

From Italy to the EU: Alternatives to a Failing Status Quo

An interview with Fabrizio Barca, Lorenzo Marsili

September 26, 2019

A sudden and unexpected change of government in Italy relegates far-right Matteo Salvini to the margins of power and introduces a new EU-friendly government. With the effects of this turnabout still unfolding, Lorenzo Marsili met Fabrizio Barca, a former minister for the Democratic Party and one of the founders of the Forum on Inequalities and Diversity, an influential think tank bringing back a vision of change to Italian and European progressivism. From linking social and climate justice through investment to proposals to rein in the power of globalised capital, they discussed how to rework the political economy to end inequality and halt the downward spiral into democratic and ecological crisis, in Italy as in Europe.

Lorenzo Marsili: “The leaders are talking about the end of the world, we are worried about the end of the month!” so goes one of the most powerful slogans of the *gilets jaunes*. Green parties did well in the urban centres of northern Europe, but are absent from poorer areas as well as virtually all the south and east of Europe, including Italy. Is the divide between open and closed – prosperous and struggling – growing deeper?

Fabrizio Barca: Absolutely, which is why social justice and environmental justice must go hand in hand and why every environmental proposal must be accompanied by corresponding social measures. Disregarding the short-term impacts of fighting climate change can be disastrous. It is easy for bourgeois leaders, who are very urban, highly cultured, and mobile, to disregard this danger and put forward measures that harm those who live in rural or peripheral areas.

Emmanuel Macron’s first policies seemed to do exactly that: lowering taxes for the rich while moving the cost of climate mitigation onto poorer households. What should we be looking at instead?

At the Forum on Inequalities and Diversity, we have tried to give a response that starts with the most vulnerable areas: non-urban areas, the de-industrialised countryside, and the peripheries of the big cities. The common point to our proposals is an awareness of the link between private wealth and the commons. People living in crumbling outskirts are prey to the stench of landfills, to the abandonment of public gardens and squares, and therefore to the loss of places of socialisation. Such degradation of surroundings lowers the chance of someone opening a business or taking steps to improve their condition. Degradation yields misery. Those who have little private wealth, that struggle all day just to get to the end of the month, cannot be expected to take care of their environment too. It is a vicious cycle we must break.

What steps would you take to do so?

First of all, intervene on national and regional concessions such those covering quarries, mineral water, and beaches. Today these resources are often badly managed and generate enormous private profits to no benefit for communities. Second, the tax incentives for energy efficiency should be supplemented by more direct measures.

Tax deductions do not help the poorest families; the focus needs to be on the direct redevelopment of private buildings and the role of energy companies. Third, public buildings need to be redeveloped with particular attention to green spaces, sustainable mobility, and an openness to the participation of citizens' organizations in the common management of these spaces.

But what about the structural inequalities driven by the shape of today's economy?

Give power back to labour. And I mean power, not just better economic conditions. One way to achieve this shift would be the establishment of labour and citizens' councils that would allow workers and the residents of a given area to discuss the consequences of investments on their environment.

Germany has a system of workers' participation in management. Jeremy Corbyn proposes that workers own up to 10 per cent of big companies. Yannis Varoufakis calls for a basic dividend to be paid out to all from an equity-holding public trust. Isabelle Ferreras proposes committees guaranteeing workers a share of the profits and a say in corporate decisions. How would the labour and citizens' councils you propose operate?

There are two objectives in these proposals that are often mixed up. The first is the redistribution of profits. Profits today derive increasingly from the control of immaterial capital, and therefore can be very high. Workers need a share of this immaterial capital, even as shareholders, so as to increase the labour share over the profit share. The second issue, which is where our proposal focuses, is to give direct power back to the workers. Workers' representation on company boards has yielded few results because the rules by which the workers are forced to play in the boardroom still follow the logic of a profit-maximising private company. Instead, workers should be able to make counter proposals separately and independently, and veto board decisions. Should algorithms, for instance, focus on the increase of profits or on the improvement of working conditions?

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The type of council that we are proposing would act as a parallel body, living alongside the official board and involving all workers, those directly employed by the company as well as those in irregular or sub-contracted employment. Users of a given service should also be represented. The experience of *Acqua Bene Comune*, a re-municipalised water company in Naples, is telling: the citizens of Naples can elect representatives to the company board and thereby influence the choices of the company. These councils would affect how decisions are made for capital formation and technological decisions, which goes beyond the mere ownership of shares or participation in board decisions.

Control over one form of immaterial capital, data, is today a source of profit and power. Can we imagine an alternative to the neoliberal algorithm of Silicon Valley giants and the state algorithm of the Communist Party of China?

The people who first promoted the internet and artificial intelligence clearly had an alternative in mind and information technology remains an extraordinary tool for building a post-capitalist future. The key aspect lies in what problems the algorithms are asked to solve. Today corporations seeking profit or, in the case of China, the state seeking control determine the objectives of technology. But asking different questions of technology is

possible. For example, transport data could be used to organise local public transport in the suburbs if the information was accessible through a common platform for public use rather than allowing private corporations to use it to maximise their profits. Cities such as Barcelona and Amsterdam are beginning to move in this direction, and Bologna and Milan are taking the first steps too. Similarly, a corporation could design algorithms to reduce the number of accidents at work. All this can be done! The teams that develop the algorithms need to include individuals coming from different disciplines and representing various interests – here the councils would play a role. Greater gender diversity is crucial too: today the proportion of women in algorithm development teams is between 13 and 17 per cent. This *machismo* influences the algorithms themselves. Europe could have many cards to play as a “third world” between the US and China in this area.

