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PUBLIC AND PRIVATE STANCES IN ECONOMIC POLICIES.
GENERAL HISTORICAL NOTES ON SOCIAL SERVICES AND THE SPECIFIC
CASE OF ITALY IN THE FIRST HALF OF THE XX CENTURY

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TEORIA ECONOMICA E METODI QUANTITATIVI

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Public and Private Stances in Economic Policies.
General Historical Notes on Social Services and the Specific Case of Italy in
the first half of the XX Century

Daniela Parisi*

November 20, 2009

Abstract

Abstract - During the first half of the XX century, both in Europe and North America, a profound dissatisfaction with the numerous different social insurance, unemployment, health and old age insurance systems began to make itself felt. The essay deals with the attitudes of the Western world, and in particular with the Italian one.

As regards the United States, debate has spread since the second half of the XIX century on the so-called *welfare work*, and on *welfare capitalism*. In Europe social security systems began with their establishment by Bismarck's German government. In the second half of the 19th century the role played by local administrations augmented in several countries. Unfair distribution was considered to be the condition of the system that made it impossible to *abolish need*.

In Italy assistance indicates a vast system of coordinated activities aimed at reforms that may contextualize arising social questions and define policies to solve them. The Italian regime basically followed the German model of welfare state, implementing social insurance in order to integrate and control the country. The solutions sprang from philanthropy and religious motivations, and also from the fear of the poor as potential criminals or rebels. After World War I legislation was issued predominantly on assistance to the disabled and on accident insurance. In the interwar period the solutions were strictly linked to the corporativistic-authoritarian formulation of the Fascist political system. In the immediate post-second WW period politicians and economists were inspired by the principle of universal social security and public services, and favoured interdependence among people in society.

Keywords: History of political economy; History of economic policy; Social services; William Beveridge; Francesco Vito.

JEL Classification: B2; B3

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1. The assistance issue in the economic thought of the XX century: welfare work, welfare capitalism, and welfare system. Some notes about the American system.

During the first half of the twentieth century, both in Europe and North America, a profound dissatisfaction with the numerous different social insurance, unemployment, health and old age insurance systems began to make itself felt.

This social discontent mostly related to workers' conditions drove the states to establish agencies and commissions to discover and analyze its causes and – mostly in Europe but also in some Northamerican states -- to provide for safety and sanitation measures, the minimum age and the maximum number of hours of work.

Assistance is the key term that defines the topic of this paper. In detail, the juxtaposition of the expression 'social services' to 'economic policies' in the title makes clear that economists conceive 'assistance' both in the terms of 'relief to the poor' and as 'wide-ranging assistance programmes for those in need'.

Defining and measuring the concepts of poverty, needs and welfare has been a hard task for economists ever since they have devoted their analyses to welfare economics. This is true because welfare is a «mosaic, with diversity in its sources and in the manner of its delivery»¹, which an economist who studies welfare economics - that is to say the ideal or real performance of the economic system² - cannot mismatch either with well-being, that is the personal achievements which do not depend only on the availability of material goods, or with standard of living which is a magnitude that refers to a basket of items and the utility given by this basket to the person entitled to it³.

As regards the United States, debate has spread since the second half of the XIX century on the so-called *welfare work*, and on *welfare capitalism*, the typical system

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- 1 N. Barr 1987. *The Economic of the Welfare State*, London: Weidenfeld and Nicolson, p. 5. The key message of this volume is «to relate economic theory to the different notions of social justice and to historical development of the welfare state» (p.3).
 - 2 K. Suzumura, 2002. *Introduction to social choice and welfare*, temi di Discussione del servizio studi della Banca d'Italia, n. 44, Rome.
 - 3 A.K. Sen et al., 1987, *The standard of Living: Lecture I, concepts and critiques*, in Hawthorn, ed., *The standard of Living*, Cambridge: Cambridge University Press.

adopted by the American employers and intended as the «human face» of American capitalism⁴.

In detail, the *welfare work* movement was established by the employers in order to reform corporate relationships and control the labor matters in the workplace in a non-legislative way. The employer-employee issue was the most serious domestic social issue in the US and it affected economic efficiency and human well-being as well⁵. No doubt workers «took advantage of welfare work when it offered them practical conveniences or small luxuries to ease the strain of strenuous labor»⁶; they were able to distinguish provisions «imposed from above» from those «suggested from below»⁷ and, as the years went by, to take for granted some reforms in the workplace.

The whole system was driven by this movement all along the first decades of the XX century, giving birth to *welfare capitalism* as a «business response to a labor problem»⁸, a response that gradually ‘suffered’ a reorientation: many social educational and athletic programs were cancelled and financial incentives were increasingly preferred to previous programs.

In a context that re-affirmed that the workers aimed at individual benefits and the capitalists aimed at continuing maximizing their profits and their control over the employed labor force, thus reinforcing the capitalistic ethics, the workplace began to become the site where negotiation between employers and employees took place: on the one hand, this phenomenon weakened the firm belief of the necessity of encoding labor reforms in law; on the other, this novelty – internalizing the disputes - contributed to depriving the state of the duty to make laws on labor⁹.

4 A. Tone, 1997, *The Business of Benevolence Industrial Paternalism in Progressive America*, Ithaca and London: Cornell University Press.

5 B.E. Kaufman, R.A. Beaumont and R.B. Helfgott, eds, 2003. *Industrial relations to Human Resources and Beyond. The Evolving Process of Employee Relations Management*, Armonk and London: M.E. Sharpe. Part one deals with “The Early Stages of Welfare Capitalism”.

6 S.M. Jacoby, 1997. *Modern Manors. Welfare capitalism since the new Deal*, Princeton University Press: Princeton, NJ., p. 204.

7 Id., p. 207.

8 Tone, cit., p. 4.

9 Tone (1997, cit.) analyzes the ‘demography’ of this movement, that is to say its concentration and diffusion over the federal area.

Welfare work was established to promote «non legislative reform»¹⁰ and, then, *welfare capitalism* became some sort of new public culture, the child of the «antistatalist impulse of business benevolence»¹¹ conceived as an alternative to *welfare statism*. The big business «extolled the efficiency of private benefits, repudiated the need for public provisions, and launched an effective offensive against widening government management of industrial affairs», promoting and extending private provisions. But in some cases the state governments did not give up their duty and «supplemented» *welfare capitalism* with the policy of the *welfare state*, with the main objective of protecting the workers' right to unionize and of establishing some basic laws on minimum wages and hours of work. So did the Federal Government as well¹².

From the beginning many forms of benefits were decided by a number of employers, mostly for long-term employees: homes for employees, schoolhouses, amusements halls, churches, insurance, and cooperative stores, fields days, dancing parties, lectures, clubhouses; sometimes also employees' families would benefit from these measures which were integrated into welfare action promoted by employers¹³.

