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## Abstracts

### STRUCTURAL CHANGE, EMPLOYMENT, AND INSTITUTIONS

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Sebastiano Fadda

The aim of this paper is to consider the role of institutions in the process of structural change with regard to composition and level of employment. Contrary to the standard neoclassical growth theory, since both technical progress and the growth in demand are not uniform in all sectors, the combination of disproportional changes in technology and disproportional changes in demand results in disproportional growth and deep changes in the structure of the economy, as well as in the level and composition of employment. The paper points out some “institutional” factors that deeply influence, on the one side, the intensity and the direction of technical progress in each sector and, on the other side, the composition of final demand, which are the roots of structural change. Finally, some indications are drawn about the possibility open (or, to say it better, “left” under the constraints of globalised markets) for every single country to govern the process of structural change through acting on these institutional factors.

### PRODUCTIVITY AND AGGREGATE DEMAND: AN EMPIRICAL EXPLORATION OF THE KALDOR-VERDOORN LAW FOR THE ITALIAN ECONOMY

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Matteo Deleidi, Walter Paternesi Meloni

Italy has been experiencing a slackening in economic growth, as well as stagnating labour productivity over the last two decades. The recent economic literature has ascribed the slowdown in labour productivity to traditional supply-side factors (among which, low R&D investments, over-regulation, labour market rigidities, and an excessive role of the State), as well as to the structural change burden related to the shift towards the tertiary sector. Yet, despite this second perspective is not totally supported by evidence, in this paper we argue that the supply-side perspective alone seems not to be sufficient to explain the Italian productivity slowdown. Therefore, we extend the analysis to the role of demand-side factors, and we provide some empirical findings that validate the Kaldor-Verdoorn law, namely the dynamic effect of output on labour productivity growth. From 1970 to 2016, we find that aggregate demand dynamics are relevant in determining productivity trends, particularly in the manufacturing sector. A major economic policy implication to deal with stagnation in Italy is that expansionary policies would matter for productivity growth, and at the same time would contribute to sustaining employment recovery.

## SOCIAL WELFARE AND OCCUPATIONAL WELFARE

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Felice Roberto Pizzuti

The article draws from the main results of the *Report on Welfare State 2019* edited by the author. In the first part, the occupational welfare is analysed: the historical context of the most comprehensive state-market relations in which it developed; the reasons and the economic and social effects of its spread; its areas of intervention, and the dimensions it has assumed in the different countries and in Italy; its connections to the welfare state; its links with employer-trade union relationships, productivity trends, decentralised wage bargaining, and wage trends; and its effects on inequalities in the access to social goods and services. In the following two parts, the social and economic policies implemented in Europe and in Italy, and the quantitative and qualitative trends of expenditure are examined, specifically concerning: trends and policies regarding the labour market; demographic and migration trends; education and healthcare; social safety nets; inequalities; the programmes aimed at reducing poverty; and the basic income guarantee (*reddito di cittadinanza*), a measure recently introduced in Italy. Finally, the analysis focuses on the measures adopted by the Italian Government in relation to the pension system, as well as on the forecasts, problems, and recommendations concerning the public and the private systems.

## “REDDITO DI CITTADINANZA” AND PUBLIC EMPLOYMENT SERVICES

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Emiliano Mandrone, Manuel Marocco

The so-called “Reddito di cittadinanza” (RdC), a sort of “minimum income”, has triggered an intense political and scientific debate. Its implementation is closely linked with Public Employment Services (PESs), which in Italy are notoriously uneven in their performances. PESs are well financed but the compliance with the conditionality principle, which creates a series of bureaucratic barriers, once again diverts them from their institutional mission. The choice of a single measure to ensure employment and fight against poverty makes the implementation design particularly complex as it is vulnerable to the criticalities typically affecting a network that involves too many actors. The paper aims to analyse, from a comparative point of view, the evolution of the employment services system, as well as the critical issues arising from the implementation of RdC.

## THE RECENT EVOLUTION OF THE UNEMPLOYMENT BENEFITS IN ITALY

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Federico Giorgi

At the onset of the Great Recession, the Italian system of social safety nets was characterised by high fragmentation and low integration between active and passive policies. The reforms implemented in 2012 and 2015 innovated the system thoroughly, with the dual goal of ensuring universal and increased protection, and of boosting active policies. While the former goal has been substantially achieved, the establishment of ANPAL represents only a first step towards the attainment of the latter goal: the number of recipients of the unemployment allowance who are not immediately available for work remains high.

## BIRTH, DEVELOPMENT, AND CRISIS OF THE FINANCIAL CAPITALIST WELFARE

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Francesca Bergamante, Massimo De Minicis

After more than 10 years since the onset of the economic and financial crisis of 2008, there is a broad scientific debate on the analysis of a new model of capitalist accumulation built on the processes of financialisation of the economy, a model that is interpreted as an evolution of post-industrial capitalism, i.e. as financial capitalism. If we start from the consideration that the institutional patterns and the effects of welfare models and industrial relations are the product of the transformations of the capitalist models of organisation of production and of work organisation, the question arises as to how the development, consolidation, and subsequent crisis of financial capitalism have impacted on such contexts. What type of institutional patterns and social effects have emerged in relation to protection and social security? And what about the key factors ensuring the stability of a capitalist type of welfare in the framework of a financialised economy? This paper tries to answer these theoretical questions by providing an analytical framework and by identifying the mechanisms and constitutive variables of the new social security system that characterises the era of financial capitalism.

## THE “ACCUMULATION CRISIS” AND VICARELLI’S POLITICAL ECONOMY

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Claudio Gnesutta

The Italian economy has long been featuring a disappointing trend, to which political and institutional changes have not brought any benefit. Several economists and other social scientists have interpreted the causes of these difficulties, and have tabled a number of proposals on how to tackle them. This note focuses on the scientific contribution of Fausto Vicarelli (1936-1986), who, in reviving the “genuine” Keynesian theory, places at the core of his analytical framework and economic policy proposal, the “accumulation crisis” that marked the Western economies not only of his era.

## AT THE INTERSECTION OF “POLITY” AND “ECONOMICS”: THE PALGRAVE HANDBOOK OF POLITICAL ECONOMY EDITED BY IVANO CARDINALE AND ROBERTO SCAZZIERI. REVIEW-ARTICLE

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Mauro Leo Baranzini, Amalia Mirante

In this review-article we assess the scope and method of the *Palgrave Handbook of Political Economy* edited by Ivano Cardinale and Roberto Scazzieri in 2018. Recently, there has been a revival of interest, especially in the Anglo-Saxon world, in the object and method of economics, i.e. in political economy in general. The aim of the *Handbook*, in the editors’ words, is to “transcends the received dichotomy between political economy as an application of rational choice theory or as the study of the causes of societies’ material welfare, outlining a broader field of study that encompasses those traditions”. The volume is divided into three parts. The first part (called “Foundations”) addresses the areas of social life underlying the provision of material needs through social coordination, be it according to exchange-oriented or to production-oriented theories. The second part (called “Research Themes”) focuses on the areas of intersection between the polity and the economy, on which political economy has been built. The third part (called “Ways Ahead”) suggests a rethinking of political economy that tries to bypass the fences of the existing archetypes and paradigms, and offers a new “comprehensive political economy framework”.

The *Handbook* has been written by authoritative and influential scholars in their respective field of knowledge. Taken in their unity, the essays of this *Handbook of Political Economy* represent an original and unique project for studying the conceptual interrelationships between polity and economics. It represents a must-read for academics, researchers, students, politicians, and social scientists in general, looking for a comprehensive reassessment of political economy.