only thanks to this type of ‘team reasoning’ it is possible to obtain the general benefit of the whole<sup>71</sup>.

## **2.4 Today's need for the collective wellbeing**

### **2.4.1 Meritocracy as today's aristocracy**

The inequalities that distinguish us at birth are a natural condition: not all are born equally intelligent, financially, or physically gifted. These inequalities are amplified in contemporary societies throughout life and often result in economic, political, and social injustices. According to Pareto, who observed similarities among income inequalities in different cultures and societies, nothing can be done to change this condition. Thus, people should just accept and live with it<sup>72</sup>. However, admitting that inequalities are unchangeable, what can be changed is the results that derive from them. Proof of this is the fact that in ancient times social mobility managed to destroy feudal, aristocratic and slave-like societies, leaving space for modern democracies where women are allowed to study, all children to go to school and the elderly to stop working and live the last season of their life with dignity. In the egalitarian emancipation of classes at the margin of the society, humankind has been able to dismantle the social construct resulting from the - given, but yet manageable - inequalities of its nature. Driven by the desire to change a profoundly unjust and anti-egalitarian situation, humankind has realized that it was necessary to create fundamental rights and common goods - such as public education and health - to minimize the unequal starting conditions of people.

Nonetheless, to legitimize a type of unidirectional success that starting from the last century has benefited a very tiny slice of society, capitalism has entrusted itself to the concept of meritocracy. The natural inequality, which was considered at some point morally and socially undesirable and thus, was mitigated through politics by civil societies, slowly was justified and accepted under the guise of ‘what was rightfully earned’. What Genovesi intends to do by including mutual aid among the fundamental rights of a person is to make it clear that, it is not only desirable, but necessary for those who on a social and economic scale reside higher, to compensate for the type of talents and fortunes they received. In the book ‘Success and Luck: Good Fortune and the Myth of Meritocracy,’ the author Robert Frank points out that the economic market does not work based on merits, contrary to what is generally believed. He notes how the rhetoric of meritocracy appears to have camouflaged the extent to which success and failure often hinge decisively on events completely beyond any individual's control. Moreover, in a winner-takes-all type of market, opportunities and initial advantages often translate into much larger ones over time: being born and raised in a privileged position influences

<sup>71</sup> Bruni, L. (2018). *La pubblica felicità: Economia civile e political economy a confronto*. Milano: Vita e Pensiero, pp.179,180

<sup>72</sup> "In 1897, Pareto used data from tax returns for a heterogeneous group of nations, spanning a period of almost four centuries, to conclude that income inequality was remarkably constant over time and space": S.N.Durlauf, L.E.Blume (2016) *The New Palgrave Dictionary of Economics*.

enormously the chances of success and leads the following generations to increase the gap of their predecessors. The consequent problem that arises from this analysis is that successful people are consequently those who are in charge of making the rules and, being them biased by the idea that what they achieved derives exclusively from their 'hard work', lead to an increasing reduction in public investment that would otherwise help reduce these circumstances<sup>73</sup>.

Furthermore, a side effect that civil economy tries to underline is the unacknowledged merit that belongs to the background behind the individual work of a person - composed of people, society and State: a dearth of gratitude towards the social and civic environment. Not to mention the outcome that this mechanism has on the less fortunate people. The demerit that is attributed to someone poor and unsuccessful is solely linked to their faults – creating blame and punishment for economic and social failure. It follows inevitably that, in a context where poverty is identified as a fault and success with hard work, solidarity is negatively acknowledged, and redistribution is intended as an aid to those "who do not deserve it."

The ideology of the incentives is also strongly linked to this mentality. In the dominant culture, we have settled to the idea that an action needs to correspond to an economic reward. The merit of a worker derives exclusively from the financial remuneration with which they are associated. Capitalistic societies legitimize the use of incentives in almost all spheres of life through the concept of free will and liberty of choice: minimum wage workers cannot be considered 'enslaved' by their jobs because they are given the freedom to choose which contract, if any, to be tied to. Contracts are the bonds of our time. If, in the past, many social spheres were characterized by pacts - i.e., tides free of charge and based on reciprocal trust – now, contracts dominate almost all the fields. According to Sandel, in his book 'What Money Can't buy,' we live in a 'market society' and no longer in a 'market economy'<sup>74</sup>. With this term, it is implied that, through an incentive of money or remuneration, it is possible to buy everything. The appliance of market forces has commodified all aspects of life, and contracts have begun to be considered the only liberal and proper tool able to regulate human relationships. Nonetheless, in his book, Sandel questions this attitude and wonders if there should be moral limits to the market forces and under what conditions can a contract be understood as coercive and no longer as a freedom of choice?

Sandel stands that the problem is that most economists believe that they should not pose moral questions, or at least not in their role as economists<sup>75</sup>. According to the price allocation mechanism, a perfect equilibrium is reached between demand and the supply thanks to the economic evaluation made by consumers and producers, who take into account all costs and benefits deriving from their decisions. Economists have mostly

<sup>73</sup> Frank, R. (2016). *Success and Luck: Good Fortune and the Myth of Meritocracy*. [ebook] Princeton University Press. Available at: <https://www.perlego.com/book/739469/success-and-luck>

<sup>74</sup> Sandel, M. J. (2013). *What money can't buy: The moral limits of markets*. London: Penguin. p.7

<sup>75</sup> *Ibid*.p.47

assumed that people do not assess for moral and ethical values when they evaluate their utility and economic choices but merely for the largest amount of goods and services for the lowest price possible. An example could be the new path that the industry of fashion has taken. Starting from 2000, the debut of 'fast fashion' has completely changed the market: western consumers currently have access to a more significant number of clothes for a lower price thanks to globalization and very low-cost production in Asian countries. According to an accurate economic evaluation, this type of mechanism represents a win-win solution: consumers seek lower prices while the market remains flexible, allowing producers to ensure increasing competitive products.

However, if the consumers consider their ethical and valuable beliefs when making their purchases, the whole picture changes. According to the UN, the fashion industry has become the second most polluting industry in the world by having doubled its production between 2000 and 2014<sup>76</sup>. Furthermore, the majority of the workers are exploited for meager salaries and are victims of horrible working conditions<sup>77</sup>. All this, and much more, is a result of the so-called 'race to the bottom', i.e., that race towards the lowest price between large companies that act in the global scenario with the aim of maximizing profit, helplessly opposed by institutions with powers limited to national borders. If a consumer decides to acknowledge what's behind a 5 euros t-shirt, they might change their mind about the utility that streams from its purchase. Having a production system based on environmental and social exploitation will not ensure either the public or the individual wellbeing.

Consequently, the decision to either purchase or not a non-ethical product relies on the conception that each consumer has on their utility – should environmental damages and workers exploitation be part of individuals' utility evaluation? Human beings, as ethically responsible, have a responsibility to rethink their role as producers and consumers. Ethically responsible choices can determine the victory of that type of economy and consumption that, instead of deteriorating the collective wellbeing, joints economic value, the dignity of labor, environmental protection, and sustainable development. This type of concept has been summarized by the contemporary civil economist Prof. Becchetti with the expression 'vote with the wallet', i.e., expressing our preferences in terms of ethical and moral values when it comes to produce or consume a particular good and service<sup>78</sup> (this concept will be analyzed more into details in the third chapter).

#### **2.4.2 Common goods**

To pursue the discussion about civil economy, it is necessary to distinguish the types of goods that the economy deals with. The classical political economic theory has dealt mainly with private goods and has classified them for being rival and excludable. The rivalry is a physical characteristic, meaning that if I consume the good

<sup>76</sup> Villemain, C. (2019, March 25). UN launches drive to highlight environmental cost of staying fashionable || UN News. Retrieved May 20, 2020, from <https://news.un.org/en/story/2019/03/1035161>

<sup>77</sup> Bangladesh 'slave labor' condemned by Pope. (2013, May 01). Retrieved May 20, 2020, from <https://www.bbc.com/news/world-asia-22370487>

<sup>78</sup> Becchetti, L. (2020). *Bergolionomics: La rivoluzione sobria di papa Francesco*. Roma: Minimum fax., p.58

taken into account, someone else won't; whereas exclusivity is guaranteed once I buy that good, and consequently, I gain the right to do whatever I want with it. Contrariwise, public goods are not rival and not excludable, meaning that the consumption of a good won't prevent someone else from consuming it too and that I cannot legally preclude the usage of that good to anyone else within the society. These latter include knowledge, information, public health, security, street lighting, etc. In a world of *homines economici* – reductionists and solely self-interested – people are not interested in contributing to public goods as they do not guarantee the exclusivity privilege and the possibility of obtaining a material return. However, it has been countless times been demonstrated that human beings do not act rationally, and they often produce public goods without receiving monetary incentives back. A perfect example of a public good is the web, which since its invention, has allowed people to have a vast network where to share and confront issues, information, events, etc. Internet – think about Wikipedia – is a massive concentration of free small investments that produce public goods available to everyone, and yet, the majority of people do not receive anything back<sup>79</sup>.

