
THE GREAT TRANSITION – THE GENIUS OF THE FUTURE IS MESTIZO

FOUR (AND MORE) DIFFERENT ECONOMIES; NEW ALLIANCES

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How are you going to save the world? How find a straight road to progress, you men of science, of industry, of cooperation, of trade unions and all the rest? How are you going to save it, I say? By what? By credit? What is credit? To what will credit lead you?



Fyodor Dostoyevsky (The Idiot)

While we suffer from a crisis that seems (and is) too long, in order to cultivate hope that is not vain we should be able to see the bustling crowds of new life, businesses, work and innovation in the undergrowth of our economy. Because it is there, really. However, the quality of the new phase of our capitalism will depend on which contemporary economy is able to "attract", absorb and exploit all the young, intellectual and technological energy that is being released in and outside of the "canvas" (web).

To date, financial and globalised capitalism seems to be far more equipped to bring the most creative part of our society to its side. It is so because of its powerful financial means, but also because it casts a spell through its symbols on the bests of the youth. It has been able to incorporate and recycle the most creative part of every generation that has up till now held up the success of capitalism in the twentieth century - just as **Eve Chiapello** and **Luc Boltanski** show in their book "*The New Spirit of Capitalism*", recently published in Italian, too (Mimesis).

We need to become more aware of the fact that our economy is made up of at least **four different economies** (although those designing taxation, incentives and industrial policies continue to think that capitalism is only one). **The first** - that we can still call "capitalism" - is made up of businesses, banks, insurance companies and investment funds that are only born only to seize opportunities for profit or, more frequently, income.

These are almost always large organizations with widely scattered owners, run by managers who are paid beyond any common sense. They operate globally and carefully pick the right places for their tax offices and production units for the sole purpose of minimizing taxation and maximizing earnings - and they succeed because they have enough money to pay excellent tax advisers, authentic "saints" of tax havens and union havens. This capitalism creates efficient philanthropic organizations and sponsors with scientific and social research through homeopathic doses of profits. But its purpose, the only real purpose that makes it move is to

make the most money in the shortest time possible. Gaming multinationals are the prime examples of this capitalism, which now includes many companies bought at a great price by private equity funds that in the recent years of severe lack of funding and liquidity are growing and gaining...also from the thousands of firms in difficulty they are buying up. At times these are "saved", financially, but jobs may not be saved, and almost always the founder's original project burns out, even when the old name and the old brands are kept - for profit. It is a process that is taking place on a large scale and is often intertwined with the illegal economy that is also in search of companies going through a crisis of capital. It is a phenomenon of vast and profound incorporation that is distorting much of our "made in Italy", and that is happening under a general inattention. The capital that are attracted during times of crisis are (almost) never good. *'How many companies of the "first capitalism" type are there in Italy?'* I asked a friend of mine who is a great connoisseur of the Italian economy a few months ago. *'90% of the big anonymous companies that are not related to an owner family,'* he said.

There is, then, a **second economy**, made up of companies that resemble those of the first type of capitalism only in form. We realize that as soon as we set foot in their facilities and talk with the entrepreneurs, managers and workers. The culture that makes them move is another one, their horizon is deeper and wider. This is the "capitalism" of family firms. Behind the business plan here is the presence of a concrete person and a family, marking a first radical difference. The family capitalism is not in itself a guarantee of fairness, good management and ethics (we see that every day). The presence of a family at the helm of a company, however, is often a guarantee that the owners are interested in the long term and not in maximising profits of a very short period. Without the axis of time and the horizon of the future clearly visible in the company, work is not a friend of capital or of the "owners". This second economy is still one of the main walls of our economic and civil system.

There is a **third economy**, and it is precisely what some call the "third sector". It is that of the social and cooperative economy, non-profit organizations, territorial and ethical financing and "value-driven" businesses, and all that swarm of economic activities germinated from the heart of the Christian community and organised civil society. It is the economy that flourishes by ideals that are greater than economics. In times of crisis this third economy is continuing to grow, but is also experiencing an epochal crisis that turns primarily on the depletion of ethical humus from its soil. The second and third economy are the ones, in fact, that are suffering most because of the deterioration of the capital of the civil virtues that gave birth to their companies in the past decades. The first capitalism, however, grows very well in soils depleted of civil humus - just think, once again, of the gaming (gamble) multinationals that proliferate in the deserts of institutions and families.

But there is also a **fourth economy** (and we stop here, even if we could continue with public economy, with the criminal or the submerged ones...). It is creating jobs and is performing innovation in the field of the so-called *sharing economy* that seeks funding for new businesses outside the traditional circuits, through networking (*crowd-funding*), and is growing exponentially. It is work arising from the diverse world of critical consumption, from many last generation organic farms,

where the farmer is more and more likely to be a young woman, a graduate who speaks four languages and divides her time between the care for her business and international travel. Many of the new jobs can be found here that are blooming around the care for cultural, artistic, musical goods, or the old water mills restored to produce energy, work and energy sovereignty. And it has so much beauty, a beauty that can really save us all. This is another, not so obvious type of economy, made up of activities that are very different but have their common denominator in an idea of fundamentally collaborative economy, where work and wealth do not arise primarily from competition, but from cooperation and the seeking of mutual benefit. It is a very intensive economy of the young, many of them immigrants, where the search for maximum profit is not the first motive, because the priorities are environmental sustainability, aesthetics, the taste of collective creativity, the joy of seeing sick and poisoned territories flourish, inventing apps (applications) that would work, and so - it's not just a random example - the "fresh produce" of the supermarket that is about to expire is transforming the waste into the cornerstone of the homes of many poor people. It is a new economy where gratuitousness and (a certain type of) market coexist and grow together.

Speculative-financial capitalism is pulling in heavily not only into the second economy of family firms, but, with its powerful media and great rhetoric it is also invading the third sector. The only possibility that these economies that are still different can be saved and grow is if a great alliance is created with the fourth largest economy that is young and creative, the one that is moving into new "*environments*", speaks other "*languages*", thinks, acts and prints in three dimensions.

The economies that are other than the first capitalism today must be able to bring the fourth largest economy over into their territories. And in the meantime they should also act on the border areas with first capitalism, the mestizo border areas. Within certain limits, that are variable and mobile in every age, even the first capitalism can produce good fruit. Every era has seen it do so. It is when, just as now, it overflows its banks and floods houses and fields that capitalism becomes the first enemy of the economy, work, and the common good. The unlikely and unexpected encounters are the most generative ones. It's biodiversity, in all its natural and civil forms, that feeds us and makes us all rich.

To meet this challenge which now seems impossible, a symbolic, linguistic and communicative change is also essential. Civil economy (the second and third economy) no longer has to resort to just vocabularies of ethics, virtues, altruism, of giving and solidarity. We must use the semantic register of sharing, excellence and creativity and apply them for larger goals than mere profits. It is through asking difficult things and presenting demanding challenges that we may attract the excellent people, especially when they are young. The world of civil economy still does not attract enough creative and innovative youth because it has not been able to renew its symbolic code appropriately, to translate its great words (gratuitousness, brotherhood, common good) in other words and new signs capable of arousing the enthusiasm of the best people in the best stages of their life, and then transforming their enthusiasm into work and life projects. We still have time, at least to give it a try.