History proves that this reality was a form of self cure of the labor problem, and Tone describes it as the «triumph of private labor reform»¹⁴ made of measures of absolute magnitude; also the debate among economists on *welfare* had been key since the same decades of the late nineteenth century.

Within this context, from the point of view of a historian of economic thought the figures of John Bates Clark and John R. Commons are crucial since Clark's work is indicative of the difficult evolution of the idea of welfare in the US context and Commons defined the concept of *welfare work*, which he also called *industrial betterment*.

10 Id., p. 2.

11 Id., p. 8.

12 Jacoby, 1977. Chapter seven.

13 The measures *in favour* of employees have been interpreted by historians as «elemosinary» to contrast unionization; by some other historians, as «a sincere attempt to humanize industry», as a result of an ethical inspiration and the workers' demand (Tone, cit.). All the more that, as Tone underlines «sympathy within workplace paid» (p. 63) and «reinforced... the capitalist ethos» (p. 65) ensuring the stability of workers.

14 Tone, cit.

Commons conceived *welfare work* in a wide sense to include «all of those services which an employer may render to his work people over and above the payment of wages» and, in a more limited sense, to include «the common decencies and recognized necessities of the ordinary equipment of the factory, workshop, or mine, such as toilet and sanitary conveniences, ventilation, elevator service for women, luncheons, medical attendance, and the guarding of machinery»¹⁵.

He also underlined «the sentimentalism which prompted their introduction» and the fact that *welfare work* measures reflected the employers' purpose to prevent unionization, a strand that «was followed by a compact organization of employees in order to remedy grievances in the payment of wages and hours of labor». This was a direct consequence of a misled concept of *industrial betterment* that must not be intended as «a solution of the labor question nor the substitute for labor organization. It is part of the labor movement for better treatment, better conditions, and greater opportunities»¹⁶.

John Bates Clark had already addressed the issue of the misleading vision of *welfare work* in his 1886 *Philosophy of Wealth*, where he discussed the need to replace conflict by cooperation in order to establish a system of distributive justice that would curb the power of capitalists. In his 1899 *Distribution of Wealth* he turned to the issue of competition, which was to be positively safeguarded through antitrust policies, and outlined his view of competition as the most efficient and fair vehicle to achieve cooperation and consequently social justice.

This way he was able to intertwine the system side and the workplace side of the same wide problem of *industrial betterment*. This vision of the economic system can be considered very unconventional in the eyes of orthodox deductive economic scientists, very open to dynamic consideration and realistic, indeed.

A central position in his proposal was occupied by several concepts that were by no means typical from the perspective of orthodox economic science. For instance, the conviction that society was a group of people and a network of organizations that enter into

15 J.R. Commons, "Welfare work" in a great industrial plant, in *The American monthly review of reviews*, pp. 79-91 (the quotation is from p. 79), in "John R. Commons Papers (Madison: State Historical Society of Wisconsin)", Reel 16.

16 *Id.*, p. 81.

organic relations, and that every society expresses a sort of consensus around the legitimacy of economic laws; further, the clear-cut distinction between static economic analysis and dynamic economic analysis, the latter dealing with the evolutionary aspects of the phenomenon in relation above all to demographic structure, taste, availability of capital, technology and also the forms of industrial organization.

It would be wiser, so the argument ran, to muster energies around the endeavor «to emphasize the contingent evident with positive criteria, to understand, beyond the price mechanisms, the importance of structures, to highlight the social aspects of economic affairs, to elaborate concepts that would not be limited to understanding the past or the present but would instead lend themselves to forecasting the future»¹⁷. Discussion also focused on the question of what role could be assigned to science in modern civilisation¹⁸, were it not that of devising tools to learn how to live in constantly changing socioeconomic conditions.

It was widely believed that the conditions in which all operations of life are carried out, economic operations included, were connected with the set of rights of which one is a titleholder in a given society; such rights were regarded as subject to change over the course of time, giving rise to a fabric of institutions and rules recognised as the environment in which economic activities take place.

In 1907 John Bates Clark reaffirmed the priority of «the necessity for keeping alive competition in the field of general industry by an effective prohibition of various measures by which the great corporations are able to destroy it. The dynamic element in economic life depends on competition, which at important points is vanishing, but can, by the power of the State, be restored and preserved, in a new form, indeed, but in all needed vigor»¹⁹.

Overall, without trivialising the authors, what they had in common was a sceptical outlook on the value of European economic theory, a critique of naturalism and of the

17 These elements of the history of economic thought are not usually included in handbooks; yet, in some they are, as, for example, in: U. Meoli, cap XV; H. Landreth and D.C. Colander, Boston 1994.

18 T. Veblen, *The place of science in modern civilization*, B.W. Huebsch, New York 1919 (Reprinted 1990, with *Introductory Essay* by W.J. Samuels, New Brunswick, Transaction Books).

19 Clark, J.B. 1907, *Essential of Economic Theory as applied to modern problems of industry and public policy*, The Macmillan Company: New York; the quotation is from the 1927 edition reprinted in 1968, Kelley Publ.: New York, p. 559.

causal and mechanistic conceptions, the conviction that the laws governing social phenomena have a non necessary character and that man can be transformed through the institutions.

2. The assistance issue in the economic thought of the twentieth century: the assistance system and welfare capitalism. Some notes on the European vision.

In Europe social security systems began with their establishment by Bismarck's German government: Bismarck's model became «the model for other countries and in its broad outlines survived» a lot of events all over the Continent. That model «reveals many essential traits of the social laws which other countries were to adopt in the next half century». Bismarck's model was an effort at state-building, designed to strengthen the state apparatus tying it to the industrial working class.

What we have considered for the Northamerican society, in Europe was referred to by the term 'social question'. In the second half of the 19th century the role played by local administrations augmented in several countries. Local administrations were endowed with the task of autonomously tackling problems related to poverty; interventions were mainly carried out in the field of social assistance and health care, mostly in favour of the poor, the eldest, the disabled and foundlings, but also in the education sector – both to overcome illiteracy and to enrich workers' and technicians' professional competence --, as well as in building and service provision.

The Catholic Church was part of this process too, specially with the authoritative figure of Pope Leo XIII whose encyclical *Rerum Novarum* strongly prompted the Catholics to engage in social and cultural life.

Various organisms devoted to these operations coexisted and overlapped often inefficiently or ineffectively. Although they represented the outcome of Government action designed to introduce legal institutes and corresponding concrete measures, they operated at exorbitant costs and ended up perpetuating or even contributing to the creation of new forms of inequality, as well as being -unsuccessful in finding a solution to poverty.

Thus, socio-economic discontent of large segments of the population was not considered to be the negative effect of workplace conditions, that is of work conditions and employers-employees relations: on the contrary, such discontent was often held to be due to the global socio-economic context which created and widened disparities.

