

The structural evolution of the society and the traditional socialist paradigm.

First Notes for a discussion

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Background paper

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The structural evolution of the society and the traditional socialist paradigm.

1. Premise

1. Object of the paper

By ‘structural evolution’ of society, I mean the changes that have occurred during the last fifty years in the ‘material forces of production’ – and in the social relations which derive from them – in the advanced societies where Capitalism began and developed. As this deals with the society in which the socialist movement began and developed, my intention in this paper is to discuss the possible impact of more recent structural evolution on the traditional basic principles of that Movement, which I will name the ‘the Traditional Socialist Paradigm. (TSP)

There are two different logical moments present in this paper: 1) an analytical one which analyzes the structure and composition of society, as it is evident in its current evolution and character, and differs from that of a century ago; and 2) a political one, concerning the vision and policies for a rearrangement of society with an aim to change and improve it.¹

I will examine analytically how contemporary advanced societies (in which Socialism was born and developed) are structurally configured. I will also discuss which directions could be of interest and useful for elaborating a socialist political action (explicitly inspiring myself to the tradition of liberal socialism²).

2. The old debate on socialism

The point of view of liberal socialism, at least as it has been theorized by Carlo Rosselli in Italy, was at its time very critical, as we know, of a good part of the ‘official’ Marxist positions. This point of view constituted, in its epoch, an important turning point for old socialism – which was already overloaded by extremely doctrinaire controversies throughout Europe (gradualism versus radicalism,

¹ In the past socialism, as a political movement, has been marked - in its inevitable and numerous ‘doctrinaire’ disputes – by a constant interpolation of the two indicated moments, often a factor of incomprehension and misunderstanding

² In this way I intend to reassume, without repeating everything, the long doctrinaire travails, still valid in part though not always topical, which have agitated us socialists in our history, and that have been already critically analyzed in the well-known inter-war writings of Carlo Rosselli on *liberal Socialism*. But a lot has happened since the end of the last world war, and so the time is more than right to update Rosselli’s critical and retrospective analyses of socialism, in light of the huge structural transformation society has undergone in the last fifty years.

reformism versus ‘maximalism’, determinism versus voluntarism,) – towards new theoretical beaches and was brought about as a result of the pressures from the *structural transformation of society and capitalism* which had occurred.³

However, with the emergence of the iron curtain and the Cold War the debate froze on old positions, rendering older controversies idle and absent, and so Rosselli’s role was ephemeral. (Afterwards it was unequivocally stated that the Cold War and iron curtain had little to do with the debates internal to Socialism.) Furthermore, Rosselli’s thinking remained unknown for a long time in Italy⁴, and as such those with a greater knowledge of history lost the opportunity (or at least I hope!) to induce many good socialists and communists susceptible to Soviet blandishment to liberate themselves in advance from the ideological and political tutelage of communism and of the Soviet regime. (This has done irreversible damage to the progress of socialism in Italy, as well as in the rest of the world).

3. An updated vision of the debate

On the other hand, an *updated* vision of social rearrangement cannot help but be a *central* and *strategic* theme of an ideal political movement inspired by the tradition of liberal socialism. This was the case in the past and I don’t see how this could be any different either in the present or future, regardless of what results from reflection.

A vision of the structural *rearrangement* of society, is in effect an essential step for a political vision in the *long term* and an *essential framework of reference* for a socialist policy, which should not be episodic or occasional (as has been the case up until now), as such constraints render opaque and confused the finalist vision of socialism itself.⁵

³ Regardless, people have said many things concerning the relationship between Rosselli and Marx, and more in general between liberal socialism and Marxism. However, in my opinion this commentary has been imprecise and misleading, and as such this relationship deserves special reconsideration. I reserve the right to return to this in another writings. But I now propose that socialist Council make it the subject of its historical and theoretical attention.

⁴ As is known, his principle book, was in fact published in Italy only at the end of the war, but was difficult to access (Edizione U, Roma-Firenze-Milano, 1945); republished by Einaudi in 1973(!) (not without a certain lack of fair play by the culture obedient to the PCI) thanks to the decisive engagement of the son John and of Aldo Garosci; and, after many misfortunes, was made accessible even in English in 1994, published by the Princeton University Press, edited by Nadia Urbinati.

⁵ This finalistic vision is not to be confused – as do some superficial critics of socialism – with a messianic absolutist vision of a future perfect society. This is the wrong way, though now widely diffused, to project in the head of the adversary our own ingenuity and intellectual approximations. Any form of socialist finalism in history, even that arrogantly criticized by Marx as being ‘utopistic’ and ‘non-scientific’ (Condorcet, Saint-Simon, Fourier, Proudhon, etc.) has always sprung from a ‘evolutive’ concept – therefore ‘historical’ and without ‘end’ – of Mankind, Society, Knowledge, and so on. And regarding Marx himself, often accused for his ‘scientific determinism’ (here Rosselli himself has exaggerated), we can say that he would take too much into account the scientific analyses concerning the crisis of capitalism. However, we certainly cannot reproach him for his determinism and fatalism, as he spent a good part of his life inciting workers and socialist parties to fight capitalism

Instead, this vision constitutes the ‘utopian’ fundamental and traditional elements – at the same time both revolutionary and reformist – of a socialist reflection and of a socialist political action.⁶ It is its own reason for existence. I would like at this point to recall the Rosellian approach, which was *at the same time* reformist and revolutionary⁷, in that it negated the autonomy of *reformism* as well as the autonomy of *radicalism*: reformism without radicalism is destined to lose consciousness of its finalities and radicalism without reformism is destined for impotence and to lose contact with a changing reality.

Both reformism and radicalism in their common reciprocal function, must start from a nearly permanent constant *updated vision* (that is *re-vision*) of the society which is attempting *rearrangement*.

This society ‘rearrangement’ is the political element of the movement toward socialism. But this element – in socialism (in this case perhaps different than other ‘ideologies’) – is not born from abstract principles (as postulated), philosophical doctrines, or from aprioristic certainties. It has derived from an analysis and evaluation of the historical situation and of the related social conditions and relationships. It is this distinction that renders it essentially ‘non-ideological.’ Therefore, the first update we must make is that which relates to the changes in social conditions and relations.

Today, one has the impression that it is precisely this that we lack. First of all we have to ask ourselves as socialists, if our policies (and our loyalty to them) take enough into account the consequences that the previous transformations of the production “material conditions” (which Marx called the ‘material production forces’) have on our concept of social rearrangement (i.e. on our ‘Socialism’) and on the new social relations that are emerging. It is on this priority analysis that we have to successively graft our own policies (more or less revolutionary, more or less reformist).

I believe that the ‘socialist council’ must first concentrate its efforts on this analysis before it can proceed to elaborating government reform proposals. Proposals that will probably, in fact, end up with those of other political origin, but that without a comparison of compliance and consistency with our own heritage of analysis (adequately updated) makes us fairly weak and dangerously antiquated, bound only to

and the bourgeoisie! There has never been a complete determinism or voluntarism in socialism: *analyses* and *politics* have been those two logical moments which above all have already affirmed the presence of and the necessity for socialism.

⁶ We should not make the error of mistaking this utopian and finalistic element of political action as an ‘ideology’; it is simply a ‘logical’ element of any action or program.

⁷ This induced Carlo Rosselli to adhere to neither of the two Italian socialist organizations of his time, one ‘reformistic’ and the other ‘maximalistic’, which were eternally and uselessly divided and defeated, without any result, for the entire 20th century

old schemes and paradigms, sometimes doubtful of our own specific identity, and overwhelmed by political contingencies⁸.

4. The analysis of capitalism and its related social relationships

Since socialism was born as an antagonistic response to the ‘capitalist system’ and to the creation of a proletariat ‘class’ (from which are derived the implications of ‘class struggle’, as the basis of the struggle for socialism, and which results in ‘the dictatorship’ or hegemony of one ‘class’ over all the others, as the first step towards socialism) I believe it inevitable that our first reflections on *social rearrangement* cannot escape from these types of questions:

- at which point is capitalism in its evolution? And what are its prospects in the new century?
- what are the effects of its evolution on the traditional socialist vision?
- Is such a vision always valid or should it be renovated? And in what way should it be renovated?
- Have the social relations in capitalism changed, and, if so, in what way?

However, we cannot answer these priority questions without first critically analyzing the most important *transformations* that have occurred in the production system and in the resulting social conditions.

Therefore, I will sort the themes based on an updated liberal socialist vision of the ‘societal material constitution’, splitting the themes and issues into two parts:

1. the transformations that have occurred in contemporary society (the ‘analytical’ moment);
2. the possible directions of a socialist policy in response to these transformations (the ‘political’ moment).

2. The transformations that have occurred in contemporary society and their implications for the traditional socialist paradigm

2.1 The transformations in productive activities and in labor patterns

The most important transformations in social structure are occurring in productive activities and in the typology of labor, on which society is based. These

⁸ In fact we are living in a time, in which some people invoke ‘reaffirmation’, and others the ‘overcoming’ or the setting aside of socialism, with arguments that don’t seem very elaborate, but rather calibrated on ephemerals and superficial political vicissitudes. And on some incumbent ‘opportunities’ (collective or personal as they may be)!

transformations have been extensively analyzed by a great number of authors, and therefore are already well-known.⁹ I will recall them as *flashes*.

Notwithstanding, I am inclined to affirm that in the vast and various political literature of the left, there are several facets that have either not been sufficiently examined or have been examined with much superficiality; the *implications* of such transformations on the traditional ways to conceive socialism and its policies; and that which we would call the '*traditional socialist paradigm*' (TSP). In sum, the TSP has continued to be applied as if such transformations were inconsequential.

1. *The end of agriculture*

First of all, agricultural activities, be it in terms of product or employment, have been for some time reduced to a flicker. They have been in effect industrialized and the occupation, which still subsists, has assumed all the essential characteristics of the industrial one. In fact, the political alliance between farmers and industrial workers ('hammer and sickle'), which is a very old socialist problem, had long since disappeared in the sense that it has been annulled as a political problem.

2. *The decline of 'industry'*

The diminution, instead, of industry in the formation of the product, and above all of the quantitative and qualitative manpower demands, has had a more distressing effect on socialist and union policies, especially as an effect on the TSP. These effects however have not yet been completely assimilated and metabolized, thereby allowing traces of the previous scenario and its mental schemes to still appear.

In effect, the socialists - forever trustful of increasing industrialization, which is correlated to the development of productive employment and of the social well-being (which was in part the just heritage of a past that was surely unrepeatable) - have delayed, and continue to delay, acknowledging that the 'class struggle' no longer has as serious a base as it had in the past. Socialists are in a world in which the social classes created from capitalist exploitation tend to disappear, and in fact in the more advanced areas they no longer exist, and they find it difficult to realize that aspirations for greater 'egalitarianism' and 'social justice' can be realized in ways other than through counterproductive and sterilizing class antagonism.

