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**LABOUR, EMPLOYMENT AND PROPERTY
IN THE POST-INDUSTRIAL ECONOMY
OF THE EUROPEAN UNION**

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ABSTRACT

The paper starts from the post-war economy, characterised by Keynesian policies of demand support, welfare system and multilateralism. In the economy of technological revolution and globalisation, it is necessary to find new reference points and tools. Work and employment are now based on knowledge and innovation; at the same time, the technological revolution requires transformation of the time and characteristics of work. Opportunities are opening up for a labour of civil commitment and a labour army, intended for social purposes and with the perspective of attaining full employment. The carbon dividend linked to the goal of climate neutrality can create resources for a European citizenship income for the weakest section of the population. The technological revolution has also enabled a change in the nature of ownership, with a collaboration between financial and human capital. It has also opened up innovative possibilities for the production of public goods and the creation of public assets. These objectives can be pursued by building a federal Europe, a potential model for the world as a society of civil rights, based on social responsibility, environmental protection and – through major investments in education – equal opportunities for all its citizens.

Keywords: carbon dividend, labour, employment, property, citizenship income, technological revolution

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1. The post-war economy (the Trente glorieuses)¹

After the Second World War, the idea that it was possible to control economic cycles by means of a demand-supporting policy took hold in advanced industrial countries. This idea stems from the work of John Maynard Keynes who, in his *General Theory*,² emphasised that employment depends on output, and output depends on the size of demand, particularly investment, while consumption is linked to the level of income. In an industrial economy, a development policy can therefore guarantee full employment. In particular, if there is unemployment, the objective of full employment can be achieved through a policy of public investment that raises income and thus consumption.

The second element that characterises the post-war economy is welfare policy. In November 1942, during the Second World War, Lord Beveridge presented the Churchill government with the conclusions of the commission on the social protection system that he chaired. The Report, *Social Insurance and Allied Services*, was better known as the Beveridge Report (which later became the *Full Employment in a Free Society*).³ The Report aimed to provide a comprehensive system of social insurance “from cradle to grave”. Citizen’s payment of a contribution to the state would provide a subsidy to the unemployed, the sick, and for pensioners. Beveridge wanted to ensure that there was a minimum acceptable standard of living for everyone in Britain. “The new paradigm of public social activity began with the establishment of the National Health Service in England in 1948 and in a few decades spread throughout Europe. The welfare state takes care of the citizen through mass social services financed by social contributions or, preferably, taxes. Mass health care, mass welfare, mass assistance offer protections that become a part of citizenship rights, while mass schooling allows unprecedented social mobility.”⁴

The third feature of this period was multilateralism, initiated by the Bretton Woods agreements. On 22 July 1944, at the Mount Washington Hotel in Bretton Woods, New Hampshire, the great powers accepted the plan devised by Harry Dexter White, a delegate for the US Treasury, and Keynes, a delegate for the British government, which led to the creation of the World Bank and the International Monetary Fund (IMF). The aim of the Fund was to control international liquidity and assist countries in the event of balance of payments difficulties, while the World Bank subsequently focused on poverty reduction, having initially only pursued the objective of

¹ The term was coined in 1979 by the French demographer Jean Fourastié with the publication of the book *Les Trente Glorieuses, ou la révolution invisible de 1946 à 1975*, Paris., Fayard, 1979

² J.M. Keynes, *The General Theory of Employment, Interest and Money*, Macmillan, February 1936

³ *Full Employment in a Free Society, A Report by Lord Beveridge*, George Allen and Unwin, 1944

⁴ G. Muraro, *Il terzo settore tra Stato e mercato: storia e teoria*, *Rivista di Diritto Finanziario e Scienza delle Finanze*, settembre 2020, pp. 352-361

economic growth. On 25 April 1945, representatives of 50 governments met at a Conference in San Francisco to draw up the United Nations Charter, which was approved on 25 June 1945 and came into force on 24 October 1945, with the aim of maintaining international peace and security. Finally, the General Agreement on Tariffs and Trade (GATT), an international agreement, was signed on 30 October 1947 in Geneva, to establish the basis for a multilateral system of trade relations, with the aim of promoting the liberalisation of world trade.

Today, many of these elements have been weakened or are being called into question. In the new post-industrial economy, it is therefore necessary to find new reference points and new instruments to achieve these objectives.