Likewise, we could argue that scientific discoveries can be considered to be public goods given the fact that the whole world's society can benefit without really excluding the usage to anyone. Nonetheless, since the market dynamics have entered the health industry, a harsh competition between pharmaceutical companies has led to the establishment of patent coverages, which guarantees a temporary monopoly to those who have invented the medication. Currently, we are experiencing the same issue with the vaccine for Covid-19. The biggest pharmaceutical companies, biotech innovators, and academic laboratories are competing in a wild ride for the creation of a cure. In this context, while scientists and doctors talk about finding a “global vaccine,” national leaders emphasize immunizing their populations first, basing their reasoning on a capitalistic-like mindset. The scientific community has worn that “thinking in country-by-country rather than global terms would be foolhardy since it would involve squandering the early doses of vaccine on a large number of individuals at low risk – i.e., the richest slice of the population, - rather than converging as many high-risk individuals globally to stop the spread”<sup>80</sup>. Despite so, the intensity of the global research effort is such that governments and companies are building production lines before they have anything to produce. This type of situation brings us back to Sandel's definition of our ‘market society’ which provides that the capitalistic laws and dynamics have entered sphere where they should not normally belong.

Finally, the economy defines a third type of goods: common goods. The discourse around common goods is one against which to test the robustness of the civil economy's conceptual framework<sup>81</sup>. Goods such as air, water, climate, soil fertility, and biodiversity are rival but not excludable since their fruition and exploitation

79 Becchetti, L., Bruni, L., & Zamagni, S. (2019). *Economia civile e sviluppo sostenibile: Progettare e misurare un nuovo modello di benessere*. Roma: Eura. pp.21,22

80 Sanger, D., & David. (2020, May 02). *Profits and Pride at Stake, the Race for a Vaccine Intensifies*. Retrieved May 26, 2020, from <https://www.nytimes.com/2020/05/02/us/politics/vaccines-coronavirus-research.html>

81 Bruni, L., and Zamagni, S. (2016). *Civil Economy*. [ebook] Agenda Publishing. Available at: <https://www.perlego.com/book/573263/civil-economy>

reduces the possibility of future usage. Since these environmental goods are currently at risk of depletion, in recent times, it has been acknowledged that there is a problem of determining the limit beyond which the consumption of common goods starts being a “tragedy” – as was defined in the famous work of Hardin<sup>82</sup>.

The classical Smithian tradition provides that by pursuing individual interests, the correct management of common goods streams as a consequence of the ‘invisible hand’ that regulates economic interactions. This type of ethical legitimization of self-interest proved to be applicable only in societies that are so simple that the good of the individual is directly the good of all: predominately essential needs. However, when societies evolve and become more extended and complicated, the common good does not coincide with the private interest anymore and it becomes increasingly hard to manage everyone’s correct conduct. This is becoming more evident as the effects of climate change affect the whole world regardless of who pollutes the most.

Adopting the civil economy's point of view regarding common goods means to "understand that the nature of a common good is such that the advantage or benefit that each person draws from its use cannot be separated from the advantage that others draw from it"<sup>83</sup>. This implies that the benefit of common goods is shared among society and not possibly excluded to someone. If private goods can be regulated by the principle of exchange between peers, and public goods by redistribution enforced by public authority, common goods need to recourse to the principle of reciprocity. Nonetheless, in a world that has definitely forgotten what reciprocity and virtue are, the Hobbesian solution to public goods is the only possible one to be entrusted: a system of rules sanctions who breaks them. This solution proves to work in the small and national context but has proved to be absolutely pointless in today's scenario: rules apply to national territory, and the problems that currently occur certainly are not limited to boundaries.

Instead, the solution suggested by civil economy streams from individual ethics and the internalization of ethical norms, which would transform the common good into a private one. If individuals understand that by seeking the common good, they contribute to their own utility as they do for their private ones, there would be no need for sanctions. The Nobel prize Elinor Ostrom demonstrated that some communities are able to avoid the risk of deterioration of common goods thanks to hard social norms. The point that was proved was that, in society with very solid and shared civil values, there is not the need for punishment as the offenders are discouraged by the harsh judgment they receive from the community<sup>84</sup>. What we gain from the perspective of the civil economy is that, by understanding that by changing an individual's values and priorities - not necessary by upsetting the whole current economic system - we could guarantee a sustainable and profitable development for all.

<sup>82</sup> *Ibid*

<sup>83</sup> *Ibid*

<sup>84</sup> Ostrom, E. (2015). *Governing the commons: The evolution of institutions for collective action*. Cambridge: Cambridge University Press.

### 2.4.3 The environment as a common good<sup>85</sup>

The famous Kaya identity is a tool identified by Yoichi Kaya in 1900, which relates the total emission level of CO<sub>2</sub> to the product of three different factors:

$$\text{Pollution variation} = \text{population variation} * \text{per capita income variation} * \text{energetic consumption variation/GDP}$$

Even though it might result being simplistic, this identity is helpful in understanding the main elements that influence the emissions and how to tackle them. If our goal is to reduce the emissions' level - which is on the left side of the equation - we can analyze the three elements on the right side to evaluate how those can be possibly be reduced. Correspondingly, there are three different solutions to the problem. The first is the so-called 'Malthusian' solution aiming to reduce the world's population. These types of policies would be the costliest among the three in terms of liberties and ethical values and most likely inapplicable by today's liberal democracies. China's 'one-child policy' proved to be a brutal example of an attempt to limit births, which, sadly, resulted in the killing of a lot of newly born baby girls in the rural areas of the country.

The second solution would be to promote a sober life among people to reduce the consumption pro capita. This is probably the heart of the debate between ecologists and economists today: the formers, careless of economic matters, support that we have to consume less, whereas the latter, who do not include the environment in the economic discourse, believe that we have to consume more to generate that type of cycle of wealth that can fight poverty - as the experience of many emerging economies proves. To combine these two elements - which, contrary to what is mainly supported by the economic world, it is possible - it is necessary to refer to the third solution: the increase of energetic efficiency and, thus, the reduction of CO<sub>2</sub> produced for a unit of GDP. To do so, according to the environmental economist Tim Jackson, we have to detach the production of economic value from the destruction of natural resources and the production of polluting substances - i.e., to 'dematerialize' or 'angelized' the GDP<sup>86</sup>.

Dematerialize the GDP means to reduce its carbon footprint progressively. This type of process is a prerogative of the future: keep creating economic value while still reducing pollution. To do so, it is necessary to increase the acknowledgment of the problem among people. As mentioned, being a common good with no boundaries, the environment requires coordination of the entire humanity. Just as it has been for other historical and human transitions, the potential of a new industrial revolution can be glimpsed in sustainable progress if national institutions and public opinion around the world sensitize on the matter. Nonetheless, until economists do not address the problem of climate change - which is a direct consequence of the world's economic choices - this

<sup>85</sup> Becchetti, L. (2020). *Bergolionomics: La rivoluzione sobria di papa Francesco*. Roma: Minimum fax., pp. 48-54

<sup>86</sup> Jackson, T. (2017). *Prosperity without growth: Foundations for the economy of tomorrow*. London: Routledge.



awareness will hardly be reached. According to a study conducted by professors Andrew Oswald and Nicholas Stern, since 2000, the 50 leading economic journals have published only 11 out of 47,000 articles on species decline and biodiversity. The two authors stress the vital importance of the economy's discipline to start reconsidering the dialogue with other disciplines, abandoning the above-cited NOMA principle, to address environmental issues<sup>87</sup>.

In the name of the catholic tradition of civil economy, one of the first stimuli for this type of development came from Pope Francis with the encyclical 'Laudato Si' published in 2015. The Pope, true to his namesake, takes on St. Francis of Assisi's 'Canticle of the Sun', to highlight the profound natural and spiritual connection that man has with the environment. He suggests cooperation at four hands, which adds to the two classical actors, i.e., the market and the institutions, the contribution of responsible enterprises, and active citizenship. In doing so, he indirectly stresses the 'common' side of the environment, which cannot be managed except by collective action. Despite the recent secularization of the western world, the contribution that the Pope launched might represent a vital message not only to the catholic world but more generally to the civil society.

#### **2.4.4 Civil indexes: beyond GDP**

As proved in the previous chapter, GDP has been demonstrated to be insufficient in measuring people's wellbeing and life satisfaction. On this regard, it is particularly relevant and memorable the speech that was held by the then President of the United States Robert Kennedy to the students of the University of Kansas, a few months before being assassinated. He started by listing several factors that contribute positively to the GDP but negatively to the people's happiness – such as air pollution, negative advertising, sales of weapons or remedies to human carnages - and continued by mentioning a few elements that in turn are fundamental for our wellbeing but are not included in the GDP's calculation – health, education, the integrity of public officials, etc. He concludes with the famous phrase that sentences: "[GDP] measures everything in short, except that which makes life worthwhile"<sup>88</sup>.