⁹ If I had to select from among the more interesting works (obviously within the limits of those known to me) that have attempted to give an idea of those transformations in their whole and of their implications in general, I would indicate the following works. Concerning the analysis of the post-industrial society effect: the old, but still valid Daniel Bell (1973); the more recent Fred L. Block (1990); and Andre Gorz. (1980, 1983). On the crisis of the Welfare State: G. Esping-Anderson (1990). On the future of labor: Klaus Offe and R.G. Heinze (1992); J. Rifkin (1995), Colin Williams & Jan Windebank (1998); Anthony Giddens (1990). On the 'third sector': Hodgkinson & Lyman eds (1989); C. Borzaga, ed. (1991); Amitai Etzioni (1993). On post-capitalism: R.L. Heilbroner (1976, 1995); A. Toffler (1980); the anthology of Elster & Moene (1989) and Peter Drucker (1993)

3. *The physiological development of the small and medium firms and the decline of 'dependent' labor*

First the halting, and later the decline of the growth of industrial employment have constituted a first shock for the TSP.

But two other factors gave the final blow to that paradigm: 1) employment growth in the small and medium firms, proportionally superior to that of the big firms, and 2) the fact that – with the enormous growth of employment in the services sector (the so-called 'tertiary' sector) – even 'dependent' work (wage and salary work) has begun to decrease, contrary to the expectation in TSP of an increasing 'proletarianization' and 'salarization' of the active labor forces. In advanced countries, these two historical phenomena have manifested themselves not as a sign of backwardness but rather – in the medium and long period – as a sign of economic advancement and economic well-being. Therefore, not as a pathology, but rather as physiology of growth and well-being (and therefore a irreversible phenomena!)

As a result these phenomena have in addition, completely depressed the PST relative to the expectation of the growing development of the economic concentration of capitalism. The political 'pasture' of unions and socialism (according to the traditional model) have, rather than enlarging, become more and more restrained. Furthermore, an update of the TSP, long over-due and increasingly urgent, and not a radical change, is needed in order to make it more compatible with the new situation.

4. *The "post-industrial" and 'post-Fordist' society*

In the face of those transformations that make up what has long been called the 'post-industrial' society (though some prefer to call it 'post-Fordist'), unions and socialist movements are still nailed to ancient *querelle* between reformism (of the unions) and radicalism (of the 'elites of the avant-garde of the working class). What's more, they find it difficult to accept that we need to renovate – in this case, radically! – the traditional paradigm and also welcome new forms of political presence and organizations oriented toward a socialist future.

Meanwhile, a careful analysis of the absolute dichotomic characteristics between industrial society and post-industrial society could be necessary to discern exactly which different development could spring forth in favour of a socialist society.¹⁰

5. *The development of the 'quaternary' and precarious occupations.*

The abandonment of TSP occurred after it became clear that even the intrinsic nature of labor, and therefore of the 'laborers', strongly tends to change. The expansion of the sector defined as 'tertiary' is not only considerable, occupying the

¹⁰ As a basic frame of the ideal-typical difference between the two compared societies, I have reproduced in table 1 a brief extract of the principle characteristics of the two societies, manipulated and integrated by myself, and focused on the limited sector of the 'material forces of production and of the social and work relationship' [based on similar attempts already carried out by Daniel Bell (1973) and by Domenico De Masi (1985)]. The complete table is in Archibugi 2002, pp. 116-120

greater part of the labor force. At the front of a still abundant and very de-qualified part of the labor force (in commerce, in transportation, in public administration, in service to people and firms), another part is emerging: One which is beginning to become very technologically and culturally qualified (with high schools, research, cultural and artistic activities, sports, etc.) to the point that it obliges us today to distinguish it definitively from the former. A few decades ago some of us, as part of *Progetto 80*, already preferred to speak of a ‘quaternary’ factor, in order to escape from the misunderstandings created by so rampant a tertiary¹¹. This term is becoming more and more diffuse in the world today and will come to characterize more and more the so-called ‘labor market’ of future generations.

6. *The general professionalization of labor and continuous education.*

Moreover, labor, has been moving towards greater professionalization in all sectors, from the ‘primary’ to the ‘quaternary,’ though this trend is subject to *certain quality constraints* (that can be nullified only with ‘clientalism’, fraud and corruption, which are generally typical of developing societies).¹² If it is true that technological development on one side and market globalization on the other keeps consumers away from even the possibility of controlling product quality, then the enormous growth of personal services imposes greater personal control of the professional performance quality. This is a clear counter-tendency – which has been visible for at least several decades – in respect to the deprecated labor ‘*alienation*’, that the socialists, from Grandpa Marx on, have, up until a few years ago, constantly vituperated and contrasted.

Employment becomes a great occasion for learning, for a *continuing* education that is much more intense and significant than the ‘official’ education available in ‘classical’ scholastic institutions, which are becoming stagnant due to a lack of a programmatic and flexible tie to the evolution of the socialist question.

Moreover, it is a matter of a growth – that of the quaternary in particular – which is not only the result of the fact that labor demands have been qualified and now search for a labor supply adequate to its needs. It is a growth also owed to the simple fact that we have opened the way – rather, a great highway – accessible to everyone at the high school level¹³, and almost everyone at the middle school level, without any pre-programmed vision. On the one hand, all this should be considered one of the greatest and most magnificent conquests of contemporary society (of which we, as socialists, have been in part the artificers).¹⁴ However, all this obliges us to

¹¹ F. Archibugi, *Critica del terziario: saggio su un nuovo metodo di analisi delle attività terziarie*, [Critique of the tertiary: essay on a new method of analysis of tertiary activities], UICC, Centro Piani, Roma 1977

¹² All things – which if they still abound in this country – are intrinsic to a developing stage of social relations which tend to be surpassed. At least we hope so!

¹³ Perhaps much degraded, but this is not the point, because this is not the case in all countries

¹⁴ When I attended university in Italy, immediately after World War II, only 4% of people in my age group attended university, while today around 50% do so in advanced countries. This means that at my

acknowledge that we cannot apply the traditional criteria of a ‘full employment’ policy to the labor market, and that instead we must prepare ourselves for that which some have called a ‘full unemployment’ policy.

In fact, a situation has been created in which the offer of labor will no longer need to adapt to labor demands. Instead, it will be the other way around: labor demands will need to adapt to the conditions of the labor supply¹⁵.

day, only 1 youngster out of 25 aspired to university and to a degree, while today at least half of the youth population hopes to graduate from university. Furthermore, today, most do not favor doing work that is not related to their degree.

¹⁵ I examine this point in greater detail in chapter 6: ‘The change in the labor market’ in *The associative economy* (2002)

Industrial Society	Post-industrial Society	
Dominant economic sectors [B] [D]	Secondary: production of goods Productive processes: fabrication, transformation, distribution	Tertiary, quaternary, quinary: transports, public services, commerce, finance, insurance, real estate, Health, education, research, administration, leisure
Resource key [B] [D]	Machines. Means of production, basic products, patents, productivity	Knowledge. Intelligence, creativity, information. Scientific and cultural laboratories
Institutions key..... [D] [A]	State, enterprise, trade unions, banks. The nuclear family. Secondary Groups. Political parties Public and private bureaucracies	University, cultural institutes and research centers, mass-media organizations. Banks. Unstable families. Primary and secondary groups. Political, social, and democratic organizations, both formal and informal.
Axial institution.....[A]	Private property	Associative cohesiveness, against communitarianism
Axial principle..... [B]	Economic growth: private or state control of investment decisions	Centrality and codification of theoretical knowledge
Dominant figure [B] Central social actors [D]	Businessmen. Entrepreneurs, workers, unions	Scientists, researchers Technicians, female information managers, intellectuals, ' <i>prosumers</i> '.
Occupational typology [B] Professional structure [D]	Semi-qualified workers, engineers and entrepreneurs, employees	Professionals, technicians and scientists, leisure operators, Technostruttura
State structure [D] [A]	Representative democracies and Welfare, rigid institutions, consociative democracy , Real socialism Interventionist state, constitutional, nationalistic, ethno-centric, often totalitarian, plutocratic, bureaucratic, lawful (principle of sovereignty, conflicts of jurisdiction, territory and between institutional powers	Representative democracies. Neo-liberalism and Welfare. Flexible institutions. Participatory Feederalist state, multi-ethnic, multi-religious, multi-istitutional, pluralist, conciliatory

Annotation for Table 1**Table 1- Comparison of the main characteristics of the industrial and post-industrial society**

Sources:[B] Daniel Bell; [D] Domenico De Masi; [A] Franco Archibugi

For reasons of space the first column of the original table, which lists the characteristics of pre-industrial societies that are still present today in many underdeveloped countries and in important areas of the developed world, has been omitted. (The complete table can be found in my book *The Associate Economy* cit., a p.116-120). The table has no intention of listing precise characteristics. The approximations made are intuitive in nature and conform to the approximate nature of the concepts of the industrial and post-industrial society.

7. *Knowledge and professionalism substitutes capital as the primary factor of production*

What is most disconcerting about the transformation in labor relations, is that in the new ‘material forces of production’ and in the combination of the productive factors, the determinant factor is no longer *capital*, but rather *knowledge*: that is, research, invention, professionalism, and managerial capacity.

And labor – in such combination - is no longer the ‘working force’, i.e. commodity, purchasable with greater remunerations, but rather the ‘human factor’ or ‘personal factor’ (as in knowledge, skill, availability, empathy, and sympathy rather than antipathy, hostility, struggle, and revenge as it was in the industrial society that we are leaving behind).

In the industrial society, according to those firms and the entrepreneurs that aim for profits, commodity-labor is perfectly exchangeable with the commodity-capital (fixed): more capital less labor, more labor less capital. In the post-industrial society, labor is no longer exchangeable with capital, because it has become the subjective element determinant in the enterprise itself, without which strongly personalized production cannot have a place. And it is a factor motivated by expectations not only of *gain*, but above all by other elements such as: effectiveness, status, result, acknowledgment, as is already occurring today to the entrepreneur himself. Labor, or rather *performance*, is no longer an object of ‘exploitation’, in the traditional sense of the word, but rather has become an essential condition to entrepreneurial initiative, participation and to association purposes.

Capital becomes an accessory, a mere ingredient always more occasional and contingent to true development. True ‘capital’ becomes ‘human capital’. The economists – wishing to maintain at all costs the conceptual and terminological order of the classical, neo-classical and Marxist economy (the last of which used a matter and a conceptual apparatus not different to that of the classical economy) - have for a while introduced the concept of ‘human capital’. And on this they insist. But it is a concept which is becoming obsolete. In fact it will be necessary to reconsider it all under a different light; and it will also be necessary to rethink the nomenclatures, together with the paradigms which created them, because they have been thrown to the wind by the reality of evolution, namely – as Marx also sustained - the evolution of the ‘material forces of production.’ These evolved ‘material forces of production’ are radically changing the production relationships from which they derive, putting them in crisis (as foreseen by Marx, but for different reason than those imagined by Marx!) The prophecy of the ‘tendential falling of the profit rate’ (*Capital*, 3rd volume, never published by Marx, chapter 13) was not at all wrong, as the supposedly ‘triumphant’ coryphaeus of capitalism have always eagerly rushed to sustain (even orthodox ‘Marxists’ awakened to this extensive admission).