2. Work and employment in the economy of the technological revolution and globalisation

The two factors that have radically transformed the economy at the beginning of the 21st century are technological progress and globalisation. In the most advanced countries, starting with the United States, there has been a shift from an economy based on the production of material goods to one based on knowledge and innovation. Material goods can now be produced anywhere, especially where production costs are lower. The fundamental, non-replicable factor of production is people, and their ability to produce new ideas. Alongside the destruction of jobs in traditional sectors as a result of technological innovations, employment in innovative sectors has increased significantly, but without being able to achieve full employment as before.

The first observation to be made is based on an extraordinary insight of Keynes,⁵ who, at the beginning of the 20th century, foresaw the need for a reduction in working time following the technological revolution. After noting that “we are affected with a new disease, technological unemployment. This means unemployment due to our discovery of means of economising the use of labour outrunning the pace at which we can find new uses for labour”, Keynes observed that “we shall endeavour to spread the bread thin on the butter - to make what work there is still to be done to be as widely shared as possible. Three-hour shifts or a fifteen-hour week may put off the problem for a great while”⁶. And he drew important conclusions for both the way of life and the moral conduct of mankind. In this visionary essay, Keynes recognised the structural, not just the conjunctural, nature of the problem of unemployment, and also foresaw, in the midst of the Great Recession, a world in which, thanks to technological developments and the accumulation of capital, ‘the economic problem is not the permanent problem of the human race’. He anticipated the consequences of this revolution both in terms of values (“when the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us for two hundred years. We shall be able to afford to dare to assess the money-motive at its true value”), and in terms of quality of life (“for the first time since his creation man

⁵ J.M. Keynes, ‘Economic Possibilities for our Grandchildren’, in *Essays in Persuasion*, London Macmillan, 1931, pp. 358-373

⁶ It may be useful to compare this prediction by Keynes with the social revolt generated by the exploitation of those employed by Goldman Sachs, who demand to be able to work 'only' 80 hours a week, since they are forced to work weeks of 95 hours, with peaks of 105 hours (*Il super-lavoro alla Goldman-Sachs*, Corriere della Sera, 20 March 2021)

will be faced with his real, his permanent problem - how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well”).

An important insight into the crisis of the workforce is provided by Jeremy Rifkin,⁷ who analysed the future developments of employment in a world where, thanks to technological advancements, work is progressively transferred from men to machines. In particular, to manage the transition to a post-market economy, Rifkin proposed two plans of action. “First, the productivity gains resulting from the introduction of new time-and-labour saving technologies will have to be shared among millions of workers; the drastic advances in productivity will have to be compensated for by a reduction in hours worked and a steady increase in wages and salaries, so as to ensure a fair distribution of the fruits of technological progress. Secondly, the contraction of employment in the market economy and the reduction of public spending will make it necessary to pay more attention to the third sector: the non-market economy. It is the third sector - the social economy - that people are likely to turn to in order to find an answer to social and personal needs that can no longer be satisfied on the market.”

In this passage, two important policy indications emerge: the first concerns the reduction of working time, which has historically always occurred whenever there has been a technological leap-forward. If less labour is needed to produce the same quantity of goods, greater social equity can only be guaranteed by distributing the given quantity of employment among a larger number of workers. For European countries, it is clear that this redistribution of labour supply presents complex problems in a world where the sovereignty of states over economic policy remains. A globally coordinated solution would certainly be the best outcome. But, in the absence of a global authority with decision-making powers on economic policy issues, a non-cooperative solution is very likely to prevail, where each state appears unwilling to act for fear of a loss of competitiveness of its production. A realistic possibility of achieving a significant reduction in working time can only arise if the decision is taken jointly at the European level and if European countries are able to compete effectively at the world level by investing heavily in research and development, and in training the workforce to improve productivity.

The second indication that follows from Rifkin’s ideas concerns the development of the third sector. It is a phenomenon that is gaining increasing importance in all areas of the world, absorbing a considerable amount of workforce with different levels of qualifications, and will become even more relevant with the increase in free time linked to the reduction of working hours, made possible – and necessary – by the technological revolution. However, without significant public intervention, the possibility of absorbing into the social economy the entire workforce that cannot find employment in the market economy seems limited. In any case, a process needs to be started immediately to promote the transformations, including institutional ones, that are essential to guarantee the development of the third sector.