The root causes of poverty were increasingly identified with unfair distribution of wealth. This was countered by a growing conviction that the general conditions of unfair distribution of income, which affected people's lives but also represented the situation in which the systems operated, could be rectified without radically overturning the natural mechanism of the distribution among classes. The remedy would be achieved by introducing policies for *job maintenance* and for prevention both of *mass unemployment* and of *unemployment* faced year after year by individuals.

Unfair distribution was considered to be the condition of the system that made it impossible to *abolish need*. It was described as the lack of a *sufficient income to face one's responsibilities*, and this lack could involve any citizen who wished to work to the extent of his abilities, at any moment in life.

The overall meaning of this strand of thought which had gradually developed during the previous decades of the twentieth century would later be well expressed in the concluding paragraphs of the *Report of Social Insurance and the Allied Services* (1942) in which, among other comments, one finds the observation that

Abolition of want cannot be brought about merely by increasing production, without seeing to correct distribution of the product; but correct distribution does not mean what it has often been taken to mean in the past - distribution between the different agents in production, between land, capital, management and labour. Better distribution of purchasing power is required among wage-earners themselves, as between time of earning and not earning, and between times of heavy family responsibilities and of light or no family responsibilities. Both social insurance and children's allowances are primarily methods of re-distributing wealth. Such better distribution cannot fail to add to welfare and, properly designed, it can increase wealth, by maintaining physical vigour. It

does not decrease wealth, unless it involves waste in administration or reduces incentives to production. Unemployment and disability are already been paid for unconsciously; it is no addition to the burden on the community to provide for them consciously. Unified social insurance will eliminate a good deal of waste inherent in present methods. Properly designed, controlled and financed, it need have no depressing effect on incentive. [...] then plan is not for giving to everybody something for nothing and without trouble, or something that will free the recipients for ever thereafter from personal responsibilities. The plan is one to secure income for subsistence on condition of service and contribution and in order to make and keep men fit for service. It cannot be got without thought and effort. It can be carried through only by a concentrated determination of the British democracy to free itself once for all of the scandal of physical want for which there is no economic or moral justification. When that effort has been made, the plan leaves room and encouragement to all individuals to win for themselves something above the national minimum, to find and to satisfy and to produce the means of satisfying new and higher needs than bare physical needs²⁰.

And, again, one year later:

The cure of unemployment in peace depends on finding a common objective for peace that will be equally compelling on our efforts. The suggestion of this Report is that we should find that common objective in determination to make a Britain free of the giant evils of Want, Disease, Ignorance and Squalor [...] We should regard Want, Disease, Ignorance and Squalor as common enemies of all of us, not as enemies with whom each individual may seek a separate peace, escaping himself to personal prosperity while leaving his fellows in their clutches [...] The decision to destroy Want should be taken at once, for its own

20 W.H. Beveridge, 1942. *Social Insurance and Allied Services*, London: Her Majesty's Stationery Office, par. 449 and 455.

sake, to free Britain from a needless scandal and a wasting sore. That decision would deliver at the same time the first blow in the War against Idleness. The redistribution of income that is involved in abolishing Want by Social Insurance and children's allowances will of itself be a potent force in helping to maintain demand for the products of industry, and so in preventing unemployment [...] The Policy for Full Employment outlined in this Report is a policy of spending and doing. It is a policy of common action. If we attack with determination, unity and clear aim the four giant evils of Want, Disease, Ignorance and Squalor, we shall destroy in the process their confederate - the fifth giant of Idleness enforced by mass unemployment. The carrying out of the policy depends on the positive acceptance of a new responsibility of the State, that of ensuring adequate demand for the products of industry, however industry itself may be organized [...] ²¹

Beveridge aimed to ensure a standard of living that would set man free from the scandal of want. To achieve this end, he proposed to guarantee a full time job and a decent wage to all men who were able to work, so as to restore the conditions that would make it possible for people to assume full individual responsibility.

The literature on this subject speaks of a conception of *liberal collectivism*, to be ushered in through a form of new social contract based on positive action by the Government. Beveridge, along with Keynes, believed

in a capitalistic market system on the grounds that it secures economic efficiency and safeguards individual freedom [...]. But capitalism cannot work without some form of collectivist intervention and management; as we have seen in the GT this is because the automatic mechanisms can only work under an authoritarian political regime. In this situation, the liberal collectivist's preferred solution would be some form of intervention which

21 W.H. Beveridge, 1944. *Full Employment in a Free Society*, George Allen and Unwin Ltd, London, pp.254-257.

was technically sufficient and minimal so that it would be possible to eliminate unemployment while preserving a wide field for the exercise of private initiative and responsibility²².

In a Keynesian perspective the action to be adopted was to focus essentially on maintaining the current volume of investments, in order to make full use of available resources, along with policies supporting the propensity to consume. Available resources would, in fact, be fully utilized precisely by means of Beveridge's proposals. This overall corpus was based on a complex and multifaceted conception of welfare that was not restricted to consideration of the accounting aspects of the national budget.

In Great Britain, long before the Beveridge committee was set up, and just after the beginning of the war, Beveridge himself had advocated both the introduction of a family allowance policy aimed at mitigating the impact of the rise in taxation and forced saving, and the establishment of social reconstruction policies.

Historiography pinpoints a number of conditions present within the fabric of English society thought to have encouraged the spreading of an attitude favourable to social policies of a preventive nature. One aspect was certainly the desire to boost the morale of the population by building consensus around social reform, as well as the intent to avoid penalising those who, while not directly involved in war-related economic activity, felt themselves to be at a disadvantage and considered themselves to be the victims of blatant inequality that was detrimental both to the individual and to society as a whole. Furthermore, there was a widely perceived deficiency or even a total absence of social services capable of tackling the destruction wrought by the war, which led to a growing conviction that the State should extend its active role to peacetime as well; the justification for this belief sprang from a comparison with the conditions of unrest and instability following the First World War. Finally, a sort of identification with the needy was gradually taking shape, and this fostered a sense of solidarity towards them.

22 T. Cutler, K. Williams and J. Williams, 1986. *Keynes, Beveridge and Beyond*, London and New York, Routledge and Kegan Paul, p. 25.

We might define this attitude as one possible answer to the problem of social insecurity or, in other words, governance of fear (see: "Governare la paura" web review, URL www2.spbo.unibo.it/dpis/paura/).

This line of thought had once more assumed notable importance in economic reflection during the early decades of the twentieth century, when the theme of firm size was felt to be linked to the question of State intervention and social welfare.

It was Arthur Cecil Pigou who, basing his arguments on a solid formal apparatus, maintained that government action in the form of subsidies and taxes was vital in order to guarantee the activity of firms that were of a sufficiently large size to be economically efficient and desirable from a social perspective. Over a period of thirty years Pigou would develop his own system of *Economic Welfare*, a unified and coherent system of treatises on State intervention, built on the conviction that if one trembles when faced with the «misery and squalor that surround us, the injurious luxury of some wealthy family, the terrible uncertainty overshadowing many families of the poor»²³, then it is crucial to create a «positive science of what is and tends to be», to penetrate «not any generalised system of possible worlds, but the actual world of men and women as they are found in experience to be», so that «the forecasts, which practice needs, are rendered possible»²⁴.

