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INTRODUCTION

Beáta Farkas

This introduction of the monographic section outlines the main features of Central and Eastern European economies. It describes the achievements and vulnerabilities of the growth model of these countries, pointing out the challenges of demographic processes and of the upcoming industrial revolution, which can force a change in the current growth model. The studies of the monographic section, providing in-depth analyses on several aspects of the development of CEE economies, are also discussed.

Keywords: Central and Eastern Europe, growth models, convergence, Fourth Industrial Revolution.

JEL codes: O14, O15, O57, P52.

TECHNICAL PROGRESS, STRUCTURAL CHANGE, AND ROBOTISATION: INSIGHTS FROM THE GROWTH PATTERNS OF THE “VISEGRÁD” COUNTRIES

Fabiano Compagnucci, Andrea Gentili, Enzo Valentini, Mauro Gallegati

This paper is aimed at providing empirical evidence about the structural change and the effect of the robotisation process that are affecting the economies of the so-called “Visegrád countries”, a group of former Eastern Bloc countries that have recently experienced a remarkable economic growth. The study is based on descriptive statistics that are theoretically based on the structural change approach and on the extended crisis theory. Data are drawn from the OECD STRUCTURAL ANALYSIS database (STAN) and from the International Federation of Robotics (IFR) database. Preliminary results suggest that the Visegrád countries are following a virtuous growth path based on hi-tech manufacturing and knowledge-intensive services (KIS) that benefits from the proximity with Germany. At the same time, this relationship could represent a limit in the short run, since Germany has recently entered a stagnation phase. A further potential limit could arise from the specialisation of most Visegrád countries in the automotive sector, which is one of the economic sectors whose workforce is more exposed to risk of substitution with machines. The article concludes by suggesting that the current transition phase should be supported by targeted public policies, considering the positive externalities they could provide.

Keywords: structural change, technical progress, robotisation, Visegrád countries.

JEL codes: E24, J30, L16, O14, O33, O57.

EUROPEAN INTEGRATION AND INDUSTRIAL ACTORS' LOCATION AND INVESTMENT DECISIONS IN THE CEE AUTOMOTIVE INDUSTRY: WHAT TYPES OF CHANGES ARE LIKELY TO BE BROUGHT BY INDUSTRY 4.0?

Anita Pelle, Magdolna Sass, Gabriella Tabajdi

Europe remains relevant in the global automotive industry. The Central and Eastern European (CEE) countries' role is influential: they contribute to European competitiveness through cost-based advantages in a fairly developed technological and business environment. How have the location advantages of CEE evolved and been affected by European integration? How may the changes linked to Industry 4.0 influence location and investment decisions in the industry? With the help of the trade costs concept interpreted in the broad sense, we analyse these changes from the viewpoint of the automotive industry. We show that, as a result of European integration, automotive companies and their suppliers by now consider the whole of the EU as a single, fully integrated space. Then we show how the various elements of Industry 4.0 may transform trade cost components. The results of our analysis are double-checked and supplemented by information gained from companies. Our conclusion is that the enhanced application of the various elements of Industry 4.0 in the practice of companies indeed affects trade costs.

Keywords: European integration, Industry 4.0, trade costs, automotive industry, location decisions, investment decisions.

JEL codes: F15, F23, L62, O14.

THE INVESTMENT ON HUMAN CAPITAL, AND ITS CONNECTION TO THE FOURTH INDUSTRIAL REVOLUTION. THE CASE OF ROMANIA

Andra Miculescu, Maria Oțil

The Fourth Industrial Revolution is based on different pillars such as connectivity, smart initiative in human capital (especially in education), integrative digital technology, and digitisation of public services. We will present some key facts about foreign direct investment (FDI) and human capital in Romania, connected to some characteristics of the Fourth Industrial Revolution. This will allow us to do further research related to the connection between FDI, human capital, and the Fourth Industrial Revolution.

The starting point of the present paper is the idea that human capital and investment in human capital, particularly in education, are considered key determinants of economic growth, and their development can be connected to the Fourth Industrial Revolution.

The study analyses two economic growth factors: FDI and human capital; the latter is analysed from the perspective of two components – a) health and skills of the workforce, and b) the quantity and quality of education –, taking into account indicators that define the human factor from the perspective of the Fourth Industrial Revolution. A composite index is calculated to highlight the level of development of our country, as well as Romania's place in the EU, regarding the two components of the human capital referred to above.

Keywords: Fourth Industrial Revolution, education, human capital, foreign direct investment, economic growth, competitiveness.

JEL codes: J24, F21.

INNOVATION POLICY GOVERNANCE AND DYNAMIC CAPABILITIES IN THE PUBLIC SECTOR: CHALLENGES FOR ESTONIA AND OTHER CEE COUNTRIES IN THE CONTEXT OF INDUSTRY 4.0

Kadri Ukrainski

The components of any national innovation system (NSI) – institutions and organisations – need appropriate alignment to enhance innovation and the dynamic development of any country. Many authors have claimed that the countries of Central and Eastern Europe (CEE) have recently slowed down in their development. The reasons include weak reforms and deficiencies of their NSI, pointing to NSI rigidity, misalignment of institutions, overly strong FDI-dependence, and poor governance quality. This article combines the concepts of NSI and the dynamic capabilities of governments as coordinators of the knowledge economy conditions in the NSI. By using selected empirical examples from CEE on micro-level stimuli for knowledge production and diffusion (which both are the core processes of the NSI), the article outlines the challenges for CEE countries' governments, including (among others) operating through demand as well as supply-side factors on the NSI, enhancing interactivity (in 'real time'), aligning incentives for different types of NSI actors, aligning micro, meso, and macro levels (local, regional, national, and global systems of innovation), and acquiring policy capabilities to make connections through policy learning.

