افغانستان آزاد – آزاد افغانستان

AA-AA

چو کشور نباشد تن من مبـــاد بدین بوم و بر زنده یک تن مــباد
همه سر به سر تن به کشتن دهیم از آن به که کشور به دشمن دهیم

www.afgazad.com afgazad@gmail.com

European Languages	زبانهای اروپائی

DECEMBER 24, 2018

by STEVEN COLATRELLA

25.12.2018

Capitalism in the United States and in Europe

I want to start by thanking Luigi Chiaro and President Valenti of Progetto Formazione Continua for the opportunity to be here this evening to speak and exchange ideas with you all and to thank the founder of the association who is here with us this evening for this great, really wonderful initiative.

Speaking of Capitalism in America and in Europe we first have to be precise about two things. First, what do we mean by countries, by nations such as those in the Americas or those here in Europe? And, second, what do we mean by capitalism? So if we can specify what we mean by these two things, we can reason about the difference in how capitalism relates to the different places.

First, regarding countries, being American I like to stay up late and, after my wife and daughter have gone to bed, I stay up and watch action films. I particularly like the movies of Bruce Willis, the Die Hard movies – I don't know if anyone else here watches those – I see that some of you do, great. Well, one of the movies in that series – not the best I have to say – is called, in Italian "Vivere o Morire" and in English "Live Free or Die Hard". In it, Bruce Willis has to ally with a young computer hacker, who at a point in the movie realizes that he helped, with his computer skills, the terrorists who are creating disasters. And the young guy says "I was really stupid, I thought it would be cool to just melt the system." And Bruce Willis replies, "It's not a system. It's a country." And this is one of those moments of great wisdom that every once in a while comes out of popular culture. And this is one of the reasons why I am not, like some of my colleagues, one of those intellectuals who refuses to have a television at home.

And so the first point I want to stress is that countries, nations, are not reducible to the various systems that we find within their territories and within their institutional and cultural relations. They are not just systems. Nor are they reducible to the larger systems, the international systems or global systems that they find themselves within beyond their borders. Thus, we can say that Italy is a Catholic country. But it is clear that Catholicism as practiced in Italy and as practiced in Mexico are somewhat different. They have similarities because Catholicism is an international religious system if we want to use that language, but Mexico and Italy have very different histories, different cultures and different modalities in the practice of the same religious system. We can say that both the United States and Italy are democratic countries, but democracy works differently in the US than in Italy, and even the malfunctioning of democracy works differently in Italy than in the United States.

Therefore, the various systems are only part of the history, of the story of nations, they are not the whole story. So it is very important that we not speak of capitalism, not conceive of capitalism as the entirety of the society, as the whole or as the entire totality of the society we are talking about. Because if we do so, we then have difficulty thinking or speaking about what is not capitalism, about what would be another or a different thing, about what alternatives there are to capitalism. As we would have trouble reasoning about what is capitalism and what is not capitalism. And this approach leaves us kind of lost in our ability to reason.

Then there is another aspect about countries (note to American and English-speaking readers – this section was intended as a reply to the slogan of "Sovereignism" – Sovranismo – on the part of Italy's right-wing Vice-Premier and Minister of the Interior Matteo Salvini) that is a characteristic of nations – namely sovereignty. This is a word that has become important recently, as I think you are all aware here, and has been once again in discussion. Sovereignty has three levels that are important to note: one is that a particular state is sovereign in and over a certain territory. That is, this state is the only, unique source of law and authority and the only holder of a legitimate right to use force if necessary to implement laws within that territory. But another aspect of sovereignty is within countries. Namely, who within the nation is sovereign. We have three choices: one person, that is either a monarchy or a dictator; a few people, that is an oligarchy; or the whole people as the sovereign. So within the sovereignty of a nation itself there remains this question of who wields the sovereignty. And then there is another element of sovereignty that for us today here is of particular importance: the international aspect. To be sovereign, a state must be recognized to be sovereign by other states. Otherwise it is not sovereign. If you are not convinced of this, just ask the Palestinians, the Kurds, the Native American nations, the Tibetans, none of which has a place, a seat, and a vote in the United Nations. Therefore, if foreigners do not recognize you as sovereign over your own territory, you are not sovereign. This is paradoxical. The sovereign is not an isolated individual, alone, separated from others. But is instead part of an international community. And also part of an international system of national states.