⁷ J. Rifkin, *La fine del lavoro. Il declino della forza lavoro globale e l'avvento dell'era post-mercato*, Milano, Baldini & Castoldi, 1995, pp.349-350

3. Labour of civil commitment

A highly innovative view, linked to the evolution of the world of work in a globalised economy, is illustrated by Ulrich Beck. “The counter-model to the labour society is represented neither by leisure time nor by the society of plural activities, in which domestic work, family work, association work, voluntary work are revalued and brought to the centre of public and scientific attention alongside wage labour, remaining alternatives ultimately linked to that imperialism of labour values from which we need to get rid, but by political freedom. Whoever wants to get out of the sphere of influence of the labour society must enter a society that proves to be political in a historically new sense and that makes the idea of civil rights and civil society a reality for Europe, thus democratising and revitalising democracy. This is the horizon and the programmatic synthesis of the idea of labour of civil commitment.”⁸

In Beck’s vision, labour of civil commitment is distinct from both generic civil commitment and, crucially, from the obligation to carry out socially useful work, to which recipients of social benefits should be subjected. The labour of civil commitment should be remunerated with what Beck calls a citizenship income. The citizenship income could be financed by eliminating unemployment benefits for those who agree to offer themselves for labour of civil commitment, but it could also be supported by funds from public bodies or private companies through forms of sponsorship, by municipal funds that finance services for the use of their citizens, and by resources obtained through the labour of civil commitment itself.

Another important aspect in Beck’s vision is organisation, whereby the labour of civil commitment begins with a spontaneous decision by individuals, which however must be organised in some way, but not by municipal administrations, social bodies or employment offices so as not to reproduce the bureaucratic inefficiencies that have characterised forms of state control in the past. In fact, Beck’s hypothesis is that it is possible to create a link between a properly entrepreneurial element – the individual has an idea and sets out to realise it – and work for the common good, ensuring that entrepreneurial skills are put at the service of social purposes, for public benefit.

In Beck’s words, “labour of civil commitment is project-related, cooperative and self-organised work for third parties, performed under the direction of an entrepreneur for the common good. Labour of civil commitment is unpaid, but rewarded through a citizenship income, which ensures the material autonomy of labour of civil commitment. Its minimum is calculated according to the parameters used to calculate unemployment benefits and social allowances. It is supplemented by municipal funds and the profits made from labour of civil commitment. However, a recipient of citizenship income is not a beneficiary of social benefits or unemployment benefits, as he or she carries out his or her activity within voluntary initiatives of public utility. Moreover, if he wants to, he can choose to be unavailable to the labour market: but, he is not unemployed.”⁹

Beck’s vision starts from a rigorous analysis of the evolution of work in a world in which production is increasingly automated and managed by machines, and the role of man is mainly

⁸ U. Beck, *Il lavoro nell’epoca della fine del lavoro. Tramonto della sicurezza e nuovo impegno civile*, Torino, Einaudi, 2000, p. 178

⁹ *Ibid.*, pp. 186-187

linked to product design, the development of cost-saving production techniques, marketing, and commercialisation. Therefore, an increasingly important role is assigned to higher education and research and development activities, whilst human resources are increasingly released from production processes. The existence of an available and highly qualified workforce must necessarily be linked to a profound transformation of society, that makes positive use of the greater availability of human resources to meet needs not satisfied by the market, in an autonomous and innovative manner.

Labour of civil commitment therefore has great economic significance, offering new professional outlets to a workforce that cannot find employment in the production and marketing of goods for the market, but it also has profound ethical and political significance. The market satisfies individual needs that are translated into monetary demand, while labour of civil commitment makes the worker a citizen who disposes of himself and his working time and, at the same time, works for the common good, reviving the sense of community and strengthening democratic life at its roots.

4. The “labour army”

The value system underpinning the European social model also has a global dimension. The objective to be pursued in the current phase of European policy must not be limited to overcoming inequalities in income distribution within Europe – which have worsened over the last few decades – but also at the world level. From this perspective, it seems significant to develop an idea by Altiero Spinelli.¹⁰ Taking up a Keynesian theme, Spinelli highlighted how the possibilities of growth in Europe – once “the great reservoir of domestic demand has been exhausted” – are linked to the availability “of another similar reservoir of potential demand to be progressively updated over a long period”. Spinelli's answer is that “the developing countries - the immense South of the world, but without forgetting the small South within the more advanced countries - are precisely that enormous reserve of potential demand towards the economies of the developed countries, which can be progressively converted into real demand”.