Admittedly, the economist's task is merely to deal with «that part of social welfare that can be brought directly or indirectly into relation with the measuring-rod of money»²⁵, and it is true that economics is concerned with the approximated effects of economic causes on economic welfare, i.e. on the complex facets of satisfaction and dissatisfaction that can be measured in monetary terms.

Yet it is equally true that economic welfare is part of social welfare, of which even the economist must have some basic knowledge. For every time the issue at hand concerns economic welfare, the economist is required to define which specific aspect of social welfare he intends to measure in monetary terms. Furthermore, it must also be borne in mind that economic welfare is not the only index of overall welfare, but – most importantly – it can influence overall welfare, in the sense that the general welfare can be modified by the way income is obtained, the way it is spent, the economic policy of the State and the set of non economic circumstances that influence the economic elements of the system. In

23 A.C. Pigou, 1929. *The Economics of Welfare*, third ed., Macmillan and co., London, *Preface*, p. VII.

24 *Id.*, pp. 5-10.

25 *Id.*, p. 11.

particular, in focusing on *industrial conflicts*, Pigou stated that economic welfare is without a doubt destined to decrease, especially when «labour and equipment in the whole or any part of an industry are rendered idle by a strike or lock-out, the national dividend must suffer in a way that injures economic welfare [...] », in that «the loss of output for which these disputes are responsible often extends much beyond the industry directly affected»²⁶.

Thus in the 1940s William Beveridge was working in the wake of a long, although not homogeneous, and uninterrupted tradition addressing these issues; it was a tradition composed of works on economic science and legislative provisions.

As a further confirmation of the fact that the various different themes addressed in articles dating from the 1940s have a genuine position not only in the biography of Beveridge but also within the history of twentieth-century economic thought and British economic policy, one should at least recall that as early as 1909 Beveridge had published a first study on unemployment. Furthermore, in 1922 the Liberal Party – of which he was an active member – had put forward detailed proposals to tackle the problem of unemployment. Another point worth recalling is that in 1931 Beveridge had published a monographic study precisely on these issues. Thus there was clearly a substantial body of thought addressing such matters which had been built up over time by various economists.

Despite basic differences in the analyses of unemployment and social inequalities developed during the first decades of the XX century in North America and in Europe, debate had diffusely centred on the increasing need for perfecting the meaning of the notion of welfare, and of formulating instruments to measure the elements that were under scrutiny.

3. The case of Italy: from the corporativistic-authoritarian formulation to the principle of universal social rights.

In Italy the two issues of the measurement of the socio-economic magnitudes related to wellbeing and of the analysis of the concept of welfare had been already developed: the

²⁶ Id., p. 411.

former since the first decades of the XX century with pioneering works by Corrado Gini²⁷; the latter had been lively ever since national unification through the debate on a key topic of the welfare state, i.e. social assistance, mainly focused on maternity and infancy issues²⁸.

Assistance indicates a vast system of coordinated activities aimed at reforms that may contextualize arising social questions and define policies to solve them. The Italian regime basically followed the German model of welfare state, implementing social insurance in order to integrate and control the country.

The solutions sprang from philanthropy and religious motivations, and also from the fear of the poor as potential criminals or rebels²⁹. After World War I legislation was issued predominantly on assistance to the disabled and on accident insurance.

In the interwar period the solutions were strictly linked to the corporativistic-authoritarian formulation of the Fascist political system. A policy favourable to some categories of citizens was inaugurated, and specific institutions were devoted to accident prevention (ONMI), organizing workers' free-time activities (OND), and patronizing illegitimate children³⁰.

Existing health insurance funds for some professional and working categories widened their role in order to face the inconveniences of the 1929 crisis. Notwithstanding the effectiveness of all these new agencies, the Fascist welfare system was characterized by fragmentism and left unchanged the different living conditions of citizens, workers, categories, and sectors. Actually, social policies were disconnected from any trade union

27 D. Parisi, [forthcoming], *Econometrics and Italian econometricians: from Corrado Gini to Luigi L. Pasinetti*.

28 A. de Swaan, 1988. *In care of the State. Health care, Education and Welfare in Europe and the USA in the Modern Era*, Oxford UK: Polity Press and Basil Blackwell; P. Baldwin, 1966. Can we define a European Welfare State Model?, in B. Greve, ed., 1966. *Comparative Welfare System*, Palgrave and Macmillan, pp. 29-44.

29 De Swaan, cit., p. 252.

30 A 1923 law-decree included operative criteria on prenatal assistance, assistance and fostering of foundlings; assistance to infant-feeding mothers, and education of foundlings, and in 1925 ONMI (then also IPIM) started its activity. On these topics historiography is significantly rich. Let me mention a report on assistance dated 1939 which, apart from quality and contents, I single out here since it was written by a young scholar who was shortly to become a famous economist: F. Modigliani 1939. Un decennio di regime assistenziale fascista agli illegittimi, *Maternità e Infanzia*, pp. 11-12.

reference or vision and were strictly aimed at achieving and increasing consensus to the Fascist government itself.³¹

In the immediate post-second WW period politicians and economists were inspired by the principle of universal social security and public services, and favoured interdependence among people in society: being human actions closely intertwined, also the solutions of social questions were held to be a generalized and common responsibility³².

This section of the paper focuses on the Tremezzo meeting, a key occasion in a crucial decade of Italian history, the years between 1944 and 1953, when a *new Italy* was conceived, an age whose events were prepared by direct commitment to post-war economic reconstruction. Indeed, these were the years in which key topics – from real conditions and national and international monetary and financial questions, to more specifically technical-economic problems, and themes related to the social consequences of the «violent and deep» alteration in the distribution of wealth³³ during the war -- were defined and investigated in depth³⁴.

Historiography recognises that in this phase the Italian welfare state became similar to the Beveridgean model aimed at implementing tax-financed social policies able to allot benefits universally and uniformly; we may admit that a solidaristic perspective prevailed aiming at realizing a welfare state within a welfare society³⁵. This means that in Italy the role of social networks, personal interactions and intermediate bodies remained crucial, preserving the various practices of giving, of philanthropy and charitable offering typical of Italian history³⁶.

31 G. Silei, 1998. *Le socialdemocrazie europee e le origini dello stato sociale (1880-1939)*, University of Siena, Working Papers Series, n. 35; F. Conti and G. Silei, 2005. *Breve storia dello stato sociale*, Roma: Carocci, ch. 3.

32 Id., p. 253.

33 F. Vito, 1944. *Problemi economici del dopoguerra*, Lectures delivered on the occasion of the 16° “Dirigenti di Aziende industriali” course at the Milan Politecnico (July-September), I ed., Milano, 1044.