So, we have an international system of nations and we also have an international system of capitalism.

Okay, so now we can ask, “what is capitalism?” There are many ways in which people define capitalism. For example the economy of the market. But, the people we meet every morning in Piazza delle Erbe, the principle square in the city of Padua, who are buying oranges, selling oranges, chatting with their neighbors, is that capitalism? The problem is, if that is capitalism, then what is Amazon? Which is for all intents and purposes a monopoly. And if capitalism is monopoly, then it cannot also be markets, because markets mean competition. And monopoly means there is no competition. These are opposites. It can’t be both, it has to be one or the other. It seems clear that if our definition of capitalism excludes Amazon we have a problem. And so, the market that has existed for thousands of years in Piazza delle Erbe is not capitalism.

Is the Veneto region artisan here in northeastern Italy a capitalist? Tonight, for our purposes I am going to define capitalism in a particular way , with three aspects to the definition, two that I take from Karl Marx and one from the great German sociologist Max Weber. From Karl Marx we have the definition of a capitalist as someone who starts with a certain quantity of money, who begins with money, invests in some process – of production of goods, or providing services, of purely financial nature, in real estate, who invests that money in something, or who lends that money to someone who carries out some activity, and, in the end, ends up with more money than they had at the beginning, at least as their objective. That is, a capitalist is someone who starts with money, invests money to end up with more money at the end than they had at the beginning. This is the point of the capitalist, their motivation.

If we take instead a pizza maker, a pizzeria owner, or an artisan, a self-employed craftworker, they start with a product, they have a product they make, that they sell to have money. If , in the end, that artisan or that pizzeria owner invest the money they make IN THE SAME ENTERPRISE, so they can make more pizzas or more of the product they make, more ceramic dishes or Venetian glass, and to have some savings for their family, to pay their family bills and expenses, to go on vacation, to buy a house for their kids when they get married as is so typical of Italian parents, to have a nice, secure retirement, this person is NOT a capitalist, because they don't start with money with the goal to make more money, but with a product they sell to be able to continue to make more product, maybe also to have more money than before but not for investments to further their wealth, but to continue to work and live and if they do invest do so in their same enterprise, so long as it enables them to gain an income, to make a little profit, even if not the maximum profit available, because if they invested it in the stock market say, for a higher profit, that would gain them more money but mean that their company, their enterprise that is their work and the basis of their main income would be out of business.

But the capitalist, unlike these entrepreneurs or artisans, instead of investing in the same enterprise, if after the first cycle has brought them profits, more money than they started with, instead of investing in the same thing again, if there are higher profits to be made in say, real estate, in commerce or trade, in the stock market, in buying the public debt, loaning money, wherever profits are highest, that is where the capitalist will put their money. Rather than investing in the same thing that brought a profit the first time, even if that enterprise continues to make some profit. Because they have to invest where profits are expected to be highest. THIS is the difference between the capitalist on the one hand, and on the other hand the entrepreneur, the shopkeeper, the artisan, the farmer. If anyone here has seen the film "The Founder" about the history of McDonalds, you see this difference very clearly. You see the difference between the two brothers with the name McDonald, who wanted to set up a place to make hamburgers of a certain kind, they invented this system of fast food, but with a concern for quality, good food but fast food. Then there is Ray Kroc, who begins with the idea of investing money and who convinces them to give him the rights to franchising McDonalds. And he begins to expand the company in every part of the country. In the end, he not only controls the company, but even the very rights to the name McDonalds and the McDonald brothers have to change the name of their little, unique hamburger place. They lose the very rights to use their family name for their own hamburger shop.