In fact, the rate of profit is declining in advanced countries and is still expanding *only* in the developing countries, that is, where the struggle is not (depending on the

case) between *socialism (or post-capitalism)* and *capitalism*, but between *capitalism* and *pre-capitalism*: in ‘Asiatic’ economic regimes (as Marx called them), and former colonies, or in still imperfectly industrialized and fundamentally rural areas, such as in the Balkans and in Latin America. However, in countries that are underdeveloped according to the capitalist point of view, existing ‘exploitation’ as well as the class struggle that derives from it, occurs between classes, or rather castes, exploited by powers that are still feudal and legitimist or by bureaucratic and autocratic castes, or by colonizing families and firms of an essentially pre-capitalist nature, meeting the entrepreneurial bourgeoisie – if it exists - at the avant-garde of social change and transformation. Here the capitalist ‘exploitation of labor, if and when it occurs thanks to the process of globalization (though it is already partly happening), will occur with effects that are certainly unacceptable from a socialist point of view (and for this reason unionist and socialist movements will also emerge). Nevertheless, they have overall effects of income and well-being incomparably superior to the previous ‘Asiatic’ or pre-capitalist regimes.¹⁶

Profit, is in fact, declining as a motivation, as a result of increasing wellbeing. And, if it remains a motivation, it will be as ‘interest’ or ‘rent’, as a remuneration rate and ‘saving’ of that ‘human capital’ which labor has become¹⁷. It will cancel over time those characteristics of ‘labor exploitation’, that have been the reason for our fight against capitalism, and there is no reason not to continue fighting, until this

¹⁶ This will happen in the same way as happened in the advanced western countries, where an immobility of income and misery that lasted millennia, and a steady servile and oppressed population, have been in less than two centuries, substituted by advanced industrial societies with an impressive pattern of economic growth and social mobility, accompanied by sensible progress of freedom and political democracy (two necessarily interdependent factors); and by – let us not forget – the birth of our ‘Socialism’ itself!

In the spirit of liberal socialism, taking into account historical examples of attempts that have been made in the name of socialism to bypass the phase of *capitalism maturation* in order to install socialism (an incompatible leap of logic itself of the class conflict as theorized by Marxist analysis) – attempts that in fact were *aborted*, creating only political regimes, both totalitarian and reactionary (though colored by socialism), much more similar to the pre-capitalist authoritarian, anti-liberal, anti-union and integralist regimes than to socialism – it seems to me that we should be much more careful to avoid new historical shortcomings. The popular reactionary drift are always lying in wait. [A schematic vision of the capitalist evolution in its most important historical phases and its significances, has been discussed in an older writing of mine: *Between neo-capitalism and post-capitalism: the present tasks of a political left* (not yet published in English)].

¹⁷ We must give room to the phenomenon of the ‘financing’ of capitalism (forecasted by Marx himself), which today provokes justified anxiety over the lack of governance on a global scale by authorities that do not yet exist, and therefore is at risk of sensible ‘social’ damages. However, it is a phenomenon - that is still hardly making an impact because it is not ‘real’ – relating to the ongoing transformation of the real productive structures, except perhaps in one case: where in the search for maximum return, it allows that effective capital transfer in some countries of the third world, which was desired, but never achieved through other political means, favors the entry of those countries in the industrialization process, which is, in any case, the most important, or rather ‘unique’, factor of mankind’s socialist progress in its all! We must be very careful not to halt this transfer with our antiquated baggage of paradigms!

exploitation manifests itself in reality and until it reproduces itself in a real way, and not only as a conceptual category, *idolum mentis*, as a spiritual icon, to be used only as a pretext, perhaps under other semblances.

8. *The decline of gain as a motivation and the explosion of non-profit activity*

On the other hand we have to consider the phenomenon that the great ongoing transformation is also occurring in the field of the sphere of *motivations* of economic activity. A first demarcation is given by the surprising expansion of *non-profit* activities.¹⁸

These activities (not to be confused with those of generosity and human solidarity, which have always existed even in pre-capitalist societies) are *substituting* many *for-profit* activities, exactly because the for-profit motivation is itself weakening – in extreme capitalism – weakening as motivation in entrepreneurship and in work. And this for profit ‘aim’ becomes increasingly substituted by other individual and collective aims, connected more to sociality and to the general wellbeing: scientific, artistic, cultural, and even political aims as opposed to simply for profit or gain. And don’t these meta-economic aims also concern socialism?

These aims are not and cannot longer be expressed only by the public organizations (the State). This is often operating in the cold and arid ambit of the rights and duties, i.e. of the norms, but is extraneous by nature to the warm and passionate climate of spontaneity and of individual liberty. It is a question of the growing world of *associationism* which has the ability to join political and social objectives together with free and autonomous initiative, by definition more efficient and effective than the bureaucratic one.

In connection to the development of non-profit activities, which is better defined as development of the non profit ‘spirit’ in material activities, the work aimed to gain, *earn work*, is destined to be reduced to a minimum, while voluntary work, *vol-work*, (done for pleasure or passion, not out of obligation) is destined to expand.¹⁹

¹⁸ The statistical data on *non-profit* activities have not achieved, on an international scale, the codification and the comparability equal to the impressive development that they have in fact achieved. In the United States it was officially declared, that from 1998 to 2002 the expenditures of the ‘tax-exempted’ bodies of the third sector have represented roughly 11-12% of the GNP and employed roughly 9% of the total American civil labor force. But there is also a huge amount of transactions and activities that are developed *out of market* (non-market activities) which are not susceptible to being ‘taxed’ and therefore ‘exempted’, and which do not have economic relevance, even if they absorb resources and provide for wellbeing.

¹⁹ Robert William Fogel (the 1993 Nobel laureate in economics) more recently states in a 2000 book on the changes of American society from 1960 to the end of the century, that according to the trends registered in the last forty years, an upset of the numbers of people employed in *earn work* and *vol work*: while today the former represents 75% of the work force and the later 25%, in 2040 it could be the exact opposite. (In order to better understand his basis for calculation, and the diverse articulations of the research, see the Fogel book (2000) or my already quoted book, *The Associative Economy*, 2000).

The labor market schemes have been turned upside-down. In spite of seeming 'revolutionary', it follows that a correct labor policy should form the labor supply only indirectly to the needs of demand; However, it should be the contrary: one should look into how to adapt the labor demand to the availability of the labor supply. The consequence is that the 'labor market' concept itself is dissolving.²⁰

2.2 The incredible ascent of the State, in the economic life and the control crisis of public expenditure

A great, significant, and at the same time disconcerting transformation in the composition of contemporary society, is the incredible ascent of the state in economic life that we all recognize, but still we often lose sight of its implications on our mental categories and on that which we have called '*tradition socialist paradigms*' (TSP)

1. The state allocated half of the GNP

In the last fifty years, the state has undergone huge transformations exactly where the most advanced developments in the economy and in the material wellbeing of its citizens and of society as a whole have occurred.²¹

Socialism has been a determinant factor in this ascent because the will to assure greater social egalitarianism, strip privileges from the richer classes (capitalists and owners) and free the 'disinherited' classes from wage dependency, has pushed socialists to count on the state and on its superior intervention in order to obtain greater justice and social protection. Socialism is thus identified in a progressive assumption of responsibilities on the part of the State (*Welfare State*), from which it derives its great ascent.²²

²⁰ All this, obviously, is *in fieri*, or ongoing. The level - the rate in which the post industrial society has supplanted or is supplanting the industrial society - varies largely country by country. It is also very difficult to establish the quotas of old and new or of living and dead, present in any successive stage of development, that is to say, the transition from a capitalist society to that which I call a 'post-capitalist' society. But it is wrong to lose the sense of evolution.

²¹ As it is well known, in the last fifty years the state has gone from controlling 10-15% of the GNP to controlling 45-55% of it (on average, in the advanced OCSE countries). It seems that Keynes himself, who certainly cannot be considered an economist hostile to state intervention, held in the 1920's that state intervention could not and should not surpass 20-25% of the GNP! As this quantitative growth in the state role is accompanied by the highest rate of development of production, income and economic and non-economic wellbeing, it seems fair to me that I repeat - as I do in many occasions - that this is the 'historical proof' that public intervention, has not, at least until now, greatly damaged economic development, as many economists imagined would be the case and as some tenacious thoughtless people still think they are able to affirm); but rather it has favored it!

²² Neither must we forget that the union movement constituted in the past and continues to constitute today, a factor pressuring technical-economic development, when its actions are conceived and implemented strategically at the level of the individual production unit (thus avoiding easy inflationary shifts that can nullify the productivity effect). In effect, wage pressure exerted in a prudent and

2. *The factors of crises of the Welfare State*

Despite this success, the Welfare State has for some time shown signs of a crisis that can be revealed under three profiles: 1) funding limits; 2) lack of efficiency and effectiveness in performance; 3) the disaffection on the part of the users.²³

In effect, the TSP, being compromised by the transformations in productive and work activities, needs to be revised even in regards to social policy.

In synthetic terms, ‘social protection’ – rather than indefinitely focusing on its expansion with only public means, which induces it to meet unsustainable limits – must set its sights on realizing and bettering ‘social integration’. The welfare state must be enlarged to become a ‘*welfare society*’, as is often argued. This means that social protection must become increasingly selected and targeted; concentrated on the neediest strata of the community, and looking to eliminate the waste areas that, with a generalized and non-selective protection, are today increasingly expanding. This – as I will argue below – seems to be an authentic socialist goal.²⁴

3. *Bureaucratization and social waste in the Welfare State*

The dimensions achieved by the total public expenditure obliged the *welfare state* itself to become managed more and more *autonomously* by the private communities of the citizen beneficiaries, in order to avoid the transaction costs of a centralized management, which translated into more bureaucratization and public waste.²⁵

targeted, strategic way, induces individual firms to introduce technological innovations and organization methods capable of saving work that has become more expensive, in order to strongly improve labor productivity (where possible), efficiency, and their own market. The labor productivity increase is the major cause of the general growth of an economic community. This is progress that generally makes it possible to compensate for the decrease of jobs in individual firms with an expansion, of either the firms themselves or of employment in general.

²³ For a more in-depth examination of the three crisis profiles, crises that are the subject of countless writings, I suggest what I collected for a report to the Council of Europe in 2003 (downloadable from my website) and in my repeatedly cited book, *The Associative Economy*, chapter 9).