34 The general context of the period is well described in: Id., ch. 4, session 3.

35 P. Roggi, ed. 2005. *L'Attesa della povera gente. Giorgio La Pira e la cultura economica anglosassone*, Firenze: Giunti.

36 «... the continued and intensely viable role of gift giving in signalling and cementing ties and obligations in varied contexts and social interactions.... The powerful ramification of gift relations in inducing social bonds or trust, material supports and benefits, power, prestige, self-esteem and regard...» may surmount

At the Tremezzo meeting practical proposals were underpinned by the «sense of responsibility of the collectivity towards the welfare of all» These are the terms of the speech by Michael Schapiro, a representative of the *United Nation Relief and Rehabilitation Administration* (UNNRA) Mission acting as the Director of the Assistance, Division for Lombardy³⁷, which Francesco Vito cited in Tremezzo in Autumn 1946, at the opening of the Congress of Social Service Studies.

In encountering the representatives of Italian assistance bodies and associations at Tremezzo, Vito and Schapiro defined social service interventions by highlighting the unavoidable need for wide-ranging assistance programmes. These programmes should aim at establishing welfare for the entire “national community”; in other words, they should aim at enhancing economic, moral and social life conditions of all the participants in the system, and at attaining a “better organization of society” by bodies that may give realization to the fundamental human rights and make good-quality services available.

It is clear that the definition of social services adopted at Tremezzo tried to establish a relationship between economic theory and social justice, that is to say, to promote a notion of welfare state that includes the relevance of equity reasons and economic efficiency as well. This definition is one of the main tesseræ of the socio-economic system of the *new Italy*, towards which the economists of the Catholic University were working in the post-war period³⁸.

the anonymity of market and sustain informal relationships. All that has its costs and perils (I.K. Ben-Amos, *The Culture of giving. Informal support and Gift-Exchange in early modern England*. 2008, Cambridge: Cambridge University Press, pp. 376-389.

37 *Atti del Convegno per studi di assistenza sociale* (Tremezzo, 16 September-6 October 1946), Milano, 1947. The opening speech at the Congress of Tremezzo (*L'assistenza sociale*, pp. 19-23) is coauthored by M. Schapiro and F. Vito; the collaboration of the former is evident in the emphasis on fundamental rights, specially the rights to life, liberty, pursuit of happiness. The Congress, in which partook the representatives of all Italian assistance bodies and organizations, focused on three key research fields: social assistance, insurance, mutuality and health issues (first week); childhood assistance ('physical and mental wellbeing' and 'individual and social development') (second week); after-war issues (third week). Interventions are reported in “I problemi dell'assistenza sociale”, 1 (1946), 5-6, settembre-dicembre.

38 A general contextualization of the configurations of the new Italy, albeit focused on the Milanese area, is provided in the essays collected in G. De Luca ed. 1997 *Pensare l'Italia nuova: la cultura economica milanese tra corporativismo e ricostruzione*, Milan: F. Angeli.

4. How Italian economists got ready to post-war reconstruction: some hints at the Milanese group.

The sources of this paper are mostly articles published by Francesco Vito in periodicals and volumes of the Catholic University³⁹, or in collective volumes and periodicals outside the University, such as “Operare”, “I problemi dell'assistenza sociale – Rivista bimestrale di attualità medico-sociali e previdenziali” (published by Istituto Nazionale Assicurazione Malattia dei Lavoratori), “Review of Economic Conditions Italy”, “Giornale degli Economisti”. With regard to bibliography, although consulted material is almost exclusively signed by Vito, it must be born in mind that the Department of Social Sciences (Istituto di Scienze Sociali) of the Catholic University, directed by Vito for several years, operated as a group in workshop modality, formulating analyses of the socio-economic system along a multi-content and multi-disciplinary perspective; this research approach fostered the forming and developing of individual disciplinary specificities within the Department, which in turn promoted the convergence of distinct scientific competences into a number of leading collaborative works which enjoyed wide diffusion.

In those years Catholicism was a real mine hosting critical debate on any form of regime or system. Catholics did not propose a social model; rather, they entered the political and social arena sounding the inspiring criteria of the models formulated and realized in society; this in the fear of ending up «contemplating the ruins of disappointed hopes and fruitless projects» that would arise by realizing too late that reason, moderation, justice and noble humanity had not been fruitfully employed, a destiny against which also Pius XII, painfully yet still full of hope, warned in his teaching⁴⁰.

Pius XII's message called for an act of responsibility in the project of the new Italy. It is true, «the Church does not intend to side with any of the concrete forms by which

39 For a list of Vito's publications, see C. Beretta, ed., 1993. *Bibliografia di Francesco Vito. Rivista internazionale di scienze sociali* (henceforth, *RISS*), 4, pp. 811-843 (re-edited in D. Parisi and C. Rotondi, eds., 2003. *Francesco Vito. Attualità di un economista politico*, Milano, pp. XXV-LXVI). See these essays for a contemporary theoretical reading of Vito's themes.

40 *Speech at Pentecost* 1941.

single nations tend to solve national and international collaboration issues»⁴¹; yet, the Pope defined welfare as «that set of external conditions necessary to citizens to develop their qualities and services, their material, intellectual and religious life», thus explicitly calling for the reconstruction of a system oriented to the defence of human dignity. Defending human dignity means considering the state – at central or/and local level – neither as the only source of welfare nor as a producer of goods and services: firms, private individuals, families, charities are appointed and endowed with the responsibility of realizing common welfare.

Those who responded to the call did not necessarily aim at forming a *Catholic bloc*; rather, and more precisely, they intended to realize a *unity* in which, while all defending religion in the political battlefield, Catholics may adopt different solutions to single economic and social issues, as expressly written by Father Gemelli to Pope Pius XII on September 10, 1943⁴².

The *Code of Camaldoli* is the best known outcome of the above cited papal plea; in this document a group of young scholars provided an articulated response which looked forward to the establishment of a new, free and democratic society whose fabric may safeguard the human being, liberty and justice.

The group shared a personalistic background, thereby founding human convivence in the acknowledgment of the fundamental rights of the individual, first of all the right to work in order to provide for oneself within one's family, and the right to enjoy goods within the framework of social duties and boundaries. Among these scholars, the economists of the Catholic University – Fanfani, Feroldi, Marconcini, Saraceno, Uggè and Vito – were working on a welfare project to guide production and consumption, so that society should neither be the result of the mere juxtaposition and collection of private goods, nor of the sacrifice of the 'parts' for the sake of the 'whole'⁴³.

41 *Message* on 24 December 1942; F. Vito, 1943. *Le basi dell'ordine sociale nell'insegnamento di Pio XII*, in "Vita e Pensiero", 29, March, pp. 1-8.

42 The letter is reported in G. Formigoni, 1995. Padre Gemelli e il partito cattolico: un documento del settembre 1943, *Bollettino dell'Archivio per la storia del movimento sociale cattolico in Italia*, 1, pp. 3-19.