So, that is the first aspect of capitalism. The second aspect is that there are people who need to work to live, and to work so they can live need to work for other people whose are concerned to make more money from their investments. So the right to live, and to work so that one can earn one's livelihood, depends on working to augment the profits of someone else as a condition for continuing to live. Where we have this we have capitalism, people dependent on the market for labor, and where we have this we have capitalism, otherwise we have something else. This means that the more independent is the laborer, the less capitalist is the system, and the society.

And finally, there is a third aspect, which comes not from Karl Marx but from Max Weber, who, for those of you who are not familiar with him, was a German sociologist who lived from 1850-1920. And Max Weber tells us that capitalism is born of a historical coincidence: The Fall of the Roman Empire did not leave any successor. In China there was almost always historically some empire or other, in Persia, in India the same. But in the West, after Rome fell, there were first the various little states, feudal units, and then later one arose also the medieval city-states, the medieval city republics like Padua herself, and then later the national states in the modern era, but plural, that is many states. And these various states were caught up in a larger economy that had arisen toward the end of the Middle Ages of commerce, credit, of finance, of work, in which, Weber writes, the states had to compete, he says, for "mobile capital" in order to increase their own power. And so the European states had to compete, in order to increase their power and for their own survival against each other in competition for power, to have access to finance so as to pay for their armies, so they could get access to the most advanced technology, military and otherwise, to make their countries richer to have the resources to continue to compete for power, relative to the wealth and power of the other states. And that competition created a circumstance in which capital, precisely because it was mobile as Weber states, capital in the form of money that could go and invest wherever it wanted to, could dictate to the various states the conditions under which it would provide them access to finance and to help them therefore in their struggles for power.

And so, thanks to this historical coincidence, the advantage went to the capitalist, to the holder of great sums of money, to the financier, to mobile capital, instead of to the political authorities. And so capitalism in Europe, and eventually capitalism in the world today, the world of states that compete for power, influence, prestige and position relative to one another, is one in which states must compete with each other to have access to capital, to mobile capital.

So, now what does this fact about mobile capital mean for understanding the difference between capitalism in the United States and capitalism in Europe? We all know that in Europe there are social welfare states that are much more advanced than that in the United

States. And that in general, even with great differences between Italy and Sweden, between Spain and Germany, and so we don't want to generalize to much when speaking about Europe, but in general, in Europe there greater rights at work for workers, there are public pension systems, public health care systems, various social rights that are more developed here. And so, at first glance it appears that the role of the state in capitalism in Europe is more important and more central than in the United States, where everything seems to be private – the health care system for example, and the weaker systems of workers rights. Even after President Obama's health care reform the US system relies mainly on private insurance companies for example. Certain things in the US are public – our Social Security system which is our national pension system, for example, and some other things, but in general there is a greater stress on the private systems.

But, instead, paradoxically, I am going to argue that the role of the state in American capitalism, and in the larger American society, is MORE important, not less so, than in Europe. Even if it seems to be the opposite. And obviously it is a very different role. Today I will, time allowing, discuss three main differences between capitalism in the US and in Europe, three themes, three important differences between Europe and the United States: the role of the state, the characteristics of the workforce, and the nature of forms of enterprise and kinds of firms we find in the two places.

So, first the role of the state. Europe has a very long and ancient history. The physical infrastructure, in Europe, comes from many strata of history. The Roman Empire which built roads that are still used, that built aqueducts; the serfs of the Middle Ages, working for the Lords, built market roads, kept up irrigation systems, built castles; the Church and the city-republics, the artisans, workers and artists built the cathedrals; part of the Netherlands was recovered from the sea in the 17thcentury. True, the modern states built some of the infrastructure – Italy reclaimed and dried up the lagoons of the malarial Campania, and the German state built the Autobahn for example. The European Union has funded some additional infrastructure more recently. But much of Europe's infrastructure predates the modern era, and capitalism, and the modern state. So at the start of the modern era there was, in Europe, already infrastructure – roads, cities, markets, marine commerce with ports such as in Venice, and so forth. All before capitalism and before the birth of the modern state.

