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Abstracts

IS US DOLLAR HEGEMONY ENDING?

Robert H. Wade

The air resounds with talk of “dedollarisation”, “the end of American financial supremacy”, as a rising number of Governments, especially but not only in the global South, express a wish to develop alternatives to the dollar as an international currency. Much of this is prompted by the US Government’s overt weaponisation of the dollar and the dollar payments system to sanction individuals and States it regards as enemies. This essay argues that dollar hegemony will end – but not in the foreseeable future of the next one or two decades. It describes the dollar’s quantitative dominance, and its institutional incumbency advantages. Then it shows the limits on alternatives, including bilateral trade agreements in national currencies (as in the Russia-Indian trade negotiations), upgrading the IMF’s Special Drawing Rights to an international currency, the proposed BRICS currency, and the wide use of the renminbi. But by 2040, we may look back on this period as the early stage of a new international currency arrangement.

Keywords: dollar hegemony, de-dollarisation, USA, Russia, China, Saudi Arabia, SWIFT, sanctions.

PRIORITISING EQUITABLE PRODUCTION AND FAIR COOPERATION

Marc Humbert

This essay shows what major restructuring is needed if the organisation of production is to enable all populations to live a decent life without affecting the planet’s habitability. The focus is not on “degrowth”, but on the way in which what is necessary for human life can be produced. My starting point is the main causes of the destruction of ecological conditions today. Firstly, overconsumption, through competition driving markets to produce everything that can be sold, and to inflate these possibilities through monstrous and intrusive advertising. I give the example of clothes and cars. Secondly, excessive international trade, which imposes polluting international transport for trade guided by the profit maximisation strategy of giant oligopolistic companies. I propose replacing the WTO with a world organisation for the international distribution of labour; promoting equitable cooperation between States – first and foremost between European countries – and aiming to bring territorial sovereignty closer everywhere. With the production of goods that meet real needs, that are not gadgets, that can be repaired, and that last without programmed obsolescence.

Keywords: overconsumption, intrusive advertising, dismantling monopolies, no gadgets, no non-reparable goods, no programmed obsolescence, territorial economic sovereignty, deeper European cooperation, craft industry, SMEs, solidarity popular economy, far-reaching restructuring, clothing, cars.

NEXT GENERATION EU AND THE NATIONAL RECOVERY AND RESILIENCE PLAN: A CATALYST FOR DEVELOPMENT-ORIENTED INDUSTRIAL POLICY IN EUROPE. THE ROLE OF INVESTMENTS AND NEW HIGH-QUALITY JOBS

Gioacchino Garofoli

There are three key variables explaining the hard and long crisis in Europe: a) the collapse of the share of income distributed to work; b) the fall in total investment; and c) the low employment rates in several European countries, especially in Southern Europe. All of this has led to a crisis due to insufficient domestic demand. The second issue addressed concerns the fragility of production chains in Europe, after the delocalisation of production processes from European countries, which was highlighted by supply difficulties during the Covid period. This raised the issue of European strategic autonomy in key areas. The article underlines the need for a paradigm shift in economic policy, as well as for the introduction of a new development model based on the capability to satisfy the essential needs of European citizens starting from the production of necessary goods and services, with a coherent economic policy also on the supply side, through the increase in investments, and the subsequent introduction of quality jobs.

Keywords: income distribution, impacts of globalisation, comparative economic systems, development policies, industrial policy.

FOR AN ECONOMIC POLICY OF PROGRESS

Carles Manera, Ferran Navinés

The work proposes some stylised lines in economic policy, supported by a Keynesian approach to economics. The authors point out the problems that austerity policies have generated, and the mechanisms that led to increases in inequality and in the unemployment rate, as well as in deficits in large macroeconomic aggregates. The work identifies public investment as a great lever for growth. At the same time, it urges economic history to learn from mistakes and to avoid repeating them.

Keywords: economic policy, public investment, inflation, green investment.