²⁴ Let me refer to a great passage of Carlo Rosselli very significant to the liberal socialist position, which described the relationship between the state and socialism: “for the serious, cultivated, and prepared socialist, the dangers of bureaucratic elephantitis, state intrusiveness, the dictatorship of incompetence, the quashing of any autonomy and individual liberty, the reduction of the stimulus in managers and in the officers...appear...clear. Let us not even speak about the problem of happiness. Now the dominant trend in the socialist field is in favor of managerial forms that are as autonomous as possible, unleashed, correlating to the various types of enterprises, which respect the various needs: municipal, cooperative, union, guildist, trustist, mixed forms, which graft the general interests onto particular ones, individual and family forms, according to traditions, the techniques, the environment, etc. Everyone only has a faint idea of the industrial, commercial, and agricultural State, unless it has to do with essential public services.” (Rosselli 1929 [1973, p. 444]). At the end of the 1920s with the full neo-capitalism of the large corporations and of the great state monopolies, Rosselli had already foreseen the winning future of the ‘third sector’

²⁵ In effect, a new immense class of even public officers (the bureaucracies, the ‘castes’) has been created whose incomes can even be low, but whose productivity and efficiency, if low, damages above all the legitimate beneficiaries of the public expenditure: the lower income classes. This forms vast

This perhaps caused the degradation in quality of certain consumables, compromised and deformed the selectivity of both the producers and consumers, and increased forms of resource waste. From this we derive the following themes and questions:

- how can we introduce discretionary and flexible forms of consumption, capable of avoiding waste and at the same time better associate the citizenship to their management?
- how legitimate is it to keep of this consumption a totalitarian and integralist vision of the State?
- And how opportune is it to recuperate the participation of a private associative sensibility?

4. The chronic unbalance of the accounts of the state

With such radically altered dimensions, problems were created that past socialists could permit themselves the luxury of ignoring: namely, those of the financial equilibria of the state which was in fact managed by the owner and ruling classes. If at one time, this unbalance, though relatively minor, first burdened only the richer and more powerful classes²⁶, today, given the dimensions and beneficiaries of the public expenditure, the burden is placed most of all on the more 'dependent' and less wealthy tax-payer classes. This is the reason why always asking for more services and benefits from the State, without accompanying such requests with a planned management for the whole, has become a kind of *boomerang* for the working class. In essence, a *better knowledge of the effective results and costs of each public program* is needed.

On this the welfare state is still frighteningly backward. And we have no indication, not even in Europe, that there is a desire to go towards real control and planning of the public expenditure (some decades ago efforts to introduce economic planning at the public administrative level were abandoned; these efforts were obstructed by the recklessness of leftists forces).

In sum, we have lost control of the plurality of supplied services and of supplier entities, and of the *utility* of the services themselves together with their implementation through *acceptable and reasonable costs*. Moreover, we don't really know anything about the *result*, nor about the real *output* of the public expenditure except for its *monetary amount* (which tells us absolutely nothing, save for its *surplus* or *deficit*! To concern oneself with its deficit in an aggregate monetary way (which is obviously the major institutional concern) and not with what one loses or gains *as a*

areas of 'state parasitism', or 'political parasitism', as people say today. The inefficient performances of the bureaucracy cause many consumers to prefer the private supply of those services themselves, thereby creating a doubly parasitic waste of resources: that of the tax-payers for services that are not utilized, and that of the destination of public funds to services which could be better allocated for objectives for which they have insufficient resources.

²⁶ Indeed, even at that time, those classes, in spite of their atavistic affluence, were not ashamed, when deranged, to also tax salt and bread! But these were expedients at the limit.

community in effective services with its increases or decreases, seems the most blind and silly solution, because it is useless and idle.²⁷

The shortcomings generated by the expansion and therefore bureaucratization of the State are well known. Notwithstanding, there is a great general inertia in deeply analyzing these shortcoming. Overall there is some resistance on the part of leftists to make them a priority of their policy, on which not only the successes, but also the implementation methods of other substantive social policies, are largely depending on. It is as if these issues were considered merely 'technical' rather than substantive.

On the contrary, the relationship between the citizen and the state is the heart of Socialism: it is the tool for a social egalitarian policy that can not be separated from that of social efficiency.

For this reason, in the second part of this paper, which focuses on the socialist polices generated by the previous analyses, we will begin with a discussion of the policies of the ways and means in which to realize managerial reform of the state, with '*the mother of all reforms*' and with strategic (social-economic unified) programming by which it is implemented.

3. The implications for a new, authentic liberal socialist politics

From the analysis we undertook in the first part of the main structural changes, emerges a vision of essential political themes to discuss as a frame of reference for a new *liberal socialist politic*. I will limit myself to establishing it on four basic pillars:

- A policy of managerial reform of the State and of a strategic planning
- A policy of social transfers instead of direct service management
- A policy of support for the expansion of the 'third sector' (non-profit organizations and associative economy)
- A policy of firms and household participation in strategic planning and social 'responsibility'.

3.1 A policy of managerial reform of the State and of strategic planning

1. Going from the 'social' State to the 'planning' State

²⁷ This is also the reason why the eternal, but annual, political-economic rigmarole (so-called 'manovre') on the macro-financial 'equilibrium' makes little sense if they occur, as today they continue to effectively do so: 1) with a lack of knowledge of the 'real' effects (costs and benefits) that they produce; 2) if they are applied only on the increments (or decrements) of a marginal and contingent part (with solemn and ridiculous reference to 'political' programs of the different 'administrations') of the entire monetary amount of the public expenditure (between 5 and 10%)! Meanwhile, instead, we do not know anything about the way in which 90-95% of the public expenditure itself is annually allocated! However this goes beyond our discussion, though it contains fundamental aspects, which we will reference below.

The first change consistent with the new socialist paradigm is that of greater integration of the 'State', in its multiple structures and institutions, into 'civil society'. That includes institutions from households to both for- and non-profit firms, which largely constitute and compose the autonomous and 'free' parts of society.

The principle of 'subsidiarity', which in Europe is considered the basis of relations between the different operational levels of the political and administrative institutions, could usefully be extended to include the field of relations between state and civil society, in the sense that it could allow civil society to choose autonomously manage quotas starting with wellbeing in a way that is not detrimental to the choices of other components of the societal order as a whole.

2. Involving civil society in strategic planning

This could be implemented by devolving the most possible functions of the state to civil society, only in cases in which there is no potential damage to the common interest, as defined by norms and rules. However, to do so we need that a State be engaged – more and *in primis* – in elaborating (in collaboration with so-called 'social partners') the direction, the options, and the principle goals of society as a whole. This idea has a unique name (and if it is not used, experience has even shown us that this idea does not work as well): it is called societal *socio-economic planning* or *SSEP* (comprehensive or integrated and unified).²⁸

A regressive and falsely pragmatist culture has been the target of, in respect to serious development of planning, open and obscure hostility everywhere, but above all of a viscosity composed of the incompetence and approximation of the political-administrative world. And yet, the main difficulties and inefficiencies met in the administration of the *welfare state* and in the relations between the developed and the developing worlds can only be attributed to the absence of methods and procedures of a SSEP at the national, European and global levels. I don't understand why the request for a SSEP should not be the main banner, the objective - reformative and revolutionary at the same time – of a new social policy which overcomes the traditional paradigm, (that of class struggle), or, on the contrary, a reform in dribs and drabs, just so that we're clear.

Societal planning should generate a strategic plan within public programs, elaborated and defined by public administrations with or without the involvement of for- and non-profit enterprises and organizations.

I will return to the subject of strategic planning in the public domain, after first emphasizing that a greater effort to define *common societal goals* – always more articulated and studied in respect to the available resources - should be based on the

²⁸ This name has been used since the 1950s in numerous resolutions of the General Assembly and of the economic and social Council of the United Nations in order to orient both the work of the individual state participants and the UN itself. (It was called: *Unified Approach to Planning*). Such orientation has been largely neglected, together with the UN crisis. With UN reform occurring, it would be the right time, in our age of globalization, to relaunch it on a worldwide scale!

SSEP and its articulation, This does not mean, obviously, that one should ignore that the objectives, even ‘societal’ ones, can often be divergent depending on the relative sectors of society. Rather one must make evident all the synergies that can be obtained either through collaboration or as a *result of common interests* (which is never achieved with hostilities), without deepening the reasons of one or the other, and without a more precise common measuring of the feasibility and of the result expected in quantitative terms.

3. *Instituting a permanent planning frame of reference*

Regarding SSEP and strategic planning in the public domain, some schools of thought are sterilely in disagreement over where the boundary is between what in abstract terms must be defined as ‘*what is private and what is public.*’ Few people say that this boundary cannot be defined and determined ideologically, or abstractly. It depends on the time and place in which the socio-economic objectives, both in general and in particular, are assessed, on the quality of the available resources, on preexistent factors which can be counted on, and on the balance of power that must be confronted. These are all considerations that any management, leadership, or policy-maker must confront before making any decision, regardless of the level of operation; from that of the big corporations to that of the state administrations to that of entire nations. These are the things which as a whole are referred to as, ‘*management-oriented strategic planning or management.*’

Therefore, strategic planning should offer the most opportune solutions to what is opportune to regulate and what is not, or to what is opportune to privatize and what on the contrary is, in extreme terms, opportune to ‘nationalize’. In other words to what policies are to be adopted. *Policies are instruments, not aims in themselves.* Policies only make sense if they are adopted as part of a comprehensive programming framework; a notion that is greatly absent in the *management of macroeconomic policy* by present governments.²⁹

As such, the goal of addressing this shortcoming should be the driving force of avant-garde socialist politics.

²⁹ It is enough to glance at the political programs of parties today, all colorless, and overburdened by good, but undefined intentions, exactly because they are based on a lack of knowledge of the operational ‘limits’ and constraints. And all are strangely similar, if not in the accents, then on this or that problem, always deal with generically. Moreover, all the programs are destined to be poorly implemented, because they don’t refer to the *way and to the time* of implementation (which would, anyway be impossible given the inexistence of studies and information concerning the instrumental elaboration of the programming frame of reference, which I referenced above. In reality, the macro-economic policy which realizes only ‘financial and monetary equilibria’ without acknowledging what is ‘really’ hidden behind those equilibria and that we call neo-liberalist, is characteristic and treads water in all parts of the world; it seems to be incapable of managing the most acute problems of the moment (from those of poverty, to those of peace war to those of the environment, etc) that are all interconnected and which are studied uselessly and idly in separate places.

4. *Introducing strategic planning in every public administration (the USA example).*

The SSEP could test its methods and find an initial diffusion technique useful to its own application within individual public administrations in the form of strategic planning for public programs.