But in the United States, the modern state built the infrastructure. In a sense, the entire United States as we know it was constructed by the state. It conquered the land from the indigenous people, a process that we mustn't defend but which was a precondition for the modern society that does exist today. Already at the end of the 18thCentury it created the Post Office and the postal roads. It built the National Road in the early 1800s, crossing the Alleghany mountains of the East at the Cumberland Gap. It built the Erie Canal, linking the Great Lakes to the Atlantic Ocean. It built the railroads, both by land grants to railroads and direct financing, some of it paid for by British bank loans, but these were paid by the US government with interest. And so it linked the Atlantic and Pacific Oceans. It passed the Homestead Act that granted land to farmers, settlers, railroads and colleges and universities. During the New Deal era, in just three years of activity,from 1935 to 1938, the Works Progress Administration, a major New Deal program to create jobs for the unemployed, built 29,000 new bridges, 357 airports, 15,000 parks, 11,000 swimming pools, 6,000 miles of public water systems, 4,000 dams, and another 26,000 erosion control dams, 9,000 miles of sewers, 544 sewage treatment plants, 3,500 new libraries, and its employed librarians catalogued 27 million books. It built thousands of public buildings: schools, hospitals, city halls, stadiums, rodeo grounds, golf courses, and more. Its employees taught hundreds of thousands to read, created lasting works of public art, performed thousands of theatrical plays, and so on. The New Deal CCC – the Civilian Conservation Corp reforested millions of acres of North America to prevent soil erosion, making continued agricultural production possible and maintaining our national forests. The New Deal also provided electricity to most of the American South, through a public corporation called the Tennessee Valley Authority. After the war, the Eisenhower administration built the Interstate Highway System. The Kennedy Administration provided the space program with the resources to go to the Moon, and that and subsequent administrations enabled states to vastly expand state university systems. The Army Corps of Engineers actually maintains the Mississippi River in its current position to keep New Orleans, the largest port in the US, at the mouth of the River. And what became the Internet is the result of research by the US military. However, since the Reagan Administration the nation's infrastructure has not really been maintained and most of the New Deal structures are still in use, without having been adequately replaced or restored. So we are still living in the US on the legacy of FDR and the New Deal when we drive on roads, use schools, go to the hospital, drive over bridges. Still, the US government has essentially created the environment of North America and its infrastructure from the very beginning. But my friend John McDermott has demonstrated in his book Employers' Economics versus Employees' Economythat the public actually invests MORE in the business sector even today than the business sector does itself.

And this brings us to another point about the different roles of the state in relation to capitalism. For, whereas in Europe, with the system whereby states have to compete for mobile capital in place for a very long time, and so in which states are at a disadvantage in their negotiating position with mobile capital for access to finance for their competition for power and influence in the world of international politics, the United States was not really in this position for most of its history. This is a strange fact, and we must ask why this might be so. Because the European states had to worry about their neighbors – France worried about England and then about Germany; Germany worried about France; Austria worried about Italy; Italy worried about France and Germany; Austria worried about Russia which worried about Germany and England worried about all of them. But the United States, having conquered the entire territory of the continent, and having won a war with Mexico in 1846, taking half of Mexico's territory, including the states of California, Arizona, Colorado – more states than I will name here, a huge area really, the US did not really have to compete very much. Today, the US, as John Mearsheimer states, has to the north Canada, to the south Mexico, to the left fish, and to the right fish. It is really not menaced geopolitically. For more than a century the US has not had to worry really. The only moment of concern was during the Civil War, when the threat of secession meant the possibility of two North American republics in competition in war, for political power and influence. But the Civil War victory of the Union ended that threat. So, being in this situation, the US government's relationship with international capital was different. It really wasn't dependent. And so it was able to organize the national economy, often with tariffs and protectionist measures, while nurturing industry, such that international capital was in a position in which it needed that US state about as much as the US state needed international capital. And so the US state negotiated from a position of relative strength compared with the states of Europe in relation to mobile international capital. Not in every case or at every moment, but in general, and certainly after the First World War and even more so after the Second World War this was the case.