Despite the widespread acknowledgment of the limits of GDP as an index in recent years, it is still the dominant reference when it comes to comparisons among countries' status and wellbeing. To develop more 'civil' indexes, we can start by avoiding the reductionist of numerical indexes and focuses more on subjective manners. The simplest and maybe naïve way to go around the problem could be to measure people's wellbeing by merely asking them if they are satisfied with their life. Nonetheless, the issue that emerged from the empirical studies that have applied this type of method is the occurrence of the same type of responses all over

<sup>87</sup> A.J. Oswald, N. Stern (2019) Why does the economics of climate change matter so much, and why has the engagement of economists been so weak? Royal Economic Society Newsletter

<sup>88</sup>Robert Kennedy, Remarks at the University of Kansas, March 18, 1968 (available at <https://www.jfklibrary.org/learn/about-jfk/the-kennedy-family/robert-f-kennedy/robert-f-kennedy-speeches/remarks-at-the-university-of-kansas-march-18-1968> )

the world despite culture, wealth and health of the people interviewed. For example, if people had been asked to value their satisfaction on a scale from 0 to 10, the majority of the responses were in between 6 and 9 in all the countries. Among the causes, there could be the famous phenomenon of the 'happy slave' theorized by Amartya Sen: poor people who are devoid of any chances of social and economic progress, reach the status where they consider themselves satisfied of their life despite their poor living conditions<sup>89</sup>. Despite the non-reliability of the indexes based on life satisfaction, the enormous studies that have been conducted in the past decades have proved some common elements which explained the main differences among countries in a worldwide scale; these include health, income, liberty of action, absence of corruption, education and social relations. We can say that, although it is not able to permanently replace an indicator such as GDP (characterized by evident objectivity and concreteness), this type of analysis can shed light on some issues which otherwise would be ignored. A famous metaphor associates them with a car's dashboard lights which signalize a problem that, only once acknowledged can be tackled.

Back in 2007, with the 'Declaration of Istanbul', the European Commission, the United Nations, the World Bank, and other intergovernmental institutions, recognized the need to go “beyond conventional economic measures such as GDP per capita”<sup>90</sup>. However, it was not until 2015, with the adoption of the 2030 agenda for Sustainable Development, that the United Nations launched a strong message to the global community regarding what we, as a global society, should achieve to advance a sustainable welfare for all<sup>91</sup>.

It is particularly interesting to compare the latter with the to the previous Millennium Development Goals (MDGs) that were adopted by the United Nations in 2000 and that had as a finish line the year 2015. In these 15 years, the conception of the institutions and the public opinion regarding poverty and economic development had completely changed, and the new set goals marked a substantial improvement. The SDGs leave the reductionist logic of a top-down approach and moves forward a logic of civil economy, where the solutions are developed at the bottom, involving the single individuals and their efforts. If the former MDGs were victims of the economic mentality of the time, i.e., that by increasing the national wealth, namely the GDP, you increase the general wellbeing, the SDGs carry the experience of the previous 15 years that have proved, not only that economic growth alone it is not sufficient, but also that a ‘partnership’ (17<sup>th</sup> goal) that involves the whole society is fundamental to reach the desired success of a civil society.

<sup>89</sup> Becchetti, L., Bruni, L., & Zamagni, S. (2019). *Economia civile e sviluppo sostenibile: Progettare e misurare un nuovo modello di benessere*. Roma: Ecra. pp.30

<sup>90</sup>ISTANBUL DECLARATION, available at [https://ec.europa.eu/environment/beyond\\_gdp/download/oecd\\_istanbul\\_declaration.pdf](https://ec.europa.eu/environment/beyond_gdp/download/oecd_istanbul_declaration.pdf)

<sup>91</sup> Becchetti, L., Bruni, L., & Zamagni, S. (2019). *Economia civile e sviluppo sostenibile: Progettare e misurare un nuovo modello di benessere*. Roma: Ecra. pp.31



On its own, Italy also represented a virtuous example when in 2016 was among the first countries to develop a series of indexes that valued the general wellbeing of its inhabitants on an annual rate. The BES ‘Benessere Equo e Sostenibile’ (Fair and Sustainable Wellness) is formed of 12 dimensions of wellbeing which were picked by a group of social representatives, and that comprehend all the components that influence the life of a person (from economic, health and education wellbeing to the quality of the territory the personal and psychological wealth). In total 130 indexes offer a detailed picture of the wellbeing of the country: these include objective indexes - such as income, numbers of theft, etc. - but also subjective ones - such as the feeling people have about their economic prospects, or if they feel secure walking on the street at night. Furthermore, the BES has established that each budget maneuver that the government proposes to the parliament has to clarify the social impacts that it will have on certain factors, including disposable income, labor involvement, inequality index, and CO2 emissions<sup>92</sup>.

Summing up what it has been said in this second part of the chapter, we can say that everyone's life is determined by three main phases: starting conditions, investments, and results. As mentioned, the starting conditions of a person cannot be determined and are simply given, i.e., natural inequalities. People can be born in a wealthy and educated household or instead in a poor and struggling one, and there is nothing that can be done about it. Nonetheless, if these inequalities are unrightfully exasperated by unequal opportunities – different educations, healthcare, and job opportunities - generate a vicious circle that deterministically condemns us to our starting conditions. On the contrary, equal opportunities allow people to obtain a result

<sup>92</sup> Becchetti, L., Bruni, L., & Zamagni, S. (2019). *Economia civile e sviluppo sostenibile: Progettare e misurare un nuovo modello di benessere*. Roma: Ecura. pp.33-4

with their life, meaning the third phase, which is not influenced by the first. This is possible only if the same amount of investments, the second phase, are available to all. A fair and inclusive society relies on the reciprocity principle, which is inherently part of humans' social relations - *homo homini natura amicus*.

Unfortunately, in the dominant mentality, we have forgotten what reciprocity means and among the causes of this - in addition to the establishment of a type of economic model that does not foresee it - there is also the definitive loss of religious doctrines. This does not necessarily imply that secularization is a negative thing in contemporary history. From a spiritual point of view, human beings have learned how to be sufficient for themselves without relying on a supernatural presence. Nonetheless, this process has left behind a void that needs to be filled. The ethics and values transmitted by the sacred scriptures - whichever they are Christian, Muslim, or Buddhist - have represented the guidance to which humankind has referred for centuries. Currently, reciprocity has been increasingly limited and humiliated to the intimate sphere of individuals, forced by a Hobbesian-type of mentality that has promoted a harsh competition in all the public fields leading to a sense of dissatisfaction and rancor. Therefore, if the contemporary men have lost their religious and ethical affiliation, it is necessary to return to an exaltation of their social and reciprocal nature. Accordingly, the adoption of a voluntaristic economic model where institutions dictate specific moral and ethical rules would allow to re-educate citizens of their civic and community sense, promoting a type of consumerism and production that is the engine of sustainable and general wellbeing.

### Chapter 3: Civilly Responsible Citizens

Today we know that Genovesi and his Civil Economy have not entered the mainstream of contemporary economic thought. However, the social issues that have intrinsically developed with the economic growth - climate change, inequalities, and exploitation of natural resources – encourage us to reconsider the meaning and value we attribute to the market. Indeed, we are advancing in a future where economic forces will be asked not only to produce wealth as it has done so far but also to ensure its sustainable growth. Both public opinion and institutions realize that it is necessary, now more than ever, to boost an economic development, which can combine in harmony the material dimension, the socio-political dimension, and the spiritual dimension of society. The uncivilized market that characterized the last decades has led to a unidirectional advancement of the first of these dimensions to the high cost of the others<sup>93</sup>. In the passage between the 20<sup>th</sup> and 21<sup>st</sup> century there was a general enthusiasm that involved the world in a powerful production chain: thanks to the advent of globalization, have experienced an economic and social revival that met millions of people. Just think that, according to a study produced by Angus Maddison, 23% of the physical goods in the history of mankind since the birth of Christ have been produced since 2000.<sup>94</sup> Nonetheless, during these couple of decades, we reached consciousness regarding the high costs that this incredible and unprecedented creation of wealth implied. Our economic system relies on some given assumptions – such as the one already denied that a general rise in GDP leads always to an increase in the general living standards – that are now obsolete. Since the rationality of *homo economicus* has been denied in numerous circumstances, the traditional economic system shall now be valued as obsolete and in need of a revaluation.