Every old public program should be revised and reengineered, assessing *ex novo* its utility and cost. And the program results expected in the medium term should be known in advance, but also monitored and revised each year. It is a matter, in sum, of controlling by means of a reengineering process, the allocation of the productive factors, innovating methods, saving useless capital and downsizing personnel, and reevaluating tasks, with a large use of *ad hoc* remunerations in order to compel the operators to participate in the gains obtained as a result of reduced costs and increased productivity.

The same thing can be said regarding the launching of new programs, which should not occur until the *expected results* are known and *goals are staggered* over time. A program should never be launched without first holding an *experimental trial* to determine whether people have the financial means, and above all, the operational capacity to implement it!

The American federal administration has since 1993, with a Congressional law (*Government Performance and Result Act, GPRA*) put – it must be said - all the federal agencies on track for this type of strategic planning. Their programs operate on the basis of quinquennial strategic plans, from which *annual performance plans with precise temporal objectives* and related year-end performance reports are generated. And most importantly, the '*performance budget*, a revolutionary instrument for the annual control of the public expenditure, was created. In fact the 'annual performance plan', prescribed by the GPRA, has been *fused* with the annual performance budget for the individual agencies, which is presented by the White House to Congress for the usual annual authorization of the federal budget. Prior authorization of the annual budget is therefore given together with the *concrete evaluation and apprehension of the quantitative results achieved in the previous year's multi-year strategic plan*, and in connection to the general ability of the agency to achieve real, physical results, with its actions and with money received (unitary costs and real benefits are calculated). It is a matter of *reinventing* government based on the introduction of strategic planning in all phases of federal administrative action.³⁰

³⁰ The same methods and procedures are largely diffuse in all other levels of the American government: the states, municipalities, etc. Since 2001, even the French government has pursued a reform analogous to that of the American, even if the modalities makes it difficult to start from an authentic basis of strategic planning: they don't begin with a multi-year program, nor with the *reengineering* of projects at the base of expenditures. In other European countries, they are still at the stage of widespread diffusion, widely appealing to forms of outsourcing and to a system of control (audit), without preventive plans. In Italy, it is better to be silent. For whoever wants to know more, I suggest some works of mine (2004, 2005), and a visit to the website of the GAO and OMB, which are

In Italy, on the contrary, the allocation of financial means, which nobody ever controls the execution and the performance of, is a common practice. It is one of the factors of public waste that is unacceptable in the great expansion of public operations.

5. Making the real destination of the public expenditure transparent

The reforms needed (strategic planning) in order to better understand the costs and related results of public administrations *ex post* - useful for keeping expenditures under control - should also be useful in *rationalizing ex ante* the expenditure decisions. It is here that the primary shortcomings of macroeconomic policies that merely control the financial and monetary equilibria are shown. Even if these are likely constraints of that equilibrium – negotiated on the European Union level – they should be respected, because they bring about some real results (though not always identifiable with security). It is instead certainly not recommendable to make financial choices, in recursive maneuvers of the annual budget, only functioning and only depending on the management of those constraints, and in respect to the relative choices of those constraints. Respecting these constraints is in effect a necessary, but not sufficient condition of financial and monetary policy.

The resource allocations must be decided through a planning framework (inexistent today) that expresses not only the nominal destination of such resources, but could above all be informed by those *real* allocations in *terms of performance and services generated by such resources* (this is also inexistent).

Therefore negotiations (between political forces, social partners, ‘conference tables’, etc.) related to the allocation of these resources are ridiculous, because no one knows – not even the minister that requests or denies money – what is really being done with that money, (obviously, except in cases of transfers- which remain monetary – from the public budget to the budgets of households or firms or individual beneficiaries, etc.).

But to do this we need to greatly reform the way to conceive and formulate political preferences. First of all, we must obtain, through the strategic planning of every public program, the immediate cognition of the real *correspondence between the money in the budget and the physical or real output*. Then, we need to punctually know the result of that program. And then still, a reasoned exposition, a permanent ‘vision’ of the comprehensive and temporal constraints to the available resources, to all resources, not only additional one or those that are ‘maneuverable’ every year (as in the annual ‘little theater’ of the financial laws), but of all allocated public expenditures.

the two agencies (the first dependent on Congress and the second on the White House) that are tasked with initiating and implementing reforms.

6. A control and real assessment of the public expenditure

Resuming the discourse of a socialist politic that responds to the phenomenon of the great *effective socialization*, which the state came to realize due to the surprising extension of the public expenditure³¹, we need to affirm that knowing all too well where the *costly resources of the public expenditure and of Welfare* go, means that we must carry-on policies that are wise to and informed of the possible allocation of these resources in the name of the community and society. Given the formation of these resources and the alternation of their allocations, real knowledge and publicity of their use are *essential conditions of active participatory management*, in order to avoid suffering any possible obscure preeminence of the ‘strong powers’ of the ruling classes, whether it be of the state or of private finance, and to assure better governance and use of resources by the state itself.

We must therefore reaffirm that the first imperative for a socialist program regarding the role of the state is ‘cognitive’. It is that of introducing a system of evaluation and management for public programs, which would allow us to assess *ex ante* the real costs and benefits - in real physical terms - of any financial resource allocation. This should be done through indicators, standards, and implementation targets that would be publicly accessible.³² The acquisition of operational problems on behalf of those interested is an integral factor in the effectiveness of strategic planning; and a big tool for popular technical education.

In other words, the serious implementation of a *system of programming objectives* is ‘socialist’ or ‘leftist’, but at the same time, it is the *feasible means to achieve them*. So not to endlessly repeat that ‘book of dreams’ which is exactly the way to make great targets talkative without any engineering or projecting of the needs. And leaving dreams and objectives unrealized, without even measuring *ex post* of the failures achieved.³³

So now what to do?

³¹ I would like to recall that at the present stage of the State’s role in the formation and allocation of the GNP, we could say that at the start of the 21st century the average citizen depends on the state (in exchange for the taxes paid) for a *good half* of his comprehensive material wellbeing, whilst at the beginning of the 20th century he only depended on the state for 1/10 of his wellbeing.

³² In regards to this matter, the PART (Program Assessing Rating Tool) system is extremely significant. PART was introduced in all US federal agencies in 2006 by the OMB (Office of Managing Budget), in the framework of strategic planning which was itself introduced at the end of 1993. PART is a self-assessment program of the federal agencies, but as it is available in the public domain – via the internet – it is therefore susceptible to a controlling and contestation of the results obtained with expenditure performance.

³³ The point that I would like to emphasize is that the introduction of strategic planning in the public administration is a ‘technical’ tool that can be realized even outside of leftist or socialist government initiatives. However, it also has a political value in the direction of a change, that at one point we could have defined as ‘socialist’, of the social order. (This is not too different from what occurred in the past with the so-called ‘conquests’ of the *welfare state*, which historically were not introduced by leftist governments, but rather by conservative governments. Notwithstanding, they are considered leftist conquests, that is progressive, by the ever-growing economic democracy,).

In our premise, we said that in order to be consistently socialist we must acknowledge that the State can become an instrument of a more ‘egalitarianized’ politic. But in order to achieve this, we must reform the way in which the state (in all its manifestations of government and expenditure) works to formulate its objectives and its preferences, plans recursively the actuation of its interventions and periodically measures the results. The practicality of public programs is therefore a *condition sine qua non* of any serious socialist policy. Until we are capable of reforming this practicability we should learn to stay silent, because we don’t have serious arguments neither to conceive something nor to promise anything.

But a prerequisite is that we begin seriously to create for every public administration, and for every program (in Italy the laws caused the central administration of the state, SECIN and CRA³⁴ to do something in this regard, without any follow-up that could indicate to them what they can effectively achieve each year and how they can do it) a *strategic multiyear public plan* and an *annual strategic plan* (both *ex ante*) and an *annual ex post report* on the annual strategic plan.

I don’t at all think that the Council of Ministers could easily establish a ‘public preference function’ nor bring to Parliament something similar, as decisional methods cannot be founded on binary systems of optimization, coupled selection and other mathematical technicalities of this kind. Even in the academic and theoretical ambit we make a didactic use of it that can in practice become an abuse, i.e. a excessive use (with the likely effect of pushing away rather than drawing nearer experts, consultants, and decision-makers from the use of good rational criteria of political decision making).

But a greater awareness of policy-makers on what they decide and a clearer procedure relating even to the decisions themselves, would seem at the moment more than indispensable, especially in order to avoid pure randomness, approximate adjustment, and often shady deals, (justified by the argument that there are no alternatives).

The disengagement from strategic planning, which certainly renders life easier and simpler is what greatly increases the waste in public administration programs that nobody effectively assess if not only on the basis of ephemeral controls of legitimacy.

In fact, in observing how people in the public administration decide (with great conceit, seriousness and conviction), I recommend to the policy-makers that they examine their conscious and invite them to become more severe and prudent, both regarding themselves, and the false technicians who prepare their decisions in a far too approximate fashion, i.e. without *ex ante* evaluations on which any request for resources should be based and on which every report *ex post* should be assessed.³⁵

³⁴ SECIN is a special departments in every ministry tasked to develop the internal management control and the CRA are the institution that assumes responsibility for the expenditures of programs in ministries

³⁵ This creates a double ‘omerta’, based on a reciprocal, concerned, rebound. The political leaders get by, by affirming that their approximation of choice (sold as ‘political’) is based on the information and technical responsibility of the administrative managers, which they cannot guarantee because its not

3.2 A policy of 'social' transfers and not of direct state management

Beyond the reform policies of the public management of the public expenditure, which is rightly considered 'the reform of reforms', a first choice for a general method suitable to a liberal socialist conception (of course subject to the limits of the conditions of the context) is that of preferring a policy of the transfers of services to the institutions of civil society (individuals, households, enterprises, primarily non profit and third sector associations), rather than overburdening the public administration with the direct management of performance.

This would consist of the desired downsizing of the public administration.

1. Introduction of the 'citizen income'

The transformations in the labor market, the *welfare state* crisis and the need to render higher recourse to a welfare state that is less 'governmental' and more shared and integrated with civil society, puts on the daily agenda a socialist reform targeted to the introduction of a citizen income, CI (or basic income- BI).

The CI would be the first measure of a socialist policy in the field of 'transfer' operations. This introduction begins with the principle of assuring a minimum income on an individual basis to every citizen who does not have a remunerative work, independent of his qualifications and who is citizen of the community to which he belongs.

The citizen must make himself available, in the event that he accepts this condition, to a *Civil Service (local, national, European, or international)*, according to the institution that allocates this income, which will employ him taking into account his physical conditions and his aspirations and qualifications. When the beneficiary enters into a determined active labor market, he is no longer eligible for this minimum income, and can only become eligible again in the event of a new necessity for basic income protection.³⁶

within their capacity to judge. And the supposedly technical administrative managers, escape from many technical and operational responsibilities and from detailed information, stating that they have obeyed their political leaders political guidelines which prevents them from adopting more rational choices. And the circle is closed at a level of general approximation that satisfies everyone (except the really curious citizen) with monetary items of nominal expenditure behind which the real performances are rarely monitored and assessed.