To give a sense, instead, of how far back in history the relationship between European states and credit goes, I want to tell you the story of two monarchs: Edward II of England and Philip IV of France, called Philip the Fair. We are in the early 1300s. They are both in debt. The father of Edward, Edward I of England had tried to conquer Scotland. You will have seen this in the movie "Braveheart" with Mel Gibson in the role of the historical personage William Wallace of Scotland. Edward I is the villain in that movie, the English king. And his son, Edward II in the movie and in the historical tradition was apparently gay, something we don't know for sure but the accounts all point to this, though it might have been propaganda to undermine his authority and legitimacy as we will see, since he had powerful enemies, Edward II finds himself saddled with debts incurred by the wars fought by his father. Philip IV instead is in debt because he had been involved in the Crusades. But the difference was this: the debts of Philip IV were to the Templars, the Order of Knights that the Vatican had given the right to organize commerce and finance with the Holy Land, and with Jews, who were at the time as you know banned from owning land, practicing trades, from most work and so were constrained to be involved in finance as the only area permitted really to their community. Instead the debts of Edward II were with the Italian banks of the houses of Bardi and Peruzzi. At the time these were the largest banks in Europe. So what happened? Philip IV decided at a certain point that he was not going to be in debt anymore, was not going to led creditors dictate his political policies to him and decides to expel the Jews from France and to slaughter all the Templars. And so he cancelled his public debt. But Edward II instead has a problem. His queen is a French princess, their marriage part of a diplomatic arrangement between the two countries. She allies herself with the Italian banks and with a group of members of English Parliament allied with the bankers. And these members of parliament insist that Edward accept a deal that the entire state income from customs, from the tariffs on imports to English ports, the main source of income for the crown, be managed directly by this group of parliament that today we would call technocrats. They will use all that income exclusively to pay back the banks. Edward after a while rebels against this situation, and a civil war breaks out with his queen leading the other side with the leaders of parliament and financed by the banks. They win and kill Edward. His son, 14 years old at the time, Edward III is now king but the state is ruled by the queen as regent until he comes of age. And so they continue to pay the public debt until at last Edward III now an adult and ruling in his own name, and having increased the public debt with the Italian banks by fighting what becomes the Hundred Years War with France, cancels payment on the public debt, leading the major Italian banks to bankruptcy and a crash, creating a financial crisis throughout much of Europe. So, we see that already in the 1300s there was what Italians call "The Spread" – the word that has come to mean the difference in credit rating and interest rates that Italy has to offer compared with Germany which today is considered the most credit-worthy of European states. Of course there is nothing natural or fixed about the Spread and who benefits from it and if tomorrow a Socialist-Green government in Germany decides to increase social spending in that country beyond what the troika of the EU Central Bank, the EU Commission and the IMF and investors think is acceptable, you will see the Spread change sides very quickly.

Please, just so that there is no misunderstanding, I am NOT suggesting that anyone here tonight who is in debt act violently toward their creditors on the model of Philip ! I am only saying that it better to end up like Philip IV than like Edward II.

Instead there is only a brief period when the United States by comparison needs to compete for mobile capital – the late 1700s and early 1800s really. After which, the growth in industry of the US economy is so great, with a national market on a continental scale, that capital goes willingly to the US because it is there that profits are the highest worldwide. There really is no competition. When we look at the famous "export of capital" that Lenin theorized for his theory of Imperialism, that very famous book of Lenin's, the problem is that most of the capital exported from Europe did not go to the colonies, or else the colonies would really have been more economically developed at the end of colonialism than they were. Instead much more than half went to the United States, which therefore really did not have to compete, it was winning the competition without much effort. And that is because, if we remember the motivation of the capitalist, because profit rates were highest there, higher than in Africa, Asia or any of the colonies or anywhere in Europe itself.