Where should this revaluation start from? According to the analysis carried out in the previous chapters (with the civil economy model in mind) we can start by admitting the urgent need to reconcile the financial world with the ethical one. In 1942, Lord Beveridge passed at the British Parliament the famous “Beveridge Report” which historically sign the birth of the welfare state. Among Beveridge’s phrases, the one that has become famous is: the state must take responsibility for citizens "from the cradle to the grave"<sup>95</sup>. The welfare state, while being a successful driver of redistribution and wellbeing in most of Europe, has inherently assumed something meaningful, i.e., that is the state - not the market - that should care for citizens’ wellbeing. The net division between profitable and non-profitable institutions that has been since then taken for granted had indirectly legitimized during the decades the absolute absence of redistributive principles in the economic and corporative world. Public authorities and philanthropic organizations (particularly in the United States) have been understood to be the only ones responsible for social issues, while corporations have been generally

<sup>93</sup> Becchetti, L., Bruni, L., & Zamagni, S. (2019). *Economia civile e sviluppo sostenibile: Progettare e misurare un nuovo modello di benessere*. Roma: Ecra. p.87

<sup>94</sup> Angus Maddison (2007) *The World Economy. Volume 1: A Millennial Perspective, Volume 2: Historical Statistics*, Academic Foundation

<sup>95</sup> Bruni, L. and Zamagni, S. (2016). *Civil Economy*. [ebook] Agenda Publishing. Available at: <https://www.perlego.com/book/573263/civil-economy>

understood to be not in charge of people's wellbeing. It follows that, as long as the market is considered only as a perfect mechanism for the allocation of goods and services, there is no way to overcome the problems at stake, being the primary cause of them. Differently, if we accept that the market ultimately serves the society by functioning not necessarily in the most efficient way, but in the most sustainable one, then the power of the production system can be positively converted for society's benefits.

Civil economy tries to go beyond the obsolete welfare model and provides for a type of circular subsidiarity. This term was formulated by St. Bonaventure of Bagnoregio at the end of 1200 and still retains a strong Catholic connotation that is preserved in Italian and European culture<sup>96</sup>. The principle of subsidiarity is based on the concept that in order to achieve an objective - whether legislative, economic or administrative - a collaboration that includes both territorial and social forces is necessary. According to civil economy, the organized society is made up of three main spheres: the first is the public one that includes political and administrative institutions, the second is the corporate one consists of the business world, and the third is the sphere of civil society composed of the subjects of the third sector and organized local community. The term circular subsidiarity means that these equally important spheres should have a systematic interaction with decisional parity. On the contrary, what often happens in contemporary societies is a type of hierarchical subsidiarity that sees in the first place the economic sphere of corporations, in the second the administrative sphere and finally - often relegated exclusively to charitable works - the civil sector.<sup>97</sup>

Today, we are perfectly aware of what would be necessary to solve the problems plaguing us thanks to the academic researches and contribution. However, it is impossible to solve them due to the lack of resources streaming from the public sphere and the civil sphere, i.e., tax revenues, charity donations, national contributions, etc. Currently, in the world, the vast majority of resources are created and reinvested at the corporate level – which has a unique ability to regenerate continuous wealth and value. With the correct ethical redirection, it could be possible to glimpse into the ethical choices of business people and consumers the origin of a profitable and sustainable market. If we intend to make lasting and significant signs of progress in the big challenges that we are facing today, we need businesses to drive the solution<sup>98</sup>.

### **3.1 From the side of the business**

Businesses are the driving force of innovation and the creators of wealth worldwide. Nonetheless, they are also the leading causes of pollution, economic inequalities, and environmental exploitation. This tradeoff between social issues and economic efficiency has been legitimized by the liberal economic theory's conventional wisdom. What has been implied in fact is that a business has a commercial advantage in causing

<sup>96</sup> proof of this is the fact that the principle of subsidiarity is included in the constitutional texts of both the Italian Republic (Article 118 of the Constitution) and the European Union (Article 5 Treaty of the European Union)

<sup>97</sup> Srl, I. (n.d.). *Il diritto di fare il Bene*. Retrieved June 17, 2020, from [https://www.caritas-forli.it/it/il\\_diritto\\_di\\_fare\\_il\\_bene](https://www.caritas-forli.it/it/il_diritto_di_fare_il_bene)

<sup>98</sup> *Ibid*

social problems – such as exploiting workers or polluting. Indeed, since the institution of capitalism, many companies have fallen for this convention, and this has reasonably led to the widely diffused criticisms attached to the business world. Given the strict rules imposed by a highly competitive market, companies had focused merely on profit and short-term quarterly earnings.

Nonetheless, this central assumption has proved to be wrong in the long-term perspective, where there is no tradeoff between economic efficiency and social performance. In their 2012 work 'Why Nations Fail,' Daron Acemoglu and James A. Robinson opportunely distinguished between extractive and inclusive economic institutions. The formers precisely 'extract' value from either mistreating the employees or exploit natural resources. In contrast, the latter tend to include all resources in the productive process, guaranteeing respect for the fundamental human rights and reducing social inequalities<sup>99</sup>. According to theory hold, history persuasively points out that the collapse of a nation begins precisely when extractive institutions predominate over inclusive institutions. Therefore, thinking that businesses profit from social problems is a very simplistic and short-sighted view of seeing the corporate world, which could potentially lead to disastrous consequences in the long-term.

### **3.1.1 CSR: Corporate Social Responsibility**

Corporate social responsibility can be defined in a broader sense as the evaluation of ethical matters in the management of a business. Although it is impossible to identify the precise date of birth of the idea, among the first and most important contributions, there is Howard R. Bowen's book 'Social responsibilities of the businessman,' published in 1953. The latter wrote that the social responsibility "refers to a businessman's obligations to pursue those policies, make those decisions, or follow those lines of action that are desirable in terms of objectives and values in our society"<sup>100</sup>. Another additional element was given by Keith Davis' definition, which identified the corporate social responsibility of a businessman the need to go beyond, even partially, the direct economic or technical interests of a company<sup>101</sup>. Thus, traditionally the economic world has conceived corporate social responsibility as the attention that business people need to have towards the social consequences of their corporations.

According to the two civil economists Zamagni and Bruni, we can identify three different corporative approaches to social responsibility today. The first concerns all the companies that adopt CSR practices only because they feel constrained by civil or political pressures. These companies conceive their social responsibility as an additional cost, and if they could avoid it, they will most likely do so – for example, by moving to a country with lower corporate taxes. The second type of approach sees CSR as a marketing and

<sup>99</sup> Acemoglu, D., & Robinson, J. A. (2013). Why nations fail: The origins of power, prosperity and poverty. London: Profile Books.

<sup>100</sup> Bowen H.R. (1953), Social responsibilities of the businessman, New York: Harper & Row, p.6

<sup>101</sup> Davis K. (1960), Can business afford to ignore social responsibilities?, California Management Review, 2, 70-76

communicational tool. These latter companies want to appear to their customers as worthwhile, so they freely choose to associate social and ethical messages to their products. Finally, companies managed by businessmen who have internalized moral values and the importance of the common good, consider their company's social responsibility as an intrinsic motivation to do business. This latter approach is the one discussed and promoted by civil economy. It includes good examples of entrepreneurs who, other than their profit, seek the society's wellbeing and value<sup>102</sup>.

### **3.1.2 Creating Shared Value**

CSR has been a victim of two fundamental criticisms despite the significant contribution it gave in spreading awareness of the corporation's social role. The first was moved by Milton Friedman in 1970 and highlighted the neo-liberal mentality of the time. In his article for the New York Times, he argues that CRS is “basically a subversive doctrine.” In a free society “there is one and only one responsibility for the business - to use the resources and undertake designated activities to increase profits, in the dimension in which it remains within the rules of the game, which means, to undertake an open and free competition, without deception or fraud”<sup>103</sup>. This type of criticism, while not being helpful to the aim of the research conducted, highlights the problem of the capitalistic model, which limits the role of corporations to their profit. The idea that a company is entitled to do anything - except what is prohibited by law - in order to achieve its most successful outcome is precisely what has corroded the social role of western corporations in recent decades.

The second and more important criticism starts from the assumption that corporations have a propulsive power that far exceeds that of any government or non-governmental organization, which could be positively used for the remedy of the main issues afflicting society. Nonetheless, corporate social responsibility does typically not take part in this powerful mechanism but instead relies ‘outside’ of it. Indeed, the CSR approaches, as they have been historically conceived, are often so disconnected from the core strategy of a company to the point of obscuring other greater possibilities that could reside within the same business and corporate strategy. This concept has been exposed and studied by Michael Porter and Mark Kramer in their work “Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility”<sup>104</sup>.

The authors propose an alternative starting from the assumption that regular CSR strategies do not scale, i.e., they do not progressively increase with the increase of the market. Therefore, they lay the foundations of their model by identifying the intersection points between corporate strategies and society's needs. Intersection points are not found only in those areas in which the development of a business can bring benefits to some

<sup>102</sup>Bruni, L. and Zamagni, S. (2016). Civil Economy. [ebook] Agenda Publishing. Available at: <https://www.perlego.com/book/573263/civil-economy>

<sup>103</sup> Friedman M. (1970), The Social responsibility of business is to increase its profits, The New York Times Magazine

<sup>104</sup> Porter M. e Kramer M. (2006), Strategy and Society: The Link Between Competitive Advantage and Corporate Responsibility, Harvard Business Review



environmental or social problems (defined by the authors inside-out linkages), but also in those situations in which the proper functioning of a particular social dynamic positively affects the performance of the company (outside-in linkages). Identifying the intersections between business and society represents only a mean for the ultimate goal, i.e., to be able to concretize and adopt a 'strategic approach' to social responsibility. Acting strategically means choosing a unique positioning within the market that allows, not only to solve social issues but also to diversify from competitors and better meet specific customers' needs.