³⁶ Over the years, much has been written about the citizen income. The main source of information in Europe is BIEN, *Basic Income Earth Network*, a research organization that since 1986 has, with periodic conferences, been promoting discussion on this argument, which is sustained by hundreds of scholars (among them some Nobel laureates in economics) [www.ets.ucl.ac.be/bien/index.html]. It is commonly understood that the values we evoke support of the citizen income are many. Among these principles are: freedom and egalitarianism; efficiency and community; communal property of land and equal access to the benefits of technological progress; flexibility in the labor market and dignity of the poor; the struggle against inhumane labor conditions, against the desertification of the countryside and against regional inequalities in the world; the feasibility of cooperatives and the promotion of adult

2. *Analyses of the total cost (and also savings) of the CI*

In the last few years, the CI has provoked a wave of proposals and consensus in many advanced countries, and is under study on the part of several governments. Naturally, its introduction is quite conditioned by the circumstances and by the resources of every country. It should be studied explicitly in order to test its feasibility under various environmental conditions and according to different proposed models.

To avoid the risk of being considered fantastic, the first steps should be to *evaluate its burden* on the global resources of the collective (whether it be national or local) and on the global protection system existent in every country, and to study how and in what amounts the other varied provisions of *welfare* (unemployment indemnity, direct and indirect incentives to job creation, fiscal exemptions, etc.) could be transferred to the CI. These provisions would eventually overlap with the introduction of the CI on one side, and with grants for sustaining employment (pensions, familial allowances, direct and indirect aid to those with precarious jobs) on the other side, and would eliminate ‘precarious’ work, restituting legitimacy to the flexibility in labor.

3. *An inquiry into the possibility of devolving social services and a ‘social ethics campaign’*

The general policy within the Welfare State of converting physical services into *ad personam* transfers, could concern many fields in which there is the direct engagement of the state or of the public administration. Examples can be made in all areas of substantive social policies.

An example: university scholarships for needy and meritorious students. A reform in Welfare in this field, should be based on a broader and more serious national screening of beneficiaries who fulfill the requirements of the scholarship, while at the same time, largely increasing university fees and strongly decreasing the State burden on teachers by devolving responsibilities to the autonomous management of the individual administrations. The universities – whose administrative sectors should be managed by managers and not by academics (who, in certain cases, should not even be entrusted to manage a mini-mart, and which should limit themselves to didactic decisions (organization of the courses, selection of teachers, though obviously with the cooperation of *the managers* on all didactic management decisions), would receive subsidies only on the condition that fit certain requirements (i.e. size, salaries, performance standards) that are defined by the planning authorities who grant the

education; autonomy from landlords, husbands and bureaucrats. But it is above all the inability to fight unemployment with conventional means that in the last decades has pushed many scholars and organizations in advanced countries to promote the citizen income. Nevertheless, the proposal is the subject of inexhaustible discussion, as are all ‘futuristic’ ideas. If everything comes together, we would need to have more courage!

subsidies. Every year the results of this management should be monitored, and progress will be a condition of both the amount of funds to be distributed and of who is appointed to manage the results.

Another example: the National Research Council (CNR) has at its disposition a series of *fixed research centers*, which distribute stipends to researchers and manage the huge managerial costs, without any being controlled by either management or the results.³⁷ Academic arrogance often impedes any evaluation of the results. It would be much more useful if such centers could transform themselves into economic actors, naturally non-profit, subsidized by the CNR either on the basis of its own programs or on the basis of free proposals put forth by the scientific community (i.e. from those centers themselves). It is a matter of defined scientific programs and of targeted operational projects, with periodic inspection of the results made available to the scientific community, *ex ante* and *ex post* a defined standard period of research activity.

Both examples could be multiplied. A serious political commitment would be to study in depth the public expenditure in every sector of the public expenditure, in which such a ‘liberalization’ of the fixed state subsidies can be applied, so that it can naturally be subjected to control procedures and to the publicity of results. This is a commitment that should be accompanied by a “campaign of ethics and social code of conduct” and by a strong manifestation of anti-corporative solidarity, on behalf of those who, as they are experiencing it, know well how things go, but are still trapped within a hypocritical system of favoritism and power, real creeping corruption, both bipartisan and endemic.

3.3. A sustaining policy for the expansion of the ‘third sector’ (non profit organizations and associative economy)

1. A more intense partnership with non-profit activities

We have already seen that another characteristic of the transformations of contemporary society is the explosion of ‘civil society’ above all due to the substantial increase of the associative and cooperative institutions in all fields of

³⁷ He who is familiar with the life of the CNR (and if he is particularly interested) knows quite well that only the non-institutionalized Centers (the precarious research centers) produce research reports that are effectively evaluated by the scientific (and not only administrative) research bodies; while it is truly rare (though there are always exceptions that confirm the rule!) that reports produced by fixed university institutes and CNR centers are evaluated or even conserved and catalogued in the offices and the libraries of CNR. If this happens in the fields of research and university instruction (which for ethical reasons should be exempt from this incorrect behavior – and let us say this with courage! – and which should be the first to offer a good example, we understand fully that we are encountering unethical behavior that is rather dominant in Italy. He who is ‘precarious’ works and is careful, and he who enjoys state privilege is not precarious, as he works how and when he likes; no one controls him! And this is a *punctum dolens* of general validity that cannot be demagogically passed over in silence when we speak about reforming public employment!

human activity. I would call this ‘the associative world’, which expresses itself through various forms of free association in order to pursue its own goals. It is a world that is creating an associative economy different to that which we are accustomed to knowing in the capitalist world.³⁸ It is the non-profit economy.

These non profit activities and organizations are, as we have seen, are part of an increasing sector, which is not motivated simply by gain and profit. Some of them – such as charities – are very ancient and have been observed even before the advent of capitalism and its more recent developments; even if the greater wellbeing of contemporary society could have amplified and intensified their works. But that which is occurring does not have only these well known roots. It is a matter of activities that are changing both the motivations of traditional economic activities and the labor market itself, in a structural way.

2. The emergent nature of the ‘third sector’

These activities’ development was established by objectives other than profit, and they are expressing needs that cannot be compared to the business spirit. Often these are activities that don’t simply respond to market demands, but that rather tend to ‘force it’, responding more to the aspirations of people that created them, thereby constituting a ‘supply’ that – according to the traditional economic schemes – produces and represents its own demand, in a sort of self-consumption or self-production. This group of subjects has for several decades been referred to by Alvin Toffler, as *prosumers*, producers/consumers; who for the most part belong to the quaternary sector, the world of superior services. Here we even lose the concept of work, of labor performance, and of a labor market. In the less extreme forms, these activities aim to not be conditioned by the ‘market’, but by the motivations of the producers: activities which are strongly oriented toward scientific, artistic, cultural, associative, communicative, unions and even political goals. In other words, these activities are strongly ‘social’ but not lucrative, if not in the sense of pursuing its own interests and objectives, then strongly ‘voluntary’.

This is the area that has been identified for some time as the ‘third sector’ or ‘independent sector’, because it operates outside the public sector - and in large part also outside of the of the sector of productive enterprises which themselves operate prevalently outside the governmental sector - but at the end meet the needs of citizens as expressed by the market. And it is an area that also lies outside of the *household*, which is the other primary productive social unit that is part of the material structure of society; but which is no longer able to satisfy anything beyond the primitive and elementary material needs of its citizens such as the more superior ‘cultural’ and ‘social’ needs that accompany spiritual and intellectual growth.

³⁸ How different? It is a question to which the response depends completely on the point of view which we find ourselves with. I have developed many arguments on this subject in my book, *The Associative Economy* (2000)

In this third sector, the modern man finds a way to express the most advanced forms of social life because he more ‘integrated’ and less ‘alienated’. In fact, even the relationship with the State, like that of labor, was, in the past, a form of alienation for the individual. For this reason they constitute the principle object of the process of the liberation and exaltation of man, which Socialism has always pursued and that until now, the state, business and households (in the traditional family form) have been unable to assure.

The third sector is the form of production in which socialism can be realized in the best way. Moreover, it is the form that socialism has always sought to realize in its history (from the first mutual aid society to the first unions, which had always been instruments of social solidarity, and to the cooperative movement, which has sought to impose itself, though without much of a chance, even in the presence of the dominance of bourgeois capital).³⁹

In a world dominated by grand capital, even the cooperative movement, and its managers, was – in order to survive – obliged to assume the logic of the for-profit enterprises; that is to attract capital and remunerate it. Generally speaking, that which has been called, mainly in France and Great Britain, the *Social Economy* (*Economie Sociale* in France) has scraped by as an unrealistic ingredient of the ‘capitalist system’, because of the power of the system itself, which was not allowing itself to be overtaken, and perhaps due to the fact that the necessary transformations of the system, which we mentioned above, had not yet occurred. And also because the system still had to mature all of its internal contradictions, including first of all, the advent of the knowledge society, and the decline of capital as a fundamental factor in the combination of productive factors, and therefore as an essential factor in the social production relations.

However, today the forms of non-profit associationism seem to have a dynamic all together different from the attempts of the social economy of the past. It seems that the Marxist ‘material production forces’ are changing. The non-profit and voluntary labor organizations appear to be becoming prevalent, relative to the level achieved by the state in assuring a minimum welfare. It is what I have elsewhere called the passage from neo-capitalism to post-capitalism.⁴⁰

³⁹ That bourgeoisie whose predominance substituted in its turn that of the ancient legitimist powers, and took possession, by way of divine right, of the wealth and the capital indispensable to production processes away from the old aristocratic classes, the nobility and the religious orders. I recall here this well known process, not only to better place the modality of the advents of the proletariat, but also to emphasize how the associative economy is imposing itself today through the reduction of capital as a tool and factor in production, and therefore, a tool of social power. This phenomenon is simultaneously a cause and effect of motivational change. It is not yet clear how to decipher this phenomenon, but the socialist movement should by now have already identified and looked towards, in order to avoid shooting itself in the foot, (meanwhile it seems still unsure and unaware of its historical task.)

⁴⁰ See my already quoted paper, (2007). One kind of metaphor for this change of tendency is the personal intellectual story of Peter Drucker, a famous scholar of neo-capitalism of Austrian origin who immigrated to the USA for racial reasons during the war and died in 2005). After having monitored and commented on the development of neo-capitalism and the managerial revolution with thirty or so

3. *Multiplying devolved services (in outsourcing) to the non-profit associative organizations*

Non-profit associationism, or the ‘third sector’ is therefore the great emerging novelty of contemporary society.