In order to promote employment growth, Spinelli, alongside his project of a Marshall Plan for the Third World, takes up the idea of a 'compulsory army of labour'.¹¹ This proposal was the result of a collaboration with Ernesto Rossi, in the drafting of the Ventotene Manifesto.¹² In fact, Rossi had a different perspective on the issue of labour, namely the abolition of poverty. After pointing out that a policy to overcome the conditions of poverty cannot be financed through the tax system, as the higher levy required would make it difficult for the market to function properly, Rossi proposed an alternative solution – the free provision of private goods and public services essential for a dignified life, produced through personal work by a 'labour army'.

“Young men and women,” wrote Rossi, “once they have finished their schooling, would be obliged to serve in such an army for a certain period of time: let us say two years. With the

¹⁰ A. Spinelli, *PCI, che fare?*, Torino, Einaudi, 1978

¹¹ A. Majocchi, 'Altiero Spinelli e il modello economico-sociale europeo', in U. Morelli (a cura di), *Altiero Spinelli: il pensiero e l'azione per la Federazione europea*, Giuffrè, 2010, pp. 71-92

¹² A. Spinelli, E. Rossi, *The Ventotene Manifesto*, The Altiero Spinelli Institute for Federalist Studies, 1988

product obtained from the work of these young men, it would be possible to provide not only for their maintenance, but also for the maintenance of all persons who request it and for the provision of other free public services.” He justified this proposal on the basis of three arguments. Firstly, “compulsory labour service would remove from state assistance the humiliating character of alms-giving that it has always had until now.” Secondly, “service in the army of labour would make each individual feel more immediately the solidarity that binds him to the other members of civil society”. Finally, “with the army of labour it would be certain that everyone would bear an equal share of the cost of public services for the benefit of the community”. Of course, “the state would have to provide the labour army, and the administrations in charge of free public services, with the funds, collected through the tax system, to pay for managers, instructors, doctors, etc., and to buy on the market those goods that it would be too wasteful to have the young people produce themselves: certain raw materials, electricity, etc.” In return, the state could obtain from the labour army many services that today are performed by employees.

The labour army differs from compulsory civilian service in that its purpose is to provide those in need with the goods and services essential for a dignified life. Compulsory civil service, on the other hand, falls under the umbrella of the social economy, as it requires all young people to devote part of their working life to the community, providing goods and services that can improve the quality of life of citizens of all income levels and that are not produced – or are insufficiently produced – by the market. But both proposals, the labour army and the compulsory civil service, have a fundamental element in common: alongside work in the productive sectors, there must be an increase in the space allocated to the use of labour for social purposes, helping to create, as Beck points out, a more participatory social life sustained by solidarity relationships that the market tends to obscure.

5. The new society and the full employment of labour

The increase in employment of the workforce linked to a resumption of growth – a consequence of the enormous amount of resources that developed countries will inject into the economic system as a result of the pandemic, amounting to 12% of GDP in the United States, and 6% on average in industrialised countries¹³ – will not, however, make it possible, except temporarily, to return to full employment levels. Unemployment is due not only to cyclical trends, but also to structural factors. First of all, globalisation has shifted production sites to where labour costs are lower and social and environmental legislation is less stringent. Secondly, the accelerated rate of development of new technologies, particularly in the ICT sector, has made it increasingly profitable to replace the use of labour with that of machines.

One policy instrument that needs to be implemented is the reduction of working time, which is made possible by the technological revolution. This is an important step, which requires a common decision at least at the European level, in order to mark the transition to a different structure of the economy. Here, and in parallel with the reduction of time devoted to work, there will be a growth in the availability of free time that each individual can allocate autonomously to personal choices, linked to their own vision of ‘quality of life’.

¹³ International Monetary Fund, *Fiscal Monitor. A Fair Shot*, April 2021, p. XI

More free time means the possibility of an increased demand for recreational, cultural and sporting activities, and thus allows for further development of the entertainment, tourism and artistic production sectors, with important repercussions for employment. In reality, however, the employment problem can no longer be solved using market instruments alone. The large number of young people entering the labour market, usually with high levels of education, will therefore have to make an effort to create new activities capable of creating employment in the social economy, with a significant development of the third sector.