You mention post-capitalism. Is the survival of the planet compatible with neoliberal capitalism?

Capitalism is increasingly unsustainable, and its failure is driving a more general disaster. The frightening imbalance that exists between those who own capital and those who own only their labour has been forgotten. The global context has become depoliticised and, as a result, the very credibility of international mechanisms has been dismantled. Capital is intimately mobile. So much so that if an environmental or social movement in any country manages to prevent the devastation of its surroundings, then business can always move elsewhere. Only once this race to the bottom has been prevented can the system start to operate, as capitalism theoretically should, to find another solution or technology that can avoid the problem at hand. We must once more exercise a power of prohibition against the most devastating aspects of capitalism, something that requires an international movement that can introduce new international rules. For this, Europe can be crucial.

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What would be an example of international rules that can help capitalism help itself?

First of all, adjustments are needed in the text of the TRIPS agreement, the World Trade Organization rulebook for intellectual property rights. Its starting point should be a recognition that knowledge is the most important global common of humankind, alongside an acknowledgement that a limited attribution of intellectual private property rights can sometimes be justified as an incentive to develop it. The Forum on Inequalities and Diversity makes two proposals in this regard. First, privately held pharmaceutical patents need to be reformed to guarantee access to knowledge. Second, Europe must make the most of its public research infrastructure, which makes up a network of about one thousand institutions. Today, the open science that it produces is used by private corporations to secure their monopolistic positions. But this infrastructure should also be used to develop a group of public corporations devoted to fulfilling long-term strategic missions (as proposed by Marianna Mazzucato) and which compete against private corporations. We propose the construction of three European technology hubs to build public alternatives in three key areas: digital market, health and pharmaceuticals, and energy transformation.

Italy, in its own way, has set an example by founding the giants ENI and ENEL [the state energy companies, dedicated to oil and gas and electricity respectively, in which the Italian state retains important stakes] to help economic development in the post-war era. This solution calls for working within capitalism to challenge capitalism itself.

Many international proposals, from Piketty’s global wealth tax to a common corporation tax rate for the EU, die before they are even debated. Is it still realistic to imagine the EU, and its new Commission, taking

steps to rein in the power of capital?

It depends on whether the ruling classes are sufficiently frightened by the double dynamic of the climate crisis and the advance of authoritarian and illiberal forces to take radical decisions. In the days following the European elections there was a childish feeling of escaped danger, the possibility of a “return to order” after the containment of the sovereigntist threat. If this false sense of security continues, then the next five years will be dramatic. But at the same time, more recently, a modicum of political courage seems to have been put forward, even in the words of the President of the Commission. Thinking of the reform of the Dublin Regulation on asylum, to which the European Parliament has already subscribed, or the re-balancing of the European Semester towards social and environmental justice, are elites afraid enough to change?

The feeling that the elites are structurally against the people is so strong that you can only redeem yourself by offering an alternative to a failing status quo.

Some were expecting a shock to the system from Matteo Salvini’s challenge to the Euro. But Italy has unexpectedly expelled the far-right leader and appointed a new centrist government. Is Italy truly the country where “everything changes just for everything to remain the same”?

Not necessarily, the institutional and political issues must be disentangled. In these first steps of the authoritarian dynamic, the Italian institutional framework has definitely proven to offer stronger checks and balances than the British one. The political scenario, though, is still open. The venomous attack made by Prime Minister Giuseppe Conte on Salvini, his former Deputy Prime Minister, with whom he shared most decisions, certainly fits with old, despicable habits of Italian politicians. But pressure from below and a rising awareness on the part of some of the new ministers could open up a scenario of change. That is the only scenario that could prevent the authoritarians from returning to power. The complacent thesis of establishment progressives is that the poorer classes will sooner or later realise that, no matter how terrible the traditional elites may have been, they are still better than the nationalist alternative. That is not going happen. The feeling that the elites are structurally against the people is so strong that you can only redeem yourself by offering an alternative to a failing status quo.

Despite the change in government, Italy’s economic model and the Eurozone both remain unsustainable. Salvini’s extremism did serve to indirectly push the limits of the Eurozone. Do we now risk losing any sense of urgency for European reform?

Salvini and the authoritarian and other right-wing leaders have certainly awakened the moderates within the three traditional political families in Europe, even though his economic threats were mostly empty gesturing as they had to be squared with maintaining support in Italy’s EU-friendly industrial north. If the Italian and European leadership now believe that the authoritarian dynamic is over, then we are in trouble. Do they? Hard to say. But since their moderate, “business as usual” attitude is rooted in “there-is-no-alternative” neoliberal culture, it is up to novel alliances of social movements and radical thinking to exert a robust and unrelenting pressure on them pointing to both visionary and pragmatic alternatives.

It often appears like we know what needs to be done, and yet nothing happens. Do you feel despair or is there hope?

There is hope, just as there is despair. We are faced with an incredible paralysis of a large part of the ruling class, even those with the right ideas. It’s not clear if they lack courage or competence. There is a part of the ruling class

of my generation that sees passion and the conviction that an alternative is possible as something naïve that should wither away with the arrival of maturity. They have become very cynical. But the younger generation, people in their 20s and 30s, give me hope. While they are not often involved with political parties or electoral movements, they are still able to open important channels for the expression of an alternative. It's an encouraging sign for our collective ability to drive through a much-needed transformation before the violent shock we mentioned forces it upon us. And it will.



Fabrizio Barca is an economist and politician with the Democratic Party in Italy. He coordinates the think tank [Forum on Inequalities and Diversity](#) and previously served as State Minister for Territorial Cohesion (2011-2013).



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