Gordon Brown, the new Labor leader in a July 2007 report on the British third sector⁴¹ defined it as the ‘*heart of the new society*’ and emphasized its role in ‘*social and economic regeneration*’. He continues : ‘I believe that a successful modern democracy needs at its hearth a driving and diverse third sector. Government cannot and must not stifle or control the thousands of organizations and millions of people that make up this sector. Instead, we must create the space and opportunity for it to flourish, we must be good partners when we work together and we must listen and respond. This is what we set out in this review. A vision of how the state and the third sector working together at all levels and as equal partners can bring about real change in our country.’⁴²

4. *The no- profit sector employment is the socialists’ tool for the socialization and the ‘de-governmentalization’*

In the United States, the third sector has reached 1.8% of the entire civil labor force.⁴³ But the most important thing (it doesn’t appear to me that anyone has yet remarked on this⁴⁴) is that in the United States, Great Britain, Germany, and in France, (countries which I analyzed in my book, *The Associative Economy*) third

book on management (almost all best-sellers) for about forty years (from 1950 to 1990), and having become quite attached to being known as the ‘inventor’ of *corporate society* (J. Tarrant, 1976) ever since his first book (1945) on General Motors, and later through some books that became the bible of American managers (1947, 1950, 1954, 1967, 1974, 1076); Drucker changed route and after the publications of the book ‘*The New Realities*’ (1989) and of the decisively entitled, “*Managing the Nonprofit Organization: Practice and Principles*” (1990), he founded in 1990, the ‘Peter Drucker Foundation for Non-profit Management, which still exists today. Later still, he published ‘*The Post-capitalist Society*’ ((1993). Even though I am coming from a different background, I largely share Drucker’s sensation that we are at an important turning point of capitalist society; we are turning towards something that we can no longer call capitalist, something which, much more than is commonly thought, contains the seeds for the socialist society of our dreams. (I also share Drucker’s permanent criticism of traditional macroeconomic theory, but this is a matter that I will deal with in a forthcoming book entitled “*The End of Economic Theory*”.

⁴¹ A joint report between the Cabinet Office of the Prime Minister and Her Majesty’s Treasury (2007). The Home Office also developed intense activity for the construction of third sector communities (see the March 2000 report: *Strengthening Partnerships: Next Steps for Contact*, which documents the relationship between the government and in the Voluntary and Community Sector

⁴² And at the same time it informs that in the “spending review” for 2007, the government, through its *Office of the Third Sector* spent 500 million pounds to make that vision of cooperation a reality.

⁴³ In Italy, third sector employment was in 1999 (according to an ISTAT survey) % of the total employment. Afterwards, if I am not mistaken, further surveys were not conducted!

⁴⁴ This is the finding of research conducted by the *Planning Centre*, which was reproduced in my book, *The Associative Economy* (2000)

sector employment is the *only one which presented surpluses* in the development of the relative occupational weights and roles. In fact, primary and secondary employment diminishes in absolute terms, while tertiary employment obviously grows stronger in absolute terms, though, in the last few years, it hasn't increased as much as it needed to in order to maintain its initial weight. 'Third sector' employment not only increases in absolute terms, but also proportionally gains more jobs (in respect to the starting point) of the entire third sector. Therefore it shows a greater dynamic in respect to all the other employment activities.

This phenomenon is in line with all the other phenomena that I briefly evoked as structural and material transformations of society. In particular, it's in line with the important change in economic motivations; they are no longer gain and profit. Other vocations emerge (on the individual or associative scale) that are changing behavior. As mentioned earlier, vocations are emerging that are strongly oriented towards scientific, artistic, cultural, associative, communicative, unions and even political goals. It appears to me that the TSP should take into account these changes, otherwise it risks losing its way, and becoming stuck in outdated formulas and progressively obsolete mentalities.

5. The development of the third sector is the way to pass from the welfare state to the welfare society

The panorama of the growth of the third sector requires that socialists put themselves at the driver's wheel of this growth, strengthening its authenticity, avoiding opportunistic, lobbistic and even bureaucratic and cooperative degenerations and encouraging the government towards a policy of encouraging and facilitating the development of these activities. Moreover, a good part of these activities can eventually aid a policy of reform of the welfare state (which we have already referenced) aimed, on one side, at more rigorous and selective protection, oriented to the interests of the final users and not to those of corporations of operators; and on the other side, aimed at a collaboration of the users themselves, when they are not in conditions of poverty or ignorance, and to participation that is more directed towards costs, and thus more controlled, more efficient, and more personalized than that of the governmental service which supply it.

The third sector can, in various fields, from healthcare to schools, from the protection of the elderly to insurance, better guarantee the *de-bureaucratization of welfare*, its greater adherence to citizen and households preferences, greater subjective control of the relationship with the received service, and can probably also guarantee better access to cooperation, even financial, of affluent participants (which today search for 'private' solutions, where they obtain expensive services offered by profit-driven firms, which do not reinvest profits into the bettering of its services or the lowering of its costs, and therefore prices). With governmentalization affected by gigantism and by depersonalization on one side and profit-oriented market privatization on the other, in sectors such as healthcare, education, protective

insurance and many others, the third sector with its non-profit associationism. Better guarantees the control of efficiency and the socialization process.

6. A precise program of government cooperation in favor of third sector development

Therefore, we need to develop a government policy in this direction that today is more or less nonexistent.⁴⁵

In brief, the British government has divided all of its interventions aimed at greater cooperation with the third sector, in four main areas:

- aid in the ability to ‘make oneself heard’ and create campaigns (proselytizing)
- strengthening communities
- transformation of public services
- encouragement of social enterprises

In order to extend and encourage the non-profit formula, we need to start up a sustained policy on behalf of public finances as soon as possible, including:

1. fiscal exemptions and incentives
2. outsourcing of public services and putting non profit organizations and for-profit firms in competition with one another (on precise contract specifications related to public programming)
3. establishment of performance standards on the basis of direct experimentation and pilot projects
4. facilitation of ‘ethics’ credit to non-profit organizations, with guaranteed funds.

3.4 A policy promoting the participation of enterprises and household in economic programming and ‘social responsibility’

The social transformations of contemporary society, which we have outlined have not only had an impact on the *public* and *non-profit sector*, but also on the more traditional sectors of the enterprises and of the households.(NO NOTE 46)

1. To provide, with ad hoc policies, incentives for the assumption of ‘social responsibility’ on behalf of the enterprises.

In the sector of the enterprises, a vast autonomous movement for the development of different forms of greater ‘social responsibility’ is emerging through participation in economic programming (programmatic bargaining). As part of their most recent evolution, the enterprises that still constitute the main engine of wealth production

⁴⁵ I hope that the two pages and a half (pp. 193-195) of good intentions, contained on this subject in ‘For the good of Italy’, the present governmental coalition’s electoral program, will soon be implemented. In any case, for a more certain guide it would be very useful to refer ourselves to the great quantity of initiative and directions found within the Gordon Brown report already quoted.

and therefore of well-being, are signalling that they would like to autonomously introduce in their managerial criteria some 'ethical codes' by which social well-being becomes their own organic and permanent concern. In sum, even for them, profit is not the only motivation and justification, however, it assumes other aims: in respect to its own dependents, in respect to the environment in which it operates, and in respect to society of which it is an integral part.

Naturally, living in the core of the competitiveness, an acknowledged factor of improved efficiency and productivity, which is also a general benefit, enterprises cannot adhere to larger 'social responsibility' guidelines if not by means of a common development of ethical codes that can be generally agreed upon by all the operators and particularly their competitors.

In this way, the associationism of the operators can assume a very important role and should thus be somehow encouraged.

The world of the enterprise is expanding itself in all sectors of activity. Far from wishing to influence it with an excess of controls and interventions, an industrial policy aimed at renewing the TSP, and hoping for a growth model that is expanding everywhere in the world (based, we repeat, on the small and medium enterprises, the proliferation of small entrepreneurships, in many cases by cooperatives, and in some cases, even non-profit entrepreneurship), should examine ways to preserve itself from situations of dominance and rent positions, which compromise competitiveness and new entries in many traditional sectors.

What could, on the contrary, provide the basis for privileged development to an enterprise system so-configured, is – if one entered into a societal programming system such as the one we have wished for– active associative participation in programming studies themselves in order to have their activities shaped in advance with the 'market trends' that have emerged from the public policy in the various sectors in which they would operate.

At the same time, through programming, that is today nonexistent, one would have the opportunity to more strictly associate the 'enterprise system' with technological research programs, which the country should anyway carry on at a more intense pace than in the past.

In this frame, given the quality of the many industrial managers that are among its active members, the 'socialist council' could initiate an important reflection,

2. *Provide incentives for households to participate in social responsibility, expenditure, consumption and in the management of public programs related to consumption and expenditure.*

Not even the household sector is exempt from the transformations in the ways they produce and work. Civil progress, which has a deeper consciousness of the individual rights, has long pushed for change to the model of the traditional household, which is fundamentally 'patriarchal'.

Socialists have long placed themselves at the avant-garde of the movement in favour of renewing familial ethics, of removing all its traditional ideas, which are

substantially based on the cultural subordination of the woman and mother. But the transformations in labour, its professionalization, and the vast diffusion of the part-time, have allowed female labour to expand itself and therefore to definitely reform family rights and the condition of women.

What is emerging – as a further advancement and at the same time as liberation from constraints which still subsist institutionally and impede de facto families from achieving the full and efficient exercise of their function and social values – is greater household participation (already achieved by enterprises) in some *social responsibility programs*. This could occur through the wider adherence to forms of associationism active in the third sector.

Much of the smooth functioning of the communities, especially local ones, depend on household participation, as in the cases of the management of garbage, traffic, the environment, social assistance, education, health and so on.

A new household, cohesive and free from conventions and formal obligations but very spontaneous and social, would be a precious ally to the development of civil society, be it that of the state or of the third sector.

But we still have much to do to develop a household policy inspired to these principles!

4. Some conclusions

1. State and civil society

I believe that the most useful way to debate these aspects is by starting from a new analysis of the State/Society relationship, which in our traditional paradigm has been always configured, in all its aspects (both general and detailed) as a State/Market relationship.

Well, in such matters, our traditions and consequently our way of thinking itself must be changed drastically and modernized. We ought to concentrate our attention as socialists on the relationship between the state and society.

The main change is that we must overcome seeing, even if in different ways and modes, the State-Market relationship as an antagonistic one. This traps us in that it compels us to abstractly discuss the limits or the ‘failures’, sometimes of the Market and of the state, other times of the non-market and of the non-state, according to the weight and room that wish to give to one or to the other (due to our ideological heritage).

In the meantime, we should acknowledge that the state and the market are two inevitable and ‘eternal’ entities of social life; that they have always existed, beyond the formations and civilizations which have succeeded one another in the history of mankind. And they will always exist in the future. Nor can one suppress the other.