LABOUR AND PRODUCT MARKET DYNAMICS: MACRO, STRUCTURAL, AND MICRO FACTORS, AND THE VARYING EMPLOYMENT/OUTPUT ELASTICITY

Paolo M. Piacentini

The view that employment activation in the product market is central in the Keynesian understanding of macroeconomic causation, marking distance from “mainstream” Labour Economics, with partial analyses and notions of “equilibrium” (un)employment. However, while broadly keeping this viewpoint, stylised facts, evidenced for Italy, showing significant instability of an employment/output elasticity, encourage further reflections on the determinants of employment activation. The quantitative result for additions (reductions) in labour use, given a percentage rise (contraction) of GDP, differs in fact widely amongst countries, or within a country over diverse cyclical episodes, even after accounting for the variability of average working time. Recently, more “employment friendly” patterns of growth have shown their reverse implication, stagnating productivity. Differentials in the employment elasticity are thus further rationalised. The structural composition of the economy and its change, accounting for composition effects, are considered. After the “structural” factors, the role of the institutional settings for labour exchanges, impacting upon “labour intensity of growth”, remains to be questioned. The paper concludes with first-stage reflections, addressing the fundamental question as to why employment intensity of growth varies over time and space.

Keywords: labour demand, variable employment/output elasticities.

DE-GLOBALISATION OR RE-GLOBALISATION? THE MEANING OF THE “GREAT DISCONNECT” IN MARCO MAGNANI’S ANALYSIS. A CRITICAL NOTE

Giuseppe Celi

This paper critically analyses the recent book *Il grande scollamento: timori e speranze dopo gli eccessi della globalizzazione (The great disconnect: fears and expectations after the excesses of globalisation)*. A positive aspect of the book is its effort to update developments related to contemporary globalisation and to imagine possible future scenarios (de-globalisation?, re-globalisation?). However, overall, the author does not offer a convincing interpretative key to the evolution of globalisation in recent decades (from its expansion to its recent retreat). This critical note offers a different view, highlighting the weaknesses of Magnani’s reconstruction: overlooking the importance of the caesura between the Keynesian era and that of neo-liberal globalisation (later to become hyperglobalisation), underestimating the employment and distributional effects of globalisation, and misrepresenting the relationship between economics and politics.

Keywords: globalisation, global value chains, reshoring, inequality.

USA, CHINA, AND THE BATTLE FOR SUPREMACY ALONG THE MICROELECTRONICS SUPPLY CHAIN

Giacomo Cucignatto

The book by Alessandro Aresu, entitled *Il dominio del XXI secolo. Cina e Stati Uniti e la guerra invisibile sulla tecnologia (The domination of the 21st century. China and the USA, and the invisible war for technology)*, is a little gem. In a world marked by a bombardment of seamlessly overlapping information, the old aphorism that *knowledge is power* seems to be dissolving and losing its meaning. In this magma of complexity, the book identifies some of the crucial faults along which the conflict between the USA and China is unfolding, shaping the transformation of international relations and the global economic equilibrium, with a significant impact on the European context. The first merit of the book is that it delves into the different dimensions of this conflict – industrial policies, innovation and technology, and global supply chains – through a far-reaching and straight narrative that makes the reading accessible even to non-specialists. Given the relevance of the topics covered, this book was definitely needed. In the following pages, I will try to highlight the various interesting points made in the work, as well as some critical ones.

Keywords: strategic dependency, industrial policy, technological sovereignty, supply chain, semiconductor industry.

ANALYSING THE TRANSFORMATIONS OF WORK

Mimmo Carrieri

The book *Il lavoro. Dalla rivoluzione industriale alla transizione digitale (Work. From the industrial revolution to digital transition)*, new version of the manual by Cavalca, Mingione, and Pugliese, addresses, in a smart and clear way, the main transformations of employment until digitalisation and artificial intelligence. The volume contains a thorough information framework also in relation to the major evolutions underway in less developed countries. The proposed scenario differs significantly from the forecasts around the “end of work”.

Keywords: transformations of work, informal employment, precarious work.