The model theorized is defined by the authors: creating shared value. Porter defined this type of approach towards business as 'a higher kind of capitalism' which 'meets the important needs' of society<sup>105</sup>. What this practically means is to use the driving force that notably characterized the business world to create value and innovation that can be effectively used for the collective wellbeing. Indeed, the term shared value does not refer to philanthropic or charitable practices streaming from an already created value that is ultimately partially redistributed – as CSR provides. Instead, it emphasizes the total volume of the value generated jointly by the company and the community, for the benefit of both. Thus, by creating shared value, there is also the acknowledgment of the civic background that surrounds an economic activity and the refusal of the meritocratic and individualistic perspective that usually capitalistic mechanisms.

This type of reasoning is particularly fascinating because it drives attention to the economic concept of value. Traditionally, value is defined in terms of benefits concerning costs. Among the costs, companies have hardly included social problems. Nevertheless, if social problems start being conceived as costs of production, then the whole picture change. It is in the company's long-term interest, in fact, to boost the economic and social development of the environment around in order to guarantee its secure positioning in the future. CSR is not included within the business strategy and relies externally on the production system. Differently, shared value is the intrinsic social value included in the profit. It results from a deep understanding of the customer segment, the value proposition, and the positioning of the company within the market. Hence, putting in relation the company's value with the social one allows for a reconsideration of the company's whole business plan and opens many opportunities to meet new needs, acquire efficiency, create differentiation, and expand the company's share.

Likewise, Zamagni and Bruni agree with the concept expressed above and express the need to go beyond CSR. They define a civilly responsible company as one that understands that "it is no longer sufficient - as happens with the notion of social responsibility - for a company to aim to achieve its objectives while taking into account the needs and identities of all classes of stakeholders." Instead, they define a civilly responsible

<sup>105</sup> Porter, M. (n.d.). Transcript of "Perché il business può essere utile nel risolvere i problemi sociali." Retrieved June 02, 2020, from [https://www.ted.com/talks/michael\\_porter\\_the\\_case\\_for\\_letting\\_business\\_solve\\_social\\_problems/transcript?language=it](https://www.ted.com/talks/michael_porter_the_case_for_letting_business_solve_social_problems/transcript?language=it)

entrepreneur someone who, having internalized the concept of the common good, makes the progress of their economic activity coincide with that of the society that surrounds them. Therefore, the action of good entrepreneurs must be virtuous - as defined in the second chapter – in the sense that they must not be merely motivated by the individual profit that derives from it, but by a desire to contribute positively to the common good. With its inclusive actions, the entrepreneurial activity can guarantee the kind of propulsive force that governmental and non-governmental organizations have not been able to collect for addressing social issues. Moreover, at the same time, as provided by the creation of shared value, guarantee itself a strong and diversified position in the market<sup>106</sup>.

### **3.2 From the side of the consumer**

In the encyclical 'Laudato Si' already mentioned, Pope Francis states: “A change in lifestyle could bring healthy pressure to bear on those who wield political, economic and social power. This is what consumer movements accomplish by boycotting certain products. They prove successful in changing the way businesses operate. (...) When social pressure affects their earnings, businesses clearly have to find ways to produce differently. This shows us the great need for a sense of social responsibility on the part of consumers. Purchasing is always a moral – and not simply economic – act”<sup>107</sup>. In this passage, the pope seems to underline the potential an ethical consumption might have in changing the productive world. Accordingly, consumers have the responsibility to either promote or discourage an unethical type of production through their purchases. Differently, consumers often perceive the corporative world is an entity acting out of their control. However, today more than ever, we see public outrage in front of the mechanisms - mainly related to globalization - that have been generated in the face of increasing consumption in both the developed and developing world.

In order to promote correct consumption among people, four main problems need to be overcome: awareness, information, coordination, and price differences. A correct communicative strategy can solve the problem of awareness through civilians or corporations themselves. An example could derive from cash mobs. They are public mobilizations of civilians who assemble thanks to social media to make an ethical purchase in local or damaged shops. These mobilizations originated in 2011 in the United States have proven to be excellent tools made by consumers for the consumers in the spread of awareness of correct consumerism among a community<sup>108</sup>.

<sup>106</sup> Bruni, L. and Zamagni, S. (2016). *Civil Economy*. [ebook] Agenda Publishing. Available at: <https://www.perlego.com/book/573263/civil-economy>

<sup>107</sup> 'Laudato si' (24 May 2015): Francis. (2015, June 18). Retrieved June 03, 2020, from [http://www.vatican.va/content/francesco/en/encyclicals/documents/papafrancesco\\_20150524\\_enciclica-laudato-si.html](http://www.vatican.va/content/francesco/en/encyclicals/documents/papafrancesco_20150524_enciclica-laudato-si.html)

<sup>108</sup> Maltby, E. (2011, December 27). 'Cash Mobs' Help Ignite Buy-Local Effort. Retrieved June 06, 2020, from <https://www.wsj.com/articles/SB10001424052970204464404577114792428726720>

Regarding the information of products, some indexes can be used in order to know which purchases are ethically responsible. Since no unique and widely accepted standard can be followed, indexes rely most of the time on a nationwide survey to find out exactly what consumers evaluate the most in the justness of a product or service. Having this information streaming directly from consumers allows to evaluate what is truly desired from the public. Perhaps from the research, it might emerge that the most important thing is that a company creates living-wage jobs, or make healthy products, or help - not harm - the environment. An example is the American non-profit organization Just Capital, which ranks 1000 American corporations from the most just to the least according to the result of a survey of a sample of 20.000 people<sup>109</sup>.

The third and fourth problems are the hardest to solve. Indeed, we had been used to think that it is rational and understandable to purchase the cheapest product for a personal interest. Nevertheless, it is seen from the civil economy perspective that if a consumer internalized the preservation and long-term sustainability of the common benefit, it includes in its utility evaluation factors that exceed their personal gains. Prof. Becchetti has studied an alternative formula which can easily explain the utility measurement of a civil consumer who values ethics while purchasing a product:

$$\pi b + a - c > 0$$

where “a” is the personal satisfaction that we gain from purchasing an ethical product; “b” the political effects that stream from the purchase – which could include the use of renewable energies, a fair wage for the workers, the employment of people with difficulties, etc. –; and “ $\pi$ ” the number of consumers that decides to purchase that product. All these factors together justify the purchase of the sustainable product if their sum exceeds “c,” which is the traditional prize of the same non-sustainable product<sup>110</sup>. Once this happens, people decide to purchase a more expensive product being aware of the fact that it contributes to the future and collective wellbeing from which, consequently, they can benefit likewise.

### **3.2.1 Voting with the wallet**

The concept explained above has often been referred to as the term 'voting with the wallet' or 'pocketbook,' which implies expressing political preferences through the choices of consumption. Having an increased consciousness about where the goods and services purchased come from and what the money spent will consequently finance, it is an interesting debate emerging in recent years.

A study conducted by the University of Cagliari and the London School of Economics emerged that the dynamics that characterize the choices of consumers resemble those widely discussed in the prisoner's

<sup>109</sup> Tudor Jones II, P. (n.d.). Why we need to rethink capitalism. Retrieved June 03, 2020, from [https://www.ted.com/talks/paul\\_tudor\\_jones\\_ii\\_why\\_we\\_need\\_to\\_rethink\\_capitalism](https://www.ted.com/talks/paul_tudor_jones_ii_why_we_need_to_rethink_capitalism)

<sup>110</sup> Becchetti, L. (2020). *Bergoglionomics: La rivoluzione sobria di papa Francesco*. Roma: Minimum fax., p.63

dilemma<sup>111</sup>. In the study, 10 participants were asked to choose between a 5-euro product and one that cost 10 euro but, if purchased, credited 3 euro to each player. This way, the study intends to put competitors in front of the choice that often occurs with sustainable products. In the market, there are more expensive sustainable products which purchase, however, produces positive effects in the long-term. The best outcome would be for everyone to choose the 10-euros product so that 30 euros – 3 euros each – would be redistributed as an outcome of the purchases. Considering the amount spent by each individual - 10 euros - the total amount redistributed as a universal benefit would be 20 euros. For example, if everyone would buy a car with an electric motor - which costs more than petrol but produces less CO2 emissions - the air would be cleaner, and the effects on climate and health would decrease. These benefits are metaphorically represented by the 20 euros that are redistributed to the study participants. However, what often occurs and was proven by the study is the tendency to choose according to personal gains and interests. Therefore, the participants who acted selfishly picked the 5-euro product, hoping that the rest would instead pick the 10-euros product so that they would still have benefited from general redistribution ( $27-5=22$ ). Despite being aware of environmental issues, most people decide to purchase the petrol car, hoping that the others choose the electric one so that they can take advantage of cleaner air. In the end, however, by reasoning all in the same way - apart from a small percentage convinced of its principles which in the study turned out to be equivalent to 15-20% of the total - we will get a worse situation than we could have obtained if everyone had made the sustainable choice. Following individual interests, the majority of society will purchase petrol cars and consequently no redistributions in terms of collective good will be made.