And so here we can ask another question, one that derives from the beginning, on what is a country? Because at the same time that capital goes toward the US making it the most industrialized and largest economy in the world by the time of the start of the First World War, there is also a flow of millions upon millions of immigrants from Europe towards the United States. Like my great-grandparents from the province of Avellino. Why? That is what we should ask. Why has the United States so often received so many immigrants? I can tell you that it is absolutely NOT because the United States is automatically more friendly and welcoming to newcomers than is Italy, or Europe or China, ideology and legends aside. In both Europe and the US, as today, we find racism, discrimination, exploitation of immigrants, as well as some possibilities for a better life eventually after much hard work, struggle, and effort. It is my country and I love it, but I have no illusions about it. Nor about the one I live in now. The real reason is that the United States was not all capitalist. From the first days of the Republic, the vast majority of Americans were farmers, independent farmers. Owners of their own farms, of private property. For Thomas Jefferson, these farmers were the backbone of the Republic. They were economically independent, they had no masters, and they had the vote. Women did not have the vote until 1920, but in any case farm families and especially the male independent farmer was seen as the basis of the republic. And when these same independent farmers, near the end of the 19th Century, find themselves losing position and status because they are now in debt, in part from competition in the world market, in part as a result of the rise of the railroads, and the fall of agricultural products with the Great Depression of the 1870s on, they revolt. They form a great mass movement, in fact the movement from which we take the word "Populist". The real first populists were American farmers. They organized a cooperative, the Farmers Alliance, with 10 million members, so that they could sell their harvest, their crops all together, so that they could negotiate from a position of strength with the railroads, the largest companies in the world at the time, and with the banks. They needed the railroads to bring their crops to the national market and to the international market, to the ports, and they needed credit to get through the year and so they needed the banks. But the railroads refused to carry their crops, demanding to negotiate rates only one by one with each individual farmer, and the banks refused to provide credit to the cooperative. So what do they do, these independent farmers, owners of private property? They get together in Cleburne, Texas and organize a political party, the People's Party. And they call for nationalization of the banks and the railroads. So the word populism comes from a historical experience, from a great movement for democracy, that sought to use the instruments of the democratic republic to defend itself from and to control the rise of capitalism in the United States. They did not manage to stop the rise of capitalism. But they did win many reforms, such as direct election of US Senators, who previously were chosen by the state legislatures which were largely controlled by railroads and banks, they won the referendum and recall vote in many states where they were the majority and they nearly made President of the United States William Jennings Bryan, who was the Democratic Party nominee but who supported in a tepid way some of the more moderate demands of the populists, mainly leaving the Gold Standard, which was the equivalent today in political importance in the world of leaving the Euro. That is, for the fastest growing, and soon to be largest economy in the world to leave the Gold Standard then was a challenge to the entire world of global finance and capitalist power in the world.

And so, it was impossible to expropriate the vast majority of the American population, the farmers, from the land and make them available as a labor force for capitalism without great struggles, without them organizing and under conditions of the availability of the vote and of the instruments of the democratic republic. If capitalism was going to have a labor force to exploit, it would have to come from somewhere else. Instead, the rural population of Europe, partly due to the competition of agriculture of North America, and thanks to the rise of steamships and railroads to transport the grain from the New World to local markets in Europe, and in part due to government policies of privatizing land that had been held in common in many parts of Europe is successfully ruined by capitalism, and en masse begins in this very period to migrate to the United States, as well as to places like Argentina and Brazil. But mostly to the US, where they become the labor force available to capitalism which is at the time investing heavily in industry in the US because that is where the largest profit rates are.

Unlike the farmers, these are workers who, at least until they become citizens which takes a few years, do not have the vote and in any case don't have experience in using it, nor in organizing and coming from many nationalities and speaking different languages, it will take many years for them to organize effectively on a national scale. The rise of capitalism in the United States is based to a great extent on the defeat of the rural population in Europe. And that rise after a time is even able to undermine the independence of farmers and to reduce the importance of that class, though that process still takes many decades. And not being citizens of the Republic, but coming from overseas in large numbers, and entering a society where the forms of dependent work, work for others has the terrible legacy of slavery in its history, they are treated not with the dignity of the citizen-farmers, independent workers, but as a disposable workforce, that can be hired at will, exploited at will, and thrown away at will. And so the relative lack of social rights at work, of workers rights in the United States derives from these two sources: slavery and its legacy which is still with us, as a form of domination of the laborer, and the arrival of non-citizen immigrants, who will not immediately be part of the social contract until even after becoming formally US citizens, they organize to fight for dignity, rights, some stability of employment as part of the labor movement.