43 L. Rossi, 1942. Il principio economico, in *RISS*; F. Vito, 1944. L'estensione della proprietà a tutti i ceti del popolo e la dottrina sociale cattolica, in *RISS*, 52, October, pp. 210-225.

Over time Milan had become a fruitful milieu to formulations in this direction. The different sensibilities of Ambrosian Catholicism in particular had been significantly propositional in developing the legacy left by work completed in the Thirties and during the war by the different groups that had committed themselves to preparing for post-war and reconstruction responsibilities and tasks. Indeed these seeds were flourishing where Cardinal Ildefonso Schuster had

stirred and protected, in a convivence respectful of individual specificities and inspirations, experiences far from his own sensibility ... that ... [are] were causing problems and rivalry with the regime ... [and] [promotes] promoted the establishment of both the Catholic University [as an alternative and succession to Fascism] and Azione Cattolica... even more direct and immediate [is] was Schuster's imprinting on laity... [a peerless militancy of laity] tirelessly [states] stated and [re-states] re-stated the need of abandoning the private sphere, of organizing, of living religious faith publicly and socially⁴⁴.

Within this context there were those who had formed along a Neo-Guelphic direction, those who were cooperating in the *Programma di Milano* of 1943⁴⁵, the scholars partaking in the 'Esame di Coscienza' initiative as coordinated by Sergio Paronetto of the periodical "Studium"⁴⁶ and in the drafting of the Code of Camaldoli; there was the group of professors of the Catholic University whose sensibilities had been spurred by Mons. Carlo Figini of Venegono, Father Carlo Colombo and Mons. Adriano Bernareggi, Bishop of Bergamo and National Assistant in the Movement of Graduates of Azione Cattolica⁴⁷; there were those who had formed in the different branches of Azione Cattolica.

44 G. Rumi and A. Majo, 1983, *Schuster a Milano*, Milan: NED.

45 On the Neo-Guelphic Action Movement and Piero Malvestiti, the essay by E. Fumasi, Il pensiero economico di Piero Malvestiti e i rapporti internazionali, *Pensare l'Italia nuova*, cit., pp. 355-378, discusses notions and mentions related historiography.

46 P. Roggi 1988. *Riviste cattoliche e politica economica in Italia negli anni della Ricostruzione*, Milan: F. Angeli, p. 36. Mazzolari was to write a monograph on work issues, as inferred by Roggi from Paronetto/Mazzolari correspondence.

47 At the Congress of Catholic University Graduates on 9 January 1943 Mons. Bernareggi mentioned the bold articles signed by Primo Mazzolari to point severely to the painful reality of social injustice and loss

The role of the group of graduates who in 1939-1940 were formulating an original response to the moral problem of the war also deserves a special mention. In this group figured the young theologian Carlo Colombo⁴⁸, an expert in French theology, the thought of Henri Louis Bergson and Maurice Blondel. His studies focused in particular on themes connected with the ethical implications of Christian philosophy and the social implications of moral theology, and consolidated the investigation of the ties between faith and reason, and between theology and the life of the Church in history.

Since 1943 Colombo, who had been «warmly exhorted, almost forced» by Father Agostino Gemelli to complete a research study on Pope Pius XII's 1942 Christmas Radiomessage in order to formulate a «programme of action for the renovation of society», became pivotal for a seminar of Catholic studies. The research group comprised about thirty representatives of the “intelligentsia of the nation [...] [working] towards the possibility of giving practical realization to the ideas presented” in Pius XII's message⁴⁹; among them, the professors Giorgio Balladore Pallieri, Marcello Bordini, Francesco Vito, Amintore Fanfani, Pasquale Saraceno, Antonio Amorth, Francesco Carnelutti, Giuseppe Dossetti, Giuseppe Lazzati; Father Grazioso Ceriani, Mons. Francesco Olgiati, Mons. Carlo Figini; the lawyer Luigi Meda and Doctor Carlo Corti.

Between the Forties and the Fifties these personalities pursued their own individual course, vocation, civil, professional and at times even political commitment, leaving an original mark in the history of Catholic thought and action, and in the history of the new Italy too, as proven by the rich historiographic corpus of studies about them.

These are then the background and the interpretive framework which contextualise the ideas and projects in the field of social assistance as herein investigated.

of inner charity (A.B. 1943. *Responsabilità del cristiano d'oggi*, Bergamo: Soc. ed. S. Alessandro). Also P.M.'s intervention in 1948 was focused on social justice; reported in G. Formigoni – G. Vecchio 1989, *L'azione cattolica nella Milano del Novecento*, Milan: Rusconi. This general, long-matured project finds its application in economics in the periodical “Adesso”.

48 In 1934 Carlo Colombo, ordained priest in 1931, taught Philosophy at the Seminar of Venegono and in 1938 Systematic Theology at the Theological Faculty in Milan.

49 A.M. Negri 1993. *Mons. Carlo Colombo fra Chiesa e Società*, Milan, Chapter two; L. Vaccaro, *Colombo, Carlo*, in F. Traniello – G. Campanini 1997. *Dizionario storico del movimento cattolico – Aggiornamento 1980-1995*, Turin: Marietti.

5. Social assistance as a part of Social security and a system of coordinated activities: Francesco Vito's approach to the topic.

The definition of social assistance presented at the opening of the 1946 Congress at Tremezzo pointed out the traits that had been characterising the notion of Welfare State for a few years: social assistance seen as a system of coordinated activities aimed at enhancing the economic, moral and social life of the national community in its entirety, in order to realize a better organization of society, and implying, in turn, ample programmes to be perfected through the establishment of quality service-providing bodies⁵⁰.

The definition reflected both the political goals of the ruling class and the intention of creating a series of goal-oriented institutions. Indeed, it is a definition that requires the community to assume ample responsibilities, and to recognize that the shift from *charity institutes* to *social justice* is heavily laden with both cultural and financial implications. Society in its entirety has to provide for social justice directly and explicitly, in order to tackle those conditions of deep discomfort which are held to be indicative of the instability of the system.

Assistance is conceived of neither as 'aid' to 'selected groups', nor as 'provisional, temporary assistance', nor as a series of charity acts, actions to limit class conflicts, donations to the poor, and concessions.

Instead, “all the natural members of society by which they have a right to be helped”, that is everyone, are eligible to assistance, if in need⁵¹. Services are made available by private or public social bodies which operate in a coordinated manner to prevent or cure primary and urgent needs, so as to prevent or cure, in turn, situations of “physical decay, abandonment, poverty, precarious life conditions, impossibility of earning one's living” even by recurring to forms of international cooperation. This network – an image that evokes global connections, exclusions and corresponsibility – is held to be

50 An effective reconstruction of the historical background of the welfare state in England from the XVII century onwards is in Barr, cit., ch.2, 5 (The Second World War in Its Aftermath).