In this regard, Beck introduces an important innovation with the proposal of labour of civil commitment, remunerated with a citizenship income. The innovation is based on the spontaneous decision of individuals and linked to socially useful projects, under the direction of an entrepreneur who organises an activity designed to promote the common good. This is certainly an important development, not only for the possibility of offering new work and employment opportunities, but also for developing bonds of solidarity and a renewed sense of participation in the community. Beck's proposal can be linked to the idea of compulsory civil service for young people of both sexes, who would devote a part of their working activity either to the service of their community or to a cooperative effort in Third World countries, promoting in young people the overcoming of a selfish view of the world and developing feelings of solidarity.

Europe can be the privileged field of choice to launch this complex policy “aiming at full employment and social progress”.¹⁴ But it will have to continue the unification process to develop into a federal structure, with a decision-making capacity to promote and implement an effective growth plan and to absorb, at least in part, current levels of unemployment. However, a federal structure is also essential to initiate the other policies of full employment, starting with a European civil service, the development of the third sector and labour of civil commitment at lower levels of government, and ending with the final effort to make the idea of the state as an employer of last resort a reality. This is a difficult task, but one that is rich in political and moral significance.

6. Carbon dividend and citizenship income

The climate crisis may present an opportunity to restructure the European economy. The changes induced by the ecological transition have spread in many directions, and the market, without a plan to guide its choices, will not be able to provide the right direction to reach the goal of carbon neutrality by 2050. In addition to a shift of the tax burden from labour to the use of natural resources, we must also consider the substantial changes that will take place in the structure of the economy following the introduction of carbon pricing. The carbon policy will have a twofold effect: on the one hand, the promotion of energy saving through a reduction in energy consumption in households and businesses, and on the other hand, support for fuel switching processes as consumers and producers will have an incentive to change the energy mix, gradually reducing the consumption of fossil fuels and replacing it with the use of renewable sources of energy.

¹⁴ Article 3(2) of the Treaty on European Union

To this transformation must be added the fact that the production of private goods will take place with less and less use of the workforce. Moreover, the demand for these products is destined to fall as a share of GDP, compared to the demand for public or non-market goods, which today is largely unsatisfied. As the number of hours worked per worker will fall as a result of higher productivity linked to the use of new technologies, workers will share in the profits because these will be increasingly generated by the use of human capital – represented by the knowledge of all those working in the company, not just those who run it – which will occupy a more important position than financial capital in determining the competitiveness of the product. This means that a significant share of income will have to be progressively shifted from profits to labour and, in parallel, that workers at all levels will have to share in the management of the enterprise.

A position paper by leading American economists suggests that the carbon dividend generated by a levy on CO₂ emissions from the use of fossil fuels should be recycled into the economy by transferring a fixed sum to all citizens, regardless of their income level, and without conditions.¹⁵ In the context of the European Union, it appears to be a priority to finance a European citizenship income for the weakest section of the population, who will receive more through the carbon dividend than they will pay as a result of an increase in energy prices. In addition to rewarding labour of civil commitment, this citizenship income could then be used to significantly reduce the intolerable inequalities that currently exist in income distribution.¹⁶

The idea of distributing the social dividend by means of a citizenship income also has implications for the future of one of the pillars of the welfare system, started in the post-war period along the lines elaborated in the Beveridge Plan. In fact, once the provision of monetary means of subsistence for all citizens is ensured by the distribution of a citizenship income, it is evident that the nature of the pension system, introduced to ensure an income for workers once they reach the age at which they are destined to leave the labour market, no longer having a salary or other forms of remuneration, will change radically.¹⁷ This will naturally lead to a transformation of the existing pension system, which will in fact take on a private insurance function, with the objective of guaranteeing a higher level of disposable income, through the payment of voluntary contributions, preferably to a public institution. These payments, together with contributions paid

¹⁵ “To maximize the fairness and political viability of a rising carbon tax, all the revenue should be returned directly to U.S. citizens through equal lump-sum rebates. The majority of American families, including the most vulnerable, will benefit financially by receiving more in ‘carbon dividends’ than they pay in increased energy prices” (*Economists’ Statement on Carbon Dividends*, www.econstatement.org)