So, we arrive at our second theme, of the difference between the characteristics of the workforce between that in the United States and that in Europe. And fundamental in this regard is that in the US there is a major shortage of skilled labor, in particular that there are very few artisans in the US. There is no centuries-long tradition of skilled workers, of artisans, of members of guilds over the Middle Ages, of traditions of crafts handed down to apprentices for millennia as exists in Europe. No tradition of craftworkers handing down to apprentices the production of highly specialized, high-quality products that are themselves the result of centuries of development of aesthetic values, taste, and capacity to use specialized tools to create. Instead in the US there is a workforce that has just arrived from the farms of Europe, not speaking the main national language, or speaking it haltingly, with no experience of industrial work, or of craft work, at least outside of agriculture. And so this kind of workforce constrains industry to produce products that can be make with a workforce that has to be able to learn the work needed to produce them in at most a few weeks, better a few days, when possible in a few hours. So the standardized products of American capitalist businesses are the result of the kind of workforce that has been available to it, and these very products, this kind of product, standardized, easily produced in large quantities, is also ideal for the gigantic domestic national market, which has few pre-determined local or regional preferences aesthetically, or in terms of specialization or quality. A national market for standardized products. This allows for large-scale production ,mass production, for low prices and so for an even larger market of products available to the vast majority, not just luxury products or specialized products for a specific strata in society, and it means that the companies themselves can become very, very big in scale. Mass production, mass assembly is born in such a society as a near-necessity if capitalism wants to be involved in industry, and the gigantic scale of profits available in such production attract the capitalist to such industry. One example of the difference is that between windows in the US and in Italy. In Italy, windows are produced for the specific locale, taylor-fit to the building and the preferred aesthetic. They are made by artisans, and open and close in specific and often unique ways, with grooves made specifically for the opposite window part, with locks of various sorts and so forth. In America windows like everything else are standardized – they come in a relatively few specific sizes and shapes, houses are built with these sizes in mind, they open and close up and down, so they require no specific local knowledge to use. The windows in our two countries are the result of centuries of history and the difference in the two types of workforce. The same with fast food – it is no accident that it is born in the US – it comes from a society that doesn't have long traditions of cuisine, nor particularly strong local traditions, even though some do exist. And fast food again can be easily produced by workers the very first day they are hired. Indeed, the majority of young people in the US have their first job at a fast food restaurant of some kind.

And so the scale of the companies brings us to our third major difference, the kind of enterprises that we find in the two parts of the world. The companies in the US can become very large because of the huge size of the national market, facilitated by standardized products, the cheap prices that go with them and so the vast quantities produced and sold. In many ways, EU policy and that of various national governments recently that favor the creation of "European national champion" companies is an attempt to reproduce this in Europe, through a European scale of production, though to accomplish this, European capitalism needs to overcome both the local traditions and other forms of non-capitalist work, artisans and others, and needs to overcome the resistance to the loss of social rights won by the European working class and the labor movements in Europe over the past century and a half.

So, we come to the question of the corporation. The large corporation as a form of firm. And we can ask why are corporations particularly American as a specific form of firm and how are the kinds of firms we find the US and Europe different? The corporation is born really of a particular experience in the United States as part of the class struggle there, as John McDermott shows in a book on the American working class. In 1894 there was a strike in a place whose name you all know here – a place called Pullman. Pullman for some reason is now the name used in Italy for any bus that goes from city to city. But it is the name of a city near Chicago, one that was run by the Pullman company which produced cars for the railroads, sleeping cars. The workers there rebelled and went on strike. Now, in 1877 there had been a nationwide railroad strike in the United States, and workers, protesting wage cuts, seized armed control of Pittsburgh, St. Louis and Baltimore, but they were crushed by the army, after which the national guards that exist in every state were created with armories