51 F. Vito 1945. I piani per la sicurezza sociale: i limiti di applicabilità e le condizioni di successo, *Rivista internazionale di scienze sociali*, 53, October, pp. 189-198. In this work Vito directly refers to the guidelines of *The White Book* presented to the British Parliament by the Ministry for Reconstruction in May 1944.

capable of perfecting the realization of fundamental rights which derive from a notion of human being as a repository of original dignity. This general form of assistance implies the provision of quality services – that is, services conforming to precise provisions – by specially structured bodies (public and/or private) operated by professionally competent staff, i.e. personnel that can be assessed according to working skills and performance benchmarks.

Actually, in 1946 Italy had a small number of Social Work schools (three headquartered in Milan); their diplomas were not legally recognized by the Ministry of Labour: «One of the controversial points [about legal recognition] involves the ratio between scientific instruction and training. Besides, disagreements and conflicts are evident about the moral and religious inspiration towards which a social work school can legitimately orient its activity»⁵². These key issues had been discussed in Paris at a Congress organized by the UN's Department of Social Affairs in December 1949⁵³ and in Rome at the *7me Conférence Internationale de Service Social*, in which Vito had taken part with the essay published in French in the conference proceedings⁵⁴.

The Congress of Tremezzo is accompanied by the design of a *Summer School for Social Work*, and in a wider perspective, by the establishment of a *Committee for Coordination* – of representatives from the Ministry for Post-War Assistance, the Italian Delegation for Relations with UNRRA, the Pontifical Assistance Commission and the Ministry of War⁵⁵ -- which in the Congress Reports is confusedly indicated as the first attempt at «coordinating», as well as «uniting», «jointly addressing» and «re-organizing» assistance activities.

These events – congress, school and committee – are the tesserae of an assistance project, of a general idea of society that has to detect a legal framework to devise forms and regulations for social relations – between individuals, individuals and society; among

52 F. Vito 1951. Servizio sociale e scienze sociali, *Rivista internazionale di scienze sociali*, 59, May-June, p. 185.

53 1950. *Cycles d'études sociale européen*. n. 4, New York.

54 1950. *Progrés scientifique et Service social*, Rome, pp.185-201.

55 M. Schapiro 1946. Convegno di studi di assistenza sociale, in *I problemi dell'assistenza sociale*, 5-6, p. 247.

society's intermediate levels; and between the latter and society⁵⁶ --, so as to guarantee the intergenerational permanence of the firm and stable reference to the core principle of personal rights defence against arbitrary attacks despite the evolution of society over time.

In economic terms this principle finds its realization in welfare aimed to elevate the conditions and aspirations of the «proletariat», i.e. those who live in a «state incompatible with human dignity», those wanting «if only modest, assets», those in a condition of «permanent and hereditary life precariousness»⁵⁷.

If this is the general goal, if the enhancement of the life conditions of collectivity and individuals is the aspiration, then single social assistance interventions go well beyond their application, and find their definition and accomplishment within the wider scope of the goals and services furnished by the specific bodies in charge for their provision.

Assistance projects are thus contextualised within a program of wealth redistribution, and are considered to be key to this goal; only thereby can society encompass “no-one wanting means to lead a life worth of human beings”. Far from egalitarianism, everyone must be put in the position of accessing global wealth, of enjoying that concrete lifestyle enhancement that realizes a rise in both work efficiency and national dividend⁵⁸.

Social assistance schemes are not sufficient to renew society. To these, far-ranging measures have to be added, such as those aimed to re-establish work rights fully, and to re-affirm economic efficiency in companies.

As far as the former are concerned, the general background of reference is a society in which poverty is widely spread and unemployment commands resolute interventions.

56 F. Vito 1943. Le basi dell'ordine sociale nell'insegnamento di Pio XII, *Vita e Pensiero*, 3, pp. 1-8.

57 Id. 1945. *Il fine della riforma sociale secondo la dottrina cattolica: l'elevazione del proletariato*, RISS: 1, pp. 81-83. Vito investigates the mistakes that are generally made in using the term *proletariat*: when identified with *the salaried*; when associated with *the poor*; when related to *non-participation in political life*. In fact, wage workers are neither all proletarians, nor poor, nor unable to exert influence in political life. «The notion of proletarian is not an economic-political notion (exclusion from the management of the *res publica*), ... it is an essentially ethical notion ... linked to an idea of the status of workers as incompatible with human dignity». It is thus linked to loss of private property and to existence merely due to conditions related to one's contractual status: «in other words: proletarian indicates the status of workers who do not own their work as a product, and are thus deprived of, if only modest, property, and therefore are in permanent and hereditary life precariousness» (p.83).

58 Id. 1945. *La riforma sociale secondo la dottrina cattolica*, Milan: Vita e Pensiero, p. 43.

In the years considered in this essay Francesco Vito investigates the way in which this goal may be pursued by enacting mechanisms respectful of the need to acknowledge work rights, and capable of re-formulating the relation between work and capital⁵⁹. He strongly opposes the view of those who propose to tackle unemployment by a stern public balance policy and a contraction of consumption, as well as the ideas of those who from these measures derive a rise in savings aimed to promote investment and expand productive activities.

By contrast, Vito is in favour of rises in public expenditure and investment programmes aimed to increase employment. He believes that, by transferring wealth to the many poor inhabiting the system, conditions can be created that, by a rise in consumption, may also trigger a rise in work efficiency and global income; such a rise in income would then counterbalance shrinking savings induced by the initial transfer of wealth. Re-establishing work rights passes also through regulation aimed at workforce re-qualification, spreading of private property and enhancement of workers' status within companies. This nexus between assistance schemes and defence of work rights is to be preserved so that, in a context of wealth re-distribution, advantages to the working class can become permanent⁶⁰.

As for the re-affirmation of economic efficiency criteria in companies, this is a further element that concurs, with assistance schemes and work rights re-establishment, to orient the system towards welfare. In detail, efficiency has to be complied with in the organization and management of companies, whether agricultural or industrial, small, medium or big, whether public or private.

In the ongoing theoretical debate, in which the principle of corporate efficiency was crucial, Vito voices the need for redressing «some wrongful opinions about costs reduction procedures», and for reformulating the definition of production cost in order to avoid its

59 Id. 1944. *Il lavoro*, excerpt from: *L'ordine interno degli Stati nel Radiomessaggio di Sua Santità Pio XII del Natale MCMXLII*, Milan: Vita e Pensiero.