¹⁶ An analysis of data collected in 22 EU countries and published in the European Central Bank’s Household Finance and Consumption Survey shows that “the share of total wealth held by the richest 1 per cent of the population is about one third, while the bottom half of the wealth distribution owns only about 3 per cent”. In order to reduce this inequality, a proposal has been made to introduce a wealth tax at European level: “it would affect only a small minority of households - about 3 per cent of the European population, assuming a more-than-reasonable exemption of the first €1 million of net wealth (total assets minus total debt). A flat tax of 2 per cent on household net wealth above €1 million. would generate €192 billion (1.6 per cent of gross domestic product) in annual revenues” (J. Kapeller, S. Leitch, R. Wildhauer, *A European Wealth Tax*, Social Europe, 9 April 2021)

¹⁷ This reflection was suggested to me by Paolo Franzosi, federalist militant and Ph.D. in Political Science, in a debate at the Federalist Meeting Point on 28 March 2021 on the theme “Social rights and new forms of welfare”, organised to celebrate the 80th anniversary of the Ventotene Manifesto

by workers and enterprises who continue to be on the payroll, will contribute to the constitution of a public asset to guarantee future generations, who are already burdened by the repayment of the debt accumulated by previous generations. The guarantee to future generations would promote their entry into labour of civil commitment and support their remuneration, by extending beyond the low limits of citizenship income, and would provide the other benefits of a universal welfare system – health, school, assistance to the weak – weakened financially by the contraction of revenues from social contributions following the reduction of salaried work.

7. The new nature of property

It is a fact that that with the technological revolution, the idea of a revision of the regime that regulates property comes to the forefront. “The truth is that neither land is productive, nor labour is productive, nor capital is productive; production results from these three elements which are equally necessary, but taken separately, equally sterile. (...) Property, considered in its own right, outside the process of production, even in its most elementary expression, is a real nothing, it does not exist.” On the basis of these observations by Proudhon, Mario Albertini concluded that “property is a social fact, but one which requires the direct, and not merely indirect, as other social facts do, concurrence of all the individuals involved; it arises together with work, with production, and cannot, as such, as the possession of the means of production, be eliminated. But alongside these fixed aspects, it also has a changeable aspect, surplus value, as the attribution to one of the work of many.”¹⁸ To overcome this limitation, in the knowledge society, a partnership of capital and labour in the management of productive activities seems inevitable.¹⁹

This theme is anticipated in James Meade's vision in *Agathotopia*,²⁰ where he points out that the most characteristic feature of the Agathotopian economy, next to the old capitalist enterprise and cooperative enterprises, is the Work-Capital Company, where the capital holders hold Share Certificates of Capital and the workers hold Share Certificates of Labour. All the share certificates give equal rights in terms of dividend and voting rights at the Board of Directors, the latter composed of an equal number of Capital holders and Workers. The system operates on the understanding that better management of the company is linked to the fact that all decisions require the approval of representatives of both Workers and Capital holders, and brings equal benefits, in terms of dividend, to both types of Share Certificate holders.

The theme of corporate social responsibility is developed in a recent work by Elena Flor,²¹ who conducted an analysis of the liberal model, established at the end of the 19th century, in which owner and entrepreneur coincided, to the model imposed since the 1930s, especially by the large

¹⁸ M. Albertini, *Proudhon*, Vallecchi, 1974, pp. 56 and 65

¹⁹ In this perspective, the protest of Amazon's workers about excessive workloads following the expansion of sales due to the pandemic restrictions imposed on retail appears significant. It is clear that the contribution of Amazon's founder to the development of this activity has been fundamental as he entered the market with a highly innovative idea, but it is equally evident that without the army of riders distributing goods on the ground this idea would have remained purely theoretical.

²⁰ J. E. Meade, *Agathotopia: the Economics of Partnership*, Aberdeen University Press, 1979

²¹ E. Flor, *Il ruolo della comunità tra impresa e mercato*, Il Mulino, 4/2020, pp. 702-711

American corporations. This transition saw the confirmation of a new stakeholder, represented by the managerial structure of large companies, which achieved the separation of the functions of ownership from those of control; the latter being carried on by a dominant managerial group that establishes the company's development guidelines.

In a debate on the nature of corporations, emerging in the United States during the period of the Great Depression, E. Merrick Dodd²² supported this framework. He noted “the laudable purpose of giving stakeholders much-needed protection against self-seeking managers”, and stated that a manager's powers must be used for the benefit of the entire community, and that public opinion expects managers to recognise and voluntarily respect certain obligations towards the community, workers and consumers. Dodd also pointed out that “business is permitted and encouraged by law primarily because it is of service to the community rather than because it is a source of profit to its owners” and that managers must take into account the interests of many different constituencies of the firm.