Keywords: national systems of innovation, dynamic capabilities of governments, knowledge economy, Central and Eastern Europe.

JEL codes: O31, O33, O38.

TECHNOLOGY, END OF THE TIME CLOCK ERA, AND CONTROL DILEMMAS IN THE NEW SPACE AND TIME PATTERNS OF WORK

Anna M. Ponzellini

Today's technical transition has a potentially disruptive impact on the current organisation of work. More specifically, the ubiquity of communication and network technology offers a new range of possibilities for workers to choose when and where to work. This essay is aimed at carrying out an in-depth analysis of some of the innovative patterns of space and time redefinition of work, currently spreading into specific technical and organisational domains and occupations, for employees and for self-employed and on-demand workers. Such patterns increase workers' freedom and the quality of work, and enable an improvement in work-life balance. However, on the one hand, they challenge corporate coordination and control systems, which are changing at a slower pace, especially as concerns performance assessment; on the other hand, they pose serious issues for social institutions and employment regulation bodies in terms of job market fragmentation and pervasive surveillance.

Keywords: work, technologies, hours, workplace, performance assessment, surveillance.

QUALITY OF WORK, WELL-BEING, AND DISCRIMINATION. THE ITALIAN WORK CLIMATE AFTER THE ECONOMIC CRISIS

Tiziana Canal, Francesco Manente, Rosario Murdica

The positive relationship between the quality of the work environment, and workers' performance is a well-known issue. But what is the difference between a healthy and welcoming workplace and a hostile and discriminating one? This article, using data coming from two INAPP surveys on the quality of work (carried out in 2010 and 2015) is aimed at describing the Italian workplaces by focusing on the social climate with respect to: job satisfaction; relationships with colleagues and supervisors; skills mismatch; and presence of discrimination and harassment. Furthermore, for some variables, workers' perception is compared with the employers' view. In a timespan of profound economic, social, and cultural transformations, the paper reflects on this complexity in an attempt to provide food for thought in both analytical and policy terms.

Keywords: quality of work, well-being, discrimination.

WHAT ABOUT THE INFORMATION CAPACITY OF THE FINANCIAL STATEMENT OF PENSION FUNDS ESTABLISHED AS PER LEGISLATIVE DECREE NO. 509/94?

Carla Morrone, Massimo Angrisani

This paper aims to highlight the limitations, in terms of information provided, related to statutory financial statements of pension funds established in accordance with Legislative Decree No. 509/1994. These entities, indeed, must report in the equity section of their balance sheets, only a reserve equal to five annuities of pensions without recording the actual reserves for future pensions due by virtue of contributions received and included in the assets section.

In our opinion, the lack of debt for future pensions in the liabilities section affects the capacity of the financial statement to provide complete and proper information to the stakeholders, with a significant impact on the possibility of evaluating the sustainability of the funds.

Keywords: pension liabilities, pension funds as per Legislative Decree No. 509/1994, financial statement, actuarial budget, financial reporting.

FEDERICO CAFFÈ, RADICAL REFORMIST

Mario Tiberi

The present contribution consists of the speech delivered on the occasion of the Ninth Meeting of the Caffè Working Group “The dignity of work” (*Gruppo Caffè “La dignità del lavoro”*), held in Rome at LUMSA on 23 October 2019.

Keywords: Federico Caffè, reformism, neoliberalism, trade union, European Union.

JEL codes: B52, H11.

THE CULTURES OF ITALIAN SOCIALISM. A PROJECT AND A FIRST ASSESSMENT

Andrea Panaccione

The article examines the issues and the results of the research project implemented by Fondazione Giacomo Brodolini about *The Cultures of Italian Socialism 1957-1976*. The project, coordinated by Enzo Bartocci, is an important contribution to a cultural history of a crucial period in the development of Italian society, and was carried out in cooperation with many actors and scholars, and in close connection with the recent and relevant historiography on the subject.

Keywords: Italian socialism, cultural history, reformism, economic planning, Workers' Statute, structural reforms.

UN MIRACOLO NON BASTA. ALLE ORIGINI DELLA CRISI ITALIANA TRA ECONOMIA E POLITICA BY FRANCESCO SILVA E AUGUSTO NINNI. REVIEW-ARTICLE

Vittorio Valli

The volume by Francesco Silva and Augusto Ninni is an outstanding contribution to the study of the Italian economic development in the years 1947-1989 and of its burdensome inheritance for the following decades. The analysis skillfully weaves economy with history and politics. The authors show that the progressive decline of the Italian economy in the 1990s and in the beginning of the new century was largely due to the huge public debt, the weaknesses of large corporations and of political and social institutions, the unresolved problems regarding southern regions, the low employment rate, and the large-scale and growing phenomena associated with corruption, tax evasion, and organised crime. The book partly understates the problems due to the too weak effort made by Italian enterprises and the State in relation to R&D activities, the diversification of production towards new products and services, and the transition towards energy-saving and less-polluting technology. Yet, the volume offers a great and intense picture of the Italian economic evolution after World War II. In the concluding chapter, the authors also suggest some valuable solutions for the improvement of the economic and political system.

Keywords: development and crisis, Italian economy, institutions, politics and society.

JEL codes: O10, O14, O43, O52.