



SUBSIDIARIEDAD Y POLIARQUÍA COMO REFERENTES PARA EL CRECIMIENTO

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Here are some brief comments concerning Luigino Bruni's interesting and widely shared article, "The Italian model," published in the July 8 Avvenire.

In particular, we would like to examine two statements made by Bruni; one is of a theoretical nature, and the other one is related to choices of policy.

Bruni introduces his article with these words: "President Monti said to share with Germany the vision of a 'highly competitive social market economy', thus echoing other voices in Italy that are evoking and invoking this striking expression". Since the Tocqueville-Acton Study Centre has been supporting that economic model for years, we do not deny that we felt called into question.

We agree with Bruni on the need for a theoretical explanation, and we believe it should be provided by recalling the founders of this model. First, to call for a "highly competitive social market economy" is not at all rhetorical or politically correct. It means to explicitly refer to the work of one of the most important duos in European political and economic life of the post-WWII period: Ludwig Erhard and Aldred Müller Armack. Prof. Müller Armack's main contribution was to pursue the implementation of a liberal political system, centered on free competition and understood as a social duty serving people. For his part, Erhard considers "social economy" to be a goal achievable through the market, i.e. through its political, economic and cultural institutions. On this basis, a social market economy is structured on the following points: "1) to prevent the political power of being the source of arbitrary power 2) to suppress any monopolistic structure 3) to make the freedom and competition prevail". Therefore, the question is not to import from Germany a model which is foreign to our civil tradition; on the contrary, that model can only exist in a socially dynamic and polycentric world as is, indeed, our polyarchic civil society.

Here, we can only point out that many critics, included Bruni, have often confused the term "social market economy" with the term "economy of social market". Bruni uses the latter to identify a market economy that is genuinely civil. Since the concepts of "market", "competition", "enterprise" and "State", in the perspective of a social market economy, are rooted in the tradition of the social thought of the Church and adopt the principle of subsidiarity, we believe that the "civil" dimension is already in its DNA, without the need for any further nominalistic complication. It is no coincidence that an authentic interpreter of the Italian civil life, Don Luigi Sturzo, has elected as his theoretical reference a father of the social market economy like Wilhelm Röpke.

A social market economy relies on the ability of free market processes, at the center of which we can find a free and responsible enterprise, to pursue goals of social interest, without contrasting the concept of "social" with the concept of "market" and without identifying "social" with "state". "Social" firstly concerns the realm of civil society, structured according to the principle of subsidiarity; in that sense, social market economy expresses the theoretical background in which "civil economy" operates. In this regard, it is useful to recall Röpke's contributions on the concepts of subsidiarity and small business to the theory of the industrial district. Social policy is therefore neither a corrective tool nor a mere appendage of market economy - in either case, in fact, it would make sense to speak of "social market economy", where the adjective would serve to soften the harshness of the noun. On the contrary, in the perspective of social market economy, social policy is an integral and equal constituent part of the concept of market economy, understood as civil economy where the enterprise (small, medium, large, cooperative and non-profit, etc...)

¹ <http://www.cattolici-liberali.com/pubblicazioni/opinioniecommenti/2012/SussidiarietaPoliarchia.aspx>



operates. Ultimately, it is not about timely interventions in the market "on social base", but non-privileged access to the market - then from "free initiative" can follow "social progress". And this is the fundamental and irreplaceable role of the State.

Finally, Bruni writes: "That's why Mario Monti and the other lovers of the striking expression of social market economy must explain, with the choices of economic policy and with the modulation of the cuts, where they stand in the Italian economy today". While waiting for Monti's answer, we would like to indicate a course of action: that of subsidiarity and polyarchy.

That course of action was already addressed in our article on the *Avvenire* of last June 9, where we proposed the suggestion of a spending review inspired by subsidiarity, meaning by this term an effort to look at the public sector, more than a provider of public services, as the source and manufacturer or regulation and the controller of its proper application, aiming to allow the pursuit of the public interest through (not despite) the free initiative of individuals and intermediary bodies. It is an implementation, in terms of public policy, of that vision of market-state and state-society relations typical of a social market economy which today, more than ever, is appropriate to solve the Gordian knots of our public spending.

To hope for our country the recipe of the "highly competitive social market economy" thus means, at the same time, hoping for an economic policy that, recognizing the strengths and weaknesses of our production system and our business model, will be able to provide the tools to deal with the new economic paradigms and challenges of globalization, starting with the problem of the fragmentation of the production process and the emergence of new economic powers. In this sense, the proponents of a social market economy can only wish - especially at this stage - for "a strong State for a free market and a dynamic business". We refer, of course, to the need for an authoritative State, strongly present in the economic and social life of the country, not as an entrepreneur or as a mere agent of expenditure, but as a subject capable of defining a legal and institutional framework that promotes the competition and competitiveness of the business system, of relieving enterprises from a range of inappropriate tasks that often undermine their international competitiveness, of intervening in the welfare sector, in terms of subsidiary, only where the free initiative of the private and third sector cannot provide adequate answers to people's needs.

Ultimately, social market economy has historically developed itself inspired by the principle of subsidiarity of the modern social teaching of the Church, and it will continue to bear fruit only if it remains faithful to this bound.

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