In a seminal essay on the nature of ownership, Adolf Berle and Gardiner Means²³ noted how the separation of ownership from shareholder control has made the traditional logic of ownership antiquated, with shareholders losing any special status based on property rights. For Berle and Means, however, there was an alternative: “Rather, control groups opened the way for the claims of a much larger group than the owners and control holders. They have placed the community in the position of demanding that the modern corporation serve not only the owners but the whole of society.” According to this alternative, the demands of ownership and control groups must yield in the face of “the supreme interests of society”. This conceptually opens the way to worker participation in the management of a company, as well as to strengthening the countervailing power exercised by consumers and workers' associations against the company, as advocated by John K. Galbraith.²⁴

8. Building up public assets

In the new economy of the 21st century, in addition to the taxation of both environmentally harmful consumption and use of natural resources, the production of public goods will have to be financed to a greater extent through a Wealth tax,²⁵ and a significant Inheritance and Gift tax, in order to encourage a progressive reduction of inequalities in income distribution. This is not only for reasons of fairness and to reduce the huge inequalities in income distribution, a result of neo-liberal policies in a globalised market, and of the growing role of finance in the world economy,

²² E.M. Dodd, *For Whom Are Corporate Managers Trustees?*, Harvard Law Review, 45, 1932, p.1148-1149

²³ A.A. Berle, Jr., G.C. Means, *The Modern Corporation and Private Property*, New York: The Macmillan Company, 1932

²⁴ J.K. Galbraith, *American Capitalism: The Concept of Countervailing Power*, Houghton Mifflin Co., 1952

²⁵ Recently, partly as a result of increasing inequalities in income distribution, a proposal has been made to introduce a wealth tax at European level: “it would affect only a small minority of household - about 3 per cent of the European population, assuming a more-than-reasonable exemption of the first €1 million of net wealth (total assets minus total debt). A flat tax of 2 per cent on household net wealth above €1 million. would generate €192 billion (1.6 per cent of gross domestic product) in annual revenues” (J. Kapeller, S. Leitch, R. Wildhauer, *A European Wealth Tax*, Social Europe, 9 April 2021)

but also to guarantee additional resources needed to launch a new welfare system, largely based on the contribution of non-profit organisations, especially at the local level.

In fact, the financing of welfare will no longer be solely guaranteed by a levy on employees, which will decrease over time due to technological developments, but to a significant extent by the constitution of public assets, a result of public capital's financing of the investments made at different levels of government to promote the reduction of carbon dioxide emissions. This legacy must form a guarantee to generate a flow of income for the welfare of future generations.²⁶ This point is emphasized by Alfonso Iozzo,²⁷ with reference to the innovative ideas proposed by Meade in *Agathotopia*.²⁸ Iozzo also stressed that “the only way out is to try to accumulate public assets according to Meade's project of paying a tax-free Social Dividend as a means to reduce inequalities, to encourage risk-taking and the acceptance of low wages and to simplify the social assistance system”.

In this perspective, Iozzo suggested, for example, that “European funding in research, infrastructure – especially in the energy field – will tend to increase and can assign 'property rights' to the Union to be entrusted to a fund that can help finance the integration income of the continent's young people”. He added that “building rights on land use, which are often used to cover current expenses, should be placed in special property funds, as they are non-reproducible resources, supporting not only the present generation but also future ones”.²⁹

The idea of allocating land-use rights to a public legacy to support future generations is linked to an idea of Thomas Paine – in *The Agrarian Justice* of 1794 – who proposed the imposition of a tax on access to land ownership, which would flow into a national fund. This tax would allow the transfer of an equal sum to everyone – regardless of their income level – equivalent to the “natural inheritance that belongs to the right of every man”, thus solving the problem of the loss of this inheritance following the introduction of private property. This proposal is an initial formulation of a citizenship income,³⁰ which today is justified, as the private use of natural resources by companies and families reduces the potential for use by the community. This reduction must be compensated for by the payment of a levy aimed at the creation of a carbon dividend, which would contribute to the formation of a public legacy, and redistribution through a citizenship income.