60 *Ibid.*, p. 26.

simplistic identification with the accounting idea of «monetary value of goods employed for production»⁶¹:

in absolute terms, high costs are not necessarily symptomatic of economic inferiority since they also mean high income. Conversely, a fall in the costs of a productive factor, for instance the cost of money or of work, reduces the costs of the single enterprises in which it is applied, yet does neither necessarily relieve nor stimulate the economic system since it is accompanied by other variations, whose effect is to be investigated.⁶²

In May 1950, at the Congress of Economics and Industrial Policy on “Production Costs” promoted by the *General Confederation of Italian Industry* (Turin, 15-17 May 1950), Vito affirms that production costs reduction can be pursued neither by suppressing or mitigating taxes, nor by employing a more limited number of factors per product unit or cutting salaries. In detail, suppressing or mitigating taxes can impact on production efficiency, weakening the presence of those public bodies which operate as production factors; on its part, cutting production factors or salaries can lead to problems in tackling the support, amortization and replacement of eliminated factors and of the less heavily salaried; specifically, the problem of «actors' inactivity [...] is particularly serious when involving human work»⁶³.

Vito's theoretical proposal relies on a notion of «social production cost» that encompasses the principle of «the impoverishment of unrestorable natural resources, of the ageing and deterioration of equipment and unamortized reserves» as well as the «straining of human resources» absorbed as they are in the productive process⁶⁴, and of forced inactivity of part of available workforce⁶⁵. In other terms,

61 Id. 1950. *Della nozione di “costo sociale” della produzione e del lavoro come “costo fisso” per la collettività*, in *RISS*: 4, pp. 323-335.

62 *Ibid.*, pp. 329-330.

63 *Ibid.*, p. 328.

64 *Ibid.*, p. 331.

65 *Ibid.*, p. 332.

work must be considered a fixed cost for the collectivity, that is a cost which has to be covered whatever the level of employment⁶⁶.

This principle is inspired by the belief that unemployment must be avoided by guarantee schemes for workers of which the system as a whole, in its single components, has to be the guarantor⁶⁷. Following and referring to John Maynard Keynes's thinking, Vito affirms that

reductions in the level of salaries, under certain circumstances and in association with reductions in general demand and consumption, can lead to a deep contraction in production, and cause much wider damage to commodity-providing companies than reduced salary levels⁶⁸.

This approach enables all the elements considered so far – the redefinition of the notions of national income and welfare, as well as the appraisal of the parts of the system in a macro-economic perspective – to flow into a unitary research path. Far from considering contractual bonds as the ties by which community members coalesce in the collectivity, the unifying principle underpinning these elements is identified in the solidarity bond, that is, the criterion which sees «full employment»⁶⁹ as the sole acceptable provision in national economic policy and the sole route towards international cooperation.

Lacking such a unifying orientation, regulation against unemployment would turn out to be “chaotic, confused and highly irrational”, and would have worse results than

66 This descends from being “aware of the solidarity bond” (*ibid.*, p. 333). On the history of ‘basic capital’ and ‘basic income’ proposal, see: J. Cunliffe and G. Erreygers, 2004, *The Origins of Universal Grants*, New York NY: Palgrave Macmillan.

67 These are the years when in different States of North America specific events and experiences come to the foreground aimed to guarantee employment stabilization with assumption of responsibility on the part of employers. (For a brief analysis of ongoing experiences, see: H. Weiss, *Unemployment Prevention through Unemployment Compensation*, in “Political Science Quarterly”, 1938, 1, pp. 14-35).

68 *Ibid.*, p. 330.

69 For Vito full employment means rising income obtained by employing all factors and preserving available work.

unemployment itself, descending, as it would, from an «obsolete and fragmentary arsenal» and relying on «confused deformations of corporate accounting»⁷⁰.

Formulation of coordinated programmes of social assistance, acknowledgment of work rights and defence of corporate productivity in the light of social production costs: these are the key elements in Francesco Vito's thinking of the Forties, specially in his notion of the relations between individuals who shape and partake in social life. Vito's approach safeguards the need for a reconciliation between the traditional principles of legal justice, civil liberty and political rights on the one hand, and the necessary objective of economic welfare, intended as the *full employment* of resources of which available work is a pre-eminent aspect, on the other.

On the occasion of the Autumn 1946 Congress at Tremezzo fundamental rights such as those to life, liberty and pursuit of happiness are identified. Most interestingly, the term 'happiness', albeit figuring in the Congress Reports, is absent in Vito's works; he rather employs the term 'welfare', defined as the *development and improvement of the human person*. In effect, the professional and educational heterogeneity of the Congress participants at Tremezzo must have posed significant difficulties towards the adoption of a shared expression – i.e. welfare or happiness – that might enunciate the finalities of social life. The term chosen at Tremezzo, i.e. happiness, is actually rather generic, and, as shown by modern debate in the history of thought, can encompass distinct contents as deriving from distinct philosophical and anthropological frameworks⁷¹. Differently, Vito's expression – i.e., development and improvement of the human person – originates from a theoretical system which precisely delineates the relation between specific societies and their members within the social context, a notion that descends in turn from the all-encompassing principle of the supernatural dignity of human beings.

Vito's approach and research path in this field are sharply delineated by Agostino Gemelli in a detailed 1948 study⁷², and, with a specific focus on the nexus between

70 *Ibid.*, p. 334.

71 For a detailed North American analysis of the issues linked to the definition of this concept, see K.G. Donohue, *Freedom from Want: American Liberalism and the Idea of the Consumer*, Baltimore 2003.

72 A. Gemelli, *La esemplare organizzazione della assistenza sociale in Inghilterra*, in “Vita e Pensiero”, 31 (1948), 9, pp. 510-524.

production and distribution of national income and social security, in the Inauguration Speech of the XXIII Settimana Sociale dei Cattolici d'Italia (XXIII Social Week of Catholics of Italy) held in Bologna on the last week of September 1949⁷³.

Liberating people from want is the criterion according to which a system of wealth re-distribution can be institutionalized. Interventions in this direction go «beyond both the enhancement of economic conditions and a rise in the standards of living»⁷⁴; rather, they are validated by the overcoming of precariousness in living conditions.

To reach this objective, social security schemes have to blend with policies aimed both to sustain high productivity in the system and to facilitate workers' access to movable and immovable property. The relevance and meaning of the indissoluble ties of these aspects in the welfare issue are crucial for success, since only within such a wider framework can social security plans aimed at relieving from want⁷⁵ be fruitfully grafted onto existing social and economic contexts.

Neither the persons present at the Tremezzo meeting nor the published records make any reference to the abolition of the traditional forms of spontaneous giving, gifting, of informal social relationships and supports. What is worth underlining is that the acknowledgment of universal social rights and entitlements means recognizing each individual's human dignity: this is the path leading to a more decent society.

73 F. Vito, *Sicurezza sociale e reddito nazionale*, in Id., 1988. *Gli aspetti etico-sociali dello sviluppo economico. Contributi alle Settimane Sociali dei Cattolici d'Italia*, Milan: Vita e Pensiero, pp. 65-78.

74 *Ibid.*, p. 3.

75 Vito has practical views on the instruments to tackle want: in his opinion, welfare is pursued by employing instruments that are devised over time depending on emerging needs. In this respect, one of the instruments principally devised and directly realized by Vito is the Faculty of Medicine at the *Università Cattolica del Sacro Cuore*.