To continue to set the discourse in alternative and antagonistic terms distracts us from considering the *substantive* or ‘*real*’ objectives of policies, in regards to which the ‘state’ or the ‘market’ can play different relative roles, depending on the

circumstances of time, place, country, region, stage of development, and available means (such as capital, technology, human capacity, and a myriad of other determinant factors).

These substantive and real objectives of policy should be elaborated, defined, and assessed in *public programs*, on a case-by-case basis and without bias, in regards to how much the market or the state can bring about. Programming is no longer to be used as a tool to achieve objectives, but rather as a method to elaborate the objectives themselves.

However, programming still needs much work before it can be implemented and the technical-political support of socialists is indispensable to this end.

2. *Socialism, Capitalism and new society*

Many among us, and naturally others as well, think that ‘capitalism has won’ and therefore that we must come to terms with this. This is a way of thinking still consistent with the old TSP, though it is not aware that the old TSP has even been surpassed. Social systems in history don’t ‘win’, or ‘lose’. They evolve and reform on the basis of political action. At most, we can say whether at this stage we are still in Capitalism or if we are experiencing something new.⁴⁶

A significant part of today’s ‘reformists’ begin with the idea that capitalism has won. And some are even ready to declare that it has overcome Socialism and that there is little to be gained from recalling socialism.

The more than justified admiration that many have for the American system which (we must recognize) continues to demonstrate an enviable capacity for innovation in political stability, induces them to think that bipartisanship or bipolarism and the firm foundations of democracy and freedom, are even in Europe today more than sufficient to advance our restless society, which is subject to the incursions of populist, antidemocratic and plutocratic powers of every type. (The case of Berlusconi in Italy is emblematic! We must ask ourselves whether Sarkozy in France or Putin in Russia threaten their country with the same fate).

Personally I don’t believe that this approach⁴⁷ is right or justified, even if it contains certain elements of good sense and truth. As I already said, everything depends on how much we socialists are prepared to modify our traditional paradigm. If we want to conserve it as it is, then I truly think that we have exhausted our historical function. But if we are disposed to modifying it – and in the liberal socialist vision there are all the premises for its revision – then I think that an authentically socialist vision, even if it is destined to have many bedfellows, is even today valid, it

⁴⁶ On this point see my writing ‘*From Neo-capitalism to Post-capitalism*’ (2007)

⁴⁷ This approach has more than one origin, more than one motivation, and more than one operational outcome. Some socialists - among these are many of communists origins, (perhaps more frustrated than us for past mistakes) - use and motivate these convictions to sustain (some would say to ‘justify’) their conversion to government pragmatism, with many compromises of capitalism. Others, more obstinate, prefer to think that super powerful Capitalism, the great Moloch, won, but is destined to cause great damage that must be contrasted with an alternative policy until its annihilation.

has still much to say, and can also even a factor for preservation in confront to an antidemocratic drift, which the crisis of the capitalist system (and not its victory) can help push our society.

Personally I don't believe that Capitalism is doing so well. Instead, I see that it is losing more and more of its stable base of survival and power: *capital* and its plusvalue, which today has been transformed: from profit to rent. A rent which has however been in of itself 'socialized' because it was the result of the savings of millions and millions of working citizens⁴⁸; although its destination should be kept under control by world authorities that are today inexistent, to guarantee it against excessive crises. That is the part of the parasitic rent that in Marxist *vulgata* leads to the formation of two antagonist classes, the capitalists and the workers.

3. *Post-capitalism*

I think that we are finding our way towards a sort of 'Post-capitalism', a phase in which the typical characteristics of capitalism are being lost, but in which the forms of a new system are yet to be delineated.

The new element that is being configured is the expansion of the third sector or of the non-profit or 'associative' economy. And this is already very significant for us socialists. However, a serious reordering of the presence of the state, by means of a current *system of programming* and its *forms of natural consultation with its social partners and civil society*, has not yet appeared. This would already be sufficient to prevent a glimpse of a possible socialist identity for the new society.

However, in the face of changes in contemporary society (that have all gone in the direction that we socialists have always wished for and even actively fought to achieve) we can not give up and not acknowledge that in a good part of the objectives that we have purposed: equal opportunity and manumission from work.⁴⁹ Nor should the 'euthanasia' of capital that is taking place in the structure of productive activities be underestimated.

New horizons are opening to socialist political elaboration and reform. Among these (we have seen) is the efficiency of the state and of strategic planning, both societal and for public programs.

On this point, despite the mentioned important innovations of the American government, we are still very behind in Europe. The European socialist movement must formulate proposals in order to enlarge the field and practices of this strategic planning, which is in itself the only tool with which we can realize an authentic social control of the public expenditure and a true economic and social democracy.

⁴⁸ Peter Drucker dedicated already in 1876 a book to an important part of this phenomenon, entitling it: "TITLE OF BOOK"

⁴⁹ Its understandable if we nourish a certain annoyance for not having been called often or for not having been in the condition to leave our mark, in a socialist sense, or label on these changes. This is part of the secrets of history, of those that Vico once called 'eterogenesis of ends'. Capitalism was probably the actor, and socialism the victim, of a sort of 'eterogenesis of ends' (unintentional consequences of intentional actions).

4. *The Socialist utopia: a new society without classes, free from basic needs and which knows how to technically and democratically program its future.*

We are all stuck in the field of programming which I have called ‘societal’. That is, a form of strategic planning, based on the consultation of all the ‘material components’ of society: the *state, civil society* (materialized, and institutionalized by the third sector), the *firms and the households*. Each one is a component in its *spheres of autonomy* and in compliance with the *general interest*, which is determined by permanent bargaining and consultation.

As was written in a 1978 report presented by a Commission of President Carter one year before America was shaken-up by the neo-liberalist wave of Reaganism: we would like a *planning society*, not a *planned society*.

But on this point there is still much to do and, before that, to be studied.

5. *The Socialist utopia: globalization and cosmopolitan organization*

There is furthermore the great prospect of globalization. This is the new field of action open to socialism and to its traditional internationalist calling. It is a field of action in which there is still much to study.

Through globalization, I believe that never has humanity been so close to the cosmopolitan utopia! Forget about a non-global policy! Yet again, an obtuse left (even socialists) - deprived of a long-term vision, completely concentrated on the contingent and ephemeral, residual of an out-of-date TSP and transferred on a global scale, and still entrapped in a destructive ‘anti-Americanism’ - is not aware of what is right under its nose: that globalization, with all of its defects, is for the first time, moving under-development in a tangible sense, and in a world dominated by fundamentalism, it is also transferring western modernization, from Asiatic social and production relations, from everything that has impeded freedom, education, and democracy, beginning with union freedom and real religious freedom, in these countries! That which has been happening, since the end of the Cold War, in China, India, Latin America and in South-east Asia is providing these countries – even today as wild globalization prevails – with a real development rate, and overall, an medium level of actual welfare, beyond anything in their recent history. But blessed be ‘capitalism’ and blessed be ‘globalization’ if these are the results! Because from here and only from here, and from no other point but here, can socialist policies have a future in those countries.

Curbing and in some cases sabotaging, instead of riding the wave of globalization, means retarding that modernization and that economic development, which will later be the conditions necessary to really protect that ‘tradition’, ‘identity’ and ‘multi-culturalism’ which we hold dear, but which – in these countries - needs a ‘capitalist’ revolution first (let us hope that it lasts as little as possible, but this would depend on a clear vision of the left) and then a post capitalist one (on whose contours and description this paper has focused on only for the advanced countries).

6. *The socialist utopia: federalism*

It is on this that socialists should concentrate their attention, acting in the direction of a always more sought and developed *federalism* between countries, beginning with the European one, which is still far from being completed.

Here we must avoid the error made (and which continue to be made) by many European ‘national’ leftists: of refusing a more advanced European federalism in order to integrally conserve their opportunities for political control within a national socialist paradigm. This has always been the case of Great Britain, and of the more or less alternating successive stages of Denmark, France, the Netherlands, etc.

Furthermore, it would in fact be the same mistake to focus on a European ‘identity’ and/or on a European ‘federalism’ if people were to muffle, or even go against, *global federalism* as many do. The federalist spirit, (that in my opinion should be an integral part of the socialist one), and consequently the anti-federalist spirit (that which I would call still ‘nationalist’, even when its sustained by socialists) is contagious between the geopolitical levels. If at the European level, a push for unity motivated by a sort of antipathy towards American hegemony develops and to create another ‘power’ to contrast the ‘super-power’ of America, we do badly, as such an effort will sooner or later boomerang against European unity. (This was recently the case in the failure of the European constitution). Federalism must be accepted with its all rule that must be followed completely, and at all its levels: only in this way is it strengthened.

In effect a European constitution, of which the European Community, then Union, have – after that, of the historic American constitution (still unsurpassed from a formal point of view) – already been optimal examples of federalism *for all the world*. In effect, that European model could have been an example and a stimulus to the constitutions of other federal ‘intermediary’, regional organizations, between the countries of other areas or regions of the world such as the Middle East, Africa, Latin American, Southeast Asia. But was it capable of being a good example?

And, above all, as an example of global responsibility in the face of ‘hot’ events in the world, (where a military, police and even diplomatic presence, new and different in respect to the American one, could have been very useful!) has the EU shown itself to be capable of ‘surpassing’ in terms of wisdom, sacrifice, organization and presence, the American one, which Europe pretended that it was ‘better’ than? Let us be very careful, therefore, not to lose sight of the master way of federalism, in favour of occasional lateral or opportunistic shortcuts, which latter reveal themselves to be impractical. We must strengthen the master line of federalism, at any cost, and at any geopolitical level in which it manifests itself, as the authentic face of global socialism! Once this position has been assumed, there will still be much to study if we are to give it some operational contents.

This is the reason why we should not lose any opportunity, in the name of political realism which in the long-term has demonstrated itself to be a loser greater than any idealism, to ‘ride’, as socialists, globalization, to try and bend it to a greater institutional control, in all possible programming forms, in the frame of an always

stronger *global institutionalism* of federalism. And thus through a socialist proposal for a courageous and radical reform of the United Nations, so that it becomes a more articulated planetary federation, community or union of states. On this matter we still have much to study and do!

Even this federation, a meta-national extension of the state, would be a component of the material constitution of society, which sooner or later we ought to acknowledge!

7. A new socialist 'dream'.

What function would the socialist movement serve, if not to develop a reflection and a debate on the 'maxima' problems that led to the birth and development of the social transformation ?

Shouldn't the socialist movement also serve this function?

Do the socialists want to become the standard bearers of this material reorganization of society, updating what needs to be updated in the old TSP? Couldn't this be the object of our study and debate, and if appropriate, our incitement and association?

I hope that at the end of our journey, made up of ordered and guided debates, we can still find many good reasons to be and to be called socialist. But also to be socialist in more clear and grounded ways, rather than in approximate ways as was the case in the past.