²⁶ "The revolutionary and extremely topical nature of this proposal is that we are finally talking about an 'endowment' and not a 'debt' to be left to future generations. The classic example of this is Norway and the Norges Sovereign Wealth Fund, one of the largest in the world. The Norwegian government has used the country's new wealth, deriving from the North Sea oil fields, to build up a patrimonial reserve to meet the higher pension payments for the longer-lived, but probably less economically fortunate, generations of the future" (E. Flor, *Il ruolo della comunità tra impresa e mercato*, Il Mulino, 4/2020, pp. 705)

²⁷ A. Iozzo, *Il dividendo sociale di Meade. Dal debito al patrimonio pubblico*, in “Il Federalista”, 2010, n.1, p. 51

²⁸ J. E. Meade, *Agathotopia: the Economics of Partnership*, Aberdeen University Press, 1979

²⁹ A. Iozzo, *Quale welfare per l'Unione europea nell'era della globalizzazione*, Centro Studi sul Federalismo, Torino, Policy Paper n. 20, Ottobre 2016

³⁰ A. Majocchi, *Per un "dividendo ambientale" di cittadinanza*, Centro Studi sul Federalismo, Torino, Commento n. 140, 5 febbraio 2019

9. Europe after the pandemic

There is a widespread belief that Europe will never be the same again after the pandemic. This idea may be correct, but its causes cannot be solely linked to the spread of COVID-19. The causes are deeper and precede the spread of the contagion. They can be traced back to the technological revolution, which has fundamentally changed the way of producing, to globalisation, which has made it possible to relocate production activities all over the world, to the growing role of finance in the economy and to the management of economic and fiscal policies, which have accentuated inequalities in income distribution and territorial gaps. To these causes must be added the climate change crisis, which has highlighted the fragility of ecological balances as a result of man's reckless production and consumption behaviour. The pandemic has only further highlighted how the world is now a community of common destiny even in the face of spreading contagion.

In this new world, the three elements that characterised the *Trente glorieuses* need to be critically reconsidered. A Keynesian policy to support global demand would be indispensable in a recession, but it is no longer sufficient to guarantee full employment. A package of measures must be put in place to promote the labour of civil commitment hypothesised by Beck, supported by a citizenship income, and accompanied by measures at local level to guarantee the welfare that both the national state and Europe are no longer able to adequately provide. In the world of self-organised work and widespread financing, the role of local communities (Raghuram Rajan's third pillar)³¹ appears to be of decisive importance, and they are also called upon to play a significant role in solving the problem of climate change. In this scenario, a real decision-making power – including fiscal matters – should be assigned to the European Union, in parallel with the financing of lower tiers of government which should be adequately strengthened, but within an institutional framework of fiscal federalism.

At the same time, the multilateralism promoted by the international organisations that came into being after the Second World War seems difficult to achieve in an increasingly interdependent world, and with the progressive weakening of American hegemony. It is now a question of gradually starting to build a multipolar world, in which the different areas of the world are involved in decision making on an essentially equal footing. This would be a first step towards the establishment of a world federation, anticipated by Immanuel Kant³² as a foundation for perpetual peace. International stability can no longer be guaranteed by the balance of terror, and unilateral decisions by the US government, but will have to be ensured by multilateral agreements managed on an equal footing. And Europe will have to play a key role in initiating this phase of new world balances.

Europe must gradually become a reference point for building a society based on social responsibility and environmental protection. The management of the productive sector will entail a collaboration between financial capital and human capital, aimed not at seeking profit for the few, but at satisfying the interests of the community, while respecting and protecting the environment. At the same time, Europe, through the labour of civil commitment and citizenship

³¹ R. Rajan, *The Third Pillar. How Markets and the State Leave the Community Behind*, Penguin Press, 2019

³² I. Kant, *Zum ewigen Frieden. Ein philosophischer Entwurf*, 1795

income, will also become a civil rights society, guaranteeing freedom of thought and expression, gender equality, respect for all religious faiths and different sexual orientations. In addition, through a significant amount of investment in education, particularly in nursery and primary schools, it will have to promote equal opportunities for all its citizens, whether they are born in Europe or come from other parts of the world, whilst research activity would be financed with an abundance of resources, provided that the results are made available to the entire community.

The construction of a federal Europe, as foreseen by the Ventotene Manifesto³³, thus takes on a revolutionary significance, to set the world on a path towards promoting human dignity, freed from the exclusive slavery of work and the exasperated pursuit of wealth, towards a model of a society that intends to promote the well-being of all in a climate of freedom and social justice.

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³³ A. Spinelli, E. Rossi, *The Ventotene Manifesto*, The Altiero Spinelli Institute for Federalist Studies, 1988