In the study, what turned out to be necessary for making the majority of the participants decide to cooperate was the introduction of a tax on the not-sustainable product. Anyone who had decided to purchase the 5-euro product had to pay a 1-euro fee that, once collected, was redistributed to the other participants in addition to the already provided quantity redistributed. This type of sustainable fee in real societies rewards the consumers that decide to opt for sustainable products and promotes a ‘voting with the wallet’ type of strategy<sup>112</sup>. Referring back to civil economy theory explained in the previous chapter, this tax, which is then used for public expenditures, can be seen as a reward that streams from the virtuous action of consuming a sustainable product. There is a need for civil responsible citizens who do not consider themselves exempt from the obligation to use their purchasing power to help achieve those ends that they consider morally relevant.

In conclusion, whether entrepreneurs or simple consumers, citizens have a duty towards the society in which they live. In completely forgetting the ethical and social value of the market, in recent decades, we have used the propulsive force of the increasingly global production machine to enrich us. However, this enrichment,

<sup>111</sup> Becchetti, L. Salustri F., Pelligra V., (May 2018) *The Impact of Redistribution Mechanisms in the Vote with the Wallet Game: Experimental Results, Social Choice and Welfare*, vol.51, pp.595-619

<sup>112</sup> Becchetti, L. (2020). *Bergoglionomics: La rivoluzione sobria di papa Francesco*. Roma: Minimum fax., p72-75

unlike the liberal theory assumes, does not inevitably lead to the general wellbeing of people. What we learned needs to be positively used to redirect this powerful tool towards social needs. By adopting a shared values approach, corporations have the potential – differently than governmental and non-governmental institutions – to strike for a difference in people's lives thanks to their capacity to scale. Likewise, if consumers escape the general individualistic and short-sighted mentality, they could benefit from their sustainable decisions.

## Conclusion

In the preceding pages, capitalism and civil economy have been analyzed and compared in their differences and similarities. The former as the economic model to which we have become accustomed almost universally in the last thirty years, the latter a theory that has never taken hold in the contemporary economic thought and yet, gives us interesting ideas from which to start in the analysis of the problems that plague our society. The fate that made the drafting of this thesis coincide with the worst pandemic that modern man has experienced emphasizes, even more, the urgent need to reconsider capitalism starting from its intrinsic wounds. This thesis has tried, through a historical and analytical perspective, to retrace the steps that led our society to conceive economic efficiency as the main priority, having forgotten the value of social relations and reciprocity within an increasingly global community of citizens with equal rights. Nonetheless, after almost two centuries during which the common good had left the economic discourse, recently (thanks to the spread awareness among institutions and the public opinion) the growing problems related to the effects of the economic activity on the planet and life satisfaction have led to a reassessment of the role played by the market in our everyday life.

The thesis starts by addressing the origins of capitalism in the transition from the Middle Ages to the Renaissance. In this context, we can distinguish the two different paths that have been pursued by northern protestant countries and southern catholic ones. The firsts were invested by the Protestant Reformation that, if on the one hand sanctioned the widespread practice of buying and selling indulgences, on the other promoted and exalted (as Weber claimed) individualism in all human spheres, from religious to political. As wisely supported by the American historian Brad Gregory in his work "The Unintended Reformation: How a Religious Revolution Secularized Society", capitalism grew as a side effect of the Reformation. The exaltation of the moral auto-determination of individuals and values such as thrift and the dedication to work far exceeded the religious discourse and expanded into the cultural, social, and economic life of people. To the point that, as stated in the title, the unintended outcome of the Reformation can still be found in today's general mindset.

Moreover, at the heart of the relationship between the protestant tradition and capitalism there is the anthropological pessimism pursued by Luther and Calvin, which adds to a philosophical and religious tradition that identifies people as intrinsically and uniquely self-interested. According to the thesis hold, the private and public conception of the economy that developed in the following centuries in northern Europe was strongly influenced by the justification and legitimization given by the theological world of the superimpose of personal interests over public ones. The famous symbolism of *homo oeconomicus*, coined centuries later by John Stuart Mill, gave this thought theoretical fulfillment relying on the idea that anyone – naturally – seeks the maximum personal benefit for the lowest possible price without taking into account moral and ethical values.

During the same historical transition, the Catholic tradition has preserved a more positive approach towards the nature of man, and thus admitted the possibility of virtuous actions and the *de libero arbitrio*. While having slowed the economic progress with the Counter-Reformation, the southern European states (particularly Italy) have preserved a conception of the economy that exceeds personal gains. The experience of the city-states that invested Italy for a very long period and had its heyday during Renaissance, led to the widespread conception of what Putnam later defined social capital; i.e., the presence of social features such as trust and solidarity among the community, which lead to the efficient functioning of informal and formal institutions that manage to guarantee mutual benefits. This tradition, which has inevitably been harmed with the adoption of the universally recognized capitalism, has nonetheless often reemerged during the Italian history. Authentic prosecutors of the Catholic civil economy were the protagonists of the Italian cooperative movements and the many supporters of rural banks, consumer and production cooperatives, who contributed with their wisdom to the civilization theorized by Genovesi and his followers. Another virtuous example comes from the courage of the entrepreneur Adriano Olivetti who, in addition to having contributed to the economic development of the country after the war, distinguished himself from his contemporaries in conceiving his corporation not only for the profit it produced but above all for the strong social impact it had on its stakeholders.

Moving to contemporary times, it is undoubted that capitalism has been and still is an unprecedented promoter of wealth and success worldwide. As was underlined in the first chapter, an enormous slice of the population benefited and escaped poverty thanks to the adoption of a free-market economy. Nonetheless, capitalism has an intrinsic dark side. The industrial society produces goods and wealth but harms sociality and reciprocity. In the capitalistic model, men lose their natural vocations at their workplace, and their satisfaction is made to coincide with the consumption of material goods. From this complex, contrasting reality emerged the affirmation - still present in our societies - of two opposing market conceptions: on the one hand, the dominant liberal understanding that sees the market as a democratic instrument that allows the correct and proper self-realization of individuals; on the other, the socialist tradition that arose from the frustration of the mechanisms of power that have affected workers.

However, even though socialism poses itself as opposing to capitalist thinking, it shares the same fundamental assumption. Instead of modifying the perception of the economic system, it only changes its redistributive mechanism. In fact, both economic models share the heavy impersonality of commercial exchanges and self-interest relations of the participants, ending up separating the social sphere from the economic one. And this is precisely where civil economy stands as a revolutionary transition and, at the same time, as a meeting point between the two doctrines. Accordingly, civil economy perceives the market, rather than as an end, as a mean to obtain the desired final result. The classical economic mechanism that place economic interactions in an ethical-vacuum is strongly rejected: men are put back at the center of the discourse and their virtuous nature is re-evaluated in their role to maintain the common good.

Genovesi goes one step further than the classical Aristotelian notion of "social animal" and adds that human beings are characterized by a mutual right to be assisted and, consequently, to assist each other. It follows that, according to him, economics is not a tool for achieving individual interest but rather an expression of cooperative forces that aim to achieve a mutual interest that benefits all actors involved. With Genovesi we not only have a transition in economic thinking but also in the internalized interpretation of the economic transaction. Public faith according to Genovesi represents the authentic understanding of the common good: the fabric of trust and civil virtues make it possible to initiate and support human and economic development over time.

What this thesis intends to conclude is that the rediscovery of civil economy might potentially represent a positive stimulus to face the problems that afflict the contemporary market by rediscovering the virtuous nature of men and re-evaluate the role that economic forces play in people's everyday lives. Between the economic bipolarity that characterized the last century, we can find a middle ground in the writings of Genovesi: exploiting the propulsive force of capitalism and redistribute its resources spontaneously according to the principle of reciprocity. The academic world's encouragement has been present for decades; now, it is up to the corporate world and the consumers to understand that their responsibility exceeds personal economic profit. By rediscovering the intrinsic sociality that characterizes us as a species, we can reverse the direction taken in the past decades to fulfill the ultimate goal: people's wellbeing.



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## ABSTRACT (in Italian)

Questa tesi parte da una riflessione personale sul periodo di crisi che il mondo ha vissuto durante i mesi della sua stesura a causa della pandemia da Covid-19. L'origine etimologica della parola crisi - il verbo greco *krisis* - indica un momento decisivo in cui la situazione in analisi si trova in uno stato di evoluzione. Ne consegue che, da uno stato di crisi, è necessario effettuare una nuova valutazione e apportare eventuali cambiamenti.

Lo scrittore David Quammen, nel suo libro 'Spillover' pubblicato nel 2014, predisse quasi profeticamente le circostanze dello scoppio dell'attuale pandemia. Secondo l'esperto, la causa primaria è il massiccio sfruttamento degli ecosistemi naturali da parte degli esseri umani dovuto principalmente alle deforestazioni che aumentano il contatto tra fauna selvatica e complessi abitativi. Se questa teoria dovesse dimostrarsi veritiera – come largamente supportato dalle evidenze riportate nella tesi – significherebbe che la crisi in corso può essere aggiunta a una serie di eventi causati dall'attività di sfruttamento ambientale e sociale che è stata portata avanti negli ultimi decenni per soddisfare una domanda economica globale sempre crescente. L'idea che un elemento non visibile potesse mettere in ginocchio non solo l'intero comparto sanitario globale ma anche quello economico e politico sarebbe sembrata assurda anche a Fukuyama, che nel 1992 professava la fine della storia con l'avvento del modello liberal-democratico in scala globale. Questo tipo di assunto, largamente condiviso a cavallo tra il ventesimo e ventunesimo secolo, è riuscito a convincere molti dell'invulnerabilità del modello capitalistico: una rigenerazione costante della domanda che garantisce la soddisfazione di tutti i nostri bisogni e oltre.

Il modello economico capitalistico ha indubbiamente rappresentato un successo sotto numerosi punti di vista. La sua adozione in tutti gli angoli del pianeta ha rappresentato per molti la possibilità di migliorare le proprie condizioni di vita e di uscire da uno stato di povertà. Secondo i calcoli della Banca Mondiale, dal 1980 il reddito mondiale è raddoppiato e dal 1990 più di 450 milioni di persone sono state sollevate dall'estrema povertà.<sup>113</sup> Quando nel 2001 la Cina è entrata nell'Organizzazione Mondiale del Commercio, pur rimanendo uno Stato autoritario filo-comunista, è sembrato a tutti che il capitalismo e il libero scambio internazionale non avessero più nemici. Dando per assunto il fatto che l'economia sia prima di tutto un'espressione sociale, il capitalismo ha saputo trovare terreno fertile in contesti completamente diversi, slacciandosi dal rigido presupposto che lo vedeva come legato al modello liberal-democratico.

Tuttavia, durante questi ultimi mesi il mondo occidentale, immune a qualsiasi cataclisma dalla fine della Seconda guerra mondiale, ha dovuto inevitabilmente fermarsi nella sua corsa sfrenata alla ricchezza e ciò ha portato anche gli ultimi fautori della crescita perpetua alla consapevolezza che il modello di invincibilità e

<sup>113</sup> Bower, Joseph L., Herbert B. Leonard, and Lynn Sharpe. Paine. *Capitalism at Risk: Rethinking the Role of Business*. Boston (MA): Harvard Business Review Press, 2011, ch.2 p.7

sconfinatezza di cui ci siamo nutriti finora è in crisi. Quello che questo elaborato si è prefissato di fare è ripercorrere in termini storici e culturali la nascita del capitalismo e i suoi successivi sviluppi sulla vita delle persone e conseguentemente proporre una rivalutazione da cui ripartire per affrontare le problematiche che affliggono l'attuale sistema di libero mercato.

Il punto di partenza del ragionamento perseguito proviene dalla tradizione italiana del XVIII secolo, in particolare dal pensiero di Antonio Genovesi e dell'Economia Civile da lui teorizzata. Contemporaneo ad Adam Smith, l'economista italiano rifiutò nella sua teoria la scissione netta dell'economia dall'etica e dalla politica. Il suo pensiero – in linea con le tendenze della Napoli del tempo - si basa sull'idea che l'economia sia prima di tutto un'espressione della comunità e che per funzionare correttamente debba basarsi di conseguenza sulla fiducia, sulla reciprocità e sul benessere pubblico. Anziché concepire l'efficienza economica come fine ultimo, individua l'economia civile come mezzo per il raggiungimento dell'obiettivo finale: la felicità pubblica. Secondo Genovesi, il rapporto tra la soddisfazione della vita di ciascun individuo e l'economia, invece di essere un processo dall'alto verso il basso come teorizzato dall'economia politica di Smith (cioè la felicità personale che scaturisce dal benessere generale dello Stato), si muove dal basso verso l'alto e quindi viene raggiunto solo quando le interazioni interpersonali sono spinte dalla consapevolezza di un mutuo beneficio.

Al fine di comprendere meglio la questione, la tesi intende approfondire le ragioni storiche e culturali che hanno portato alla nascita del modello economico del capitalismo e alla sua successiva adozione su scala globale. Tra gli studi più famosi e acclamati sull'origine del modello capitalista, c'è il pensiero di Max Weber. Egli individuò nella tradizione protestante (in particolare nel calvinismo) e nella scissione religiosa dal cattolicesimo l'inizio del processo culturale ed economico che portò al capitalismo moderno. Seguendo la tesi di Weber, con l'eliminazione della mediazione e del controllo della chiesa nella vita dei cittadini, la chiesa protestante ha contribuito a creare quell'atmosfera di libertà in cui ha radice l'individualismo economico che portò allo sviluppo del capitalismo.

Al centro del dibattito teologico tra protestanti e cattolici ci fu soprattutto il concetto di predestinazione. Da un lato, la tradizione cattolica abbracciava la possibilità del *de libero arbitrio*, ovvero la libera volontà di ottenere la salvezza divina attraverso le azioni e gli atti sulla terra; dall'altro, i protestanti credevano nel *de servo arbitrio*, cioè la predestinazione di ciascun individuo, non influenzabile dalle azioni terrene. Questa visione antropologica che caratterizza la teoria del peccato secondo la tradizione protestante introdusse un marcato pessimismo verso le colpe dell'uomo e la sua anima corrotta, rilegandone le interazioni interpersonali come meramente opportunistiche: *homo homini lupus*. Questa interpretazione della natura umana, insieme alla Dottrina dei due Regni di Lutero, porterà ad un imprevisto collaterale (come definito dal lavoro di Brad



Gregory)<sup>114</sup>, ovvero la netta separazione tra la vita religiosa e la vita economica delle persone nei paesi protestanti. Secondo questa tesi, la concezione privata e pubblica dell'economia che si sviluppò nei secoli successivi nell'Europa settentrionale fu fortemente influenzata dalla giustificazione e la legittimazione data dal mondo teologico della sovrapposizione degli interessi personali a quelli pubblici e comuni. Il famoso simbolismo dell'*homo oeconomicus*, coniato secoli dopo da John Stuart Mill, ha dato a questo pensiero un degno compimento basandosi sull'idea che chiunque - come condizione di natura - cerca il massimo beneficio personale al minor prezzo possibile a prescindere da quelle che sono le sue convinzioni etiche e morali.

Diversamente, l'economia civile si basa sull'etica della virtù che la chiesa cattolica condivide con l'antica tradizione aristotelica e tomista. Nonostante la Controriforma abbia rallentato il progresso economico, gli stati dell'Europa meridionale - in particolare l'Italia - hanno conservato una concezione di economia che supera i guadagni personali. L'esperienza delle città-stato che ha investito l'Italia per un lunghissimo periodo e che ha avuto il suo massimo splendore durante il Rinascimento, ha portato alla concezione diffusa di quello che Putnam ha poi definito capitale sociale: la presenza di caratteristiche sociali all'interno delle comunità, come fiducia e solidarietà, che portano al funzionamento efficiente di istituzioni formali e informali garantendo benefici reciproci<sup>115</sup>. Tutte le dottrine che partono dall'etica della virtù presuppongono che gli esseri umani siano capaci di azioni autentiche che contribuiscano al beneficio della società. Giacinto Dragonetti è stato tra gli allievi di Genovesi quello che ha saputo spiegare meglio questo concetto. Nell'opera 'Delle virtù de' premi'<sup>116</sup>, l'autore parte dal presupposto che le società sono formate da individui che naturalmente spinti a perseguire i loro interessi sono, tuttavia, capaci allo stesso tempo di solidarietà e di amore verso gli altri. Gli individui possono agire in modo disinteressato o decidere di agire per il bene dell'altro. Quando qualcuno, pur non dovendo farlo, sceglie di agire nel secondo modo, è un gesto di virtù. Possiamo quindi considerare virtuoso chiunque agisca in modo disinteressato per il bene comune.

Genovesi fa un passo avanti rispetto alla nozione classica di "animale sociale" della tradizione aristotelica e aggiunge che gli esseri umani sono caratterizzati da un diritto reciproco di essere assistiti e, di conseguenza, di assistersi reciprocamente<sup>117</sup>. Ne consegue che secondo lui l'economia non è uno strumento per ottenere l'interesse individuale ma piuttosto un'espressione di forze cooperative che mirano a raggiungere un interesse reciproco che va a beneficio di tutti gli attori coinvolti. Con Genovesi non abbiamo solo una transizione nel pensiero economico ma anche nell'interpretazione interiorizzata dell'azione economica. Analogamente a quanto precedentemente definito capitale sociale, la fede pubblica secondo Genovesi rappresenta l'autentica

114 Gregory B. (2014), *Gli imprevisti della Riforma. Come una rivoluzione religiosa ha secolarizzato la società*, Vita e Pensiero, Milano.

115 Putnam, R. D., Leonardi, R., & Nanetti, R. (2006). *Making democracy work: Civic traditions in modern Italy*. Princeton, NJ: Princeton Univ. Press.

116 Dragonetti, G. (1766) *Delle virtù e de' premi* [On Virtues and Rewards]. Genoa: Gravier.

<sup>117</sup> A.Genovesi [1769] (2005), *Lezioni di commercio o sia di economia civile* [Lessons of Commerce or Civil Economy], M.L. Perna (ed.), critical edition, Naples: Istituto Italiano per gli Studi Filosofici, ch.1, paragraphs 16-17

comprensione del bene comune da parte degli individui: il tessuto della fiducia e delle virtù civili rendono possibile l'avvio e il sostegno dello sviluppo umano ed economico nel tempo<sup>118</sup>.

L'ambito dei beni comuni è uno di quelli contro cui testare la solidità del quadro concettuale dell'economia civile. Beni come l'aria, l'acqua, il clima, la fertilità del suolo e la biodiversità sono rivali ma non escludibili, poiché la loro fruizione e il loro sfruttamento riducono la possibilità di un utilizzo futuro. Poiché questi beni ambientali sono attualmente a rischio di esaurimento, negli ultimi tempi è stato riconosciuto che esiste il problema di determinare il limite oltre il quale il consumo di beni comuni inizia ad essere una "tragedia" - come è stato definito nella famosa opera di Hardin<sup>119</sup>.

Adottare il punto di vista dell'economia civile sui beni comuni significa comprendere che la natura di un bene comune è tale che il vantaggio che ciascuno trae dal suo utilizzo non può essere separato dal vantaggio che gli altri ne traggono<sup>120</sup>. Se i beni privati possono essere regolati dal principio di scambio, i beni pubblici mediante redistribuzione imposta dall'autorità, i beni comuni devono necessariamente ricorrere al principio di reciprocità. Tuttavia, in un mondo che ha definitivamente abbandonato la reciprocità e la virtù come principio cardine dell'economia, la soluzione hobbesiana è l'unica possibile: un sistema di regole che sanziona chi le infrange. È fondamentale sottolineare però che questa soluzione può considerarsi sufficiente nel contesto nazionale ma si è rivelata assolutamente inutile nello scenario mondiale odierno: le regole si applicano alla giurisdizione nazionale mentre i problemi che affliggono l'umanità non si limitano certo a confini geografici. Questo diventa sempre più evidente man mano che gli effetti del cambiamento climatico colpiscono il mondo intero, indipendentemente da chi produce più inquinamento.

La soluzione suggerita dall'economia civile scaturisce dall'etica individuale e dall'interiorizzazione delle norme civili, ovvero la percezione individuale di un bene comune come uno privato. In altri termini, se gli individui capissero che coltivando il bene comune contribuiscono alla propria utilità come fanno per i loro interessi non ci sarebbe bisogno di sanzioni. Il premio Nobel Elinor Ostrom ha dimostrato che alcune comunità sono in grado di evitare il rischio di deterioramento dei beni comuni grazie a dure norme sociali<sup>121</sup>. Il punto evidenziato è che, in una società con valori civili molto solidi e condivisi, non c'è bisogno di punizioni, perché i trasgressori sono scoraggiati dal duro giudizio che ricevono dalla comunità a cui appartengono. Ciò che si guadagna seguendo il modello di economia civile è la realizzazione che facendo comprendere il vantaggio del mantenimento dei beni comuni a lungo termine ai singoli individui tramite norme sociali e comuni – pur non

<sup>118</sup> Bruni, L., and Zamagni, S. (2016). *Civil Economy*. [ebook] Agenda Publishing. Available at: <https://www.perlego.com/book/573263/civil-economy>

<sup>119</sup> Hardin, G. J. [1968] (2009). *The Tragedy of the Commons*. Santa Barbara: University of California.

<sup>120</sup> *Ibid*

<sup>121</sup> Ostrom, T. L. (2015). *Governing the commons*. Place of publication not identified: Cambridge Univ Press.

sconvolgendo necessariamente l'intero sistema economico attuale - si può garantire uno sviluppo sostenibile e redditizio per tutti.

Questo tipo di approccio è stato di recente teorizzato da Michael Porter e Mark Kramer con il concetto di valore condiviso<sup>122</sup>. Gli autori propongono un'alternativa al classico modello imprenditoriale partendo dal presupposto che le normali strategie di Responsabilità Sociale d'Impresa non sono soggetti ad un'economia di scala, cioè non aumentano progressivamente con l'aumento del mercato. Pertanto, essi pongono le basi del loro modello individuando i punti di intersezione tra le strategie aziendali e le esigenze sociali della comunità. L'identificazione dei punti di contatto tra impresa e società rappresenta solo un mezzo per raggiungere l'obiettivo finale, cioè per poter concretizzare e adottare un approccio strategico alla responsabilità sociale. Questo significa scegliere un posizionamento unico da parte dell'azienda all'interno del mercato che permetta non solo di risolvere alcuni problemi sociali ma anche di diversificarsi dalla concorrenza e di soddisfare meglio le esigenze specifiche dei clienti. Porter in un successivo intervento ha definito questo tipo di approccio verso il business come "un tipo di capitalismo superiore" che "incontra le esigenze importanti" della società<sup>123</sup>. In pratica, ciò significa utilizzare la forza trainante che caratterizza il mondo imprenditoriale per creare valore e innovazione che può essere efficacemente utilizzata per il benessere collettivo. A contrario di quello che spesso accade con la Responsabilità Sociale d'Impresa, il termine valore condiviso non si riferisce a pratiche filantropiche o caritatevoli che derivano da un valore già creato e che solo in un secondo momento viene parzialmente redistribuito. A contrario, sottolinea il volume totale del valore generato congiuntamente dall'azienda e dalla comunità, che porta contemporaneamente al beneficio di entrambi. Così facendo, viene anche riconosciuto il merito civico e sociale che circonda un'attività economica e che, a condizioni normali, viene spesso tralasciato dalla prospettiva meritocratica e individualistica che solitamente caratterizza i meccanismi capitalistici.

Per concludere, nella seconda metà del XX secolo la democrazia liberale si è posta contro ogni forma di ideologia, opponendosi all'oppressione politica ed economica dei regimi totalitari che avevano trascinato l'intera umanità in due guerre mondiali. Il capitalismo deve essere riconosciuto per i suoi successi: ha creato una quantità di ricchezza diffusa senza precedenti e ha aumentato il benessere di milioni e milioni di persone. Tuttavia, negli ultimi trent'anni il liberalismo è diventato esso stesso un'ideologia. Non accettando la possibilità che fenomeni come la disuguaglianza e il degrado ambientale necessitino un'azione di regolamentazione comune, ha favorito il progresso economico sopra tutto, dimenticando il suo obiettivo primario: il benessere delle persone. In questo particolare momento storico c'è un'enorme distanza tra l'ideologia generale ormai

<sup>122</sup> Porter M. e Kramer M. (2006), *Strategy and Society: The Link Between Competitive Advantage and Corporate Responsibility*, Harvard Business Review

<sup>123</sup> Porter, M. (n.d.). Transcript of "Perché il business può essere utile nel risolvere i problemi sociali." Retrieved June 02, 2020, from

[https://www.ted.com/talks/michael\\_porter\\_the\\_case\\_for\\_letting\\_business\\_solve\\_social\\_problems/transcript?language=it](https://www.ted.com/talks/michael_porter_the_case_for_letting_business_solve_social_problems/transcript?language=it)

intrinseca nelle istituzioni e il pensiero individuale. Quest'ultimo si trova alienato da un progresso inarrestabile su cui non ha alcun potere. L'individuo ha perso la sua centralità in un vortice apparentemente inarrestabile il cui unico fine è la massima efficienza economica.

La storia ci insegna che la visione più semplicistica di Adam Smith ha prevalso su quella di Antonio Genovesi ed è a oggi la scienza economica dominante in scala globale. Tuttavia, l'umanità un po' smarrita che oggi affronta i grandi temi della disuguaglianza economica, del cambiamento climatico e, non da ultimo, della pandemia in atto, può attingere a quell'idea di ricivilizzazione dell'economia che rimette al centro del discorso economico l'uomo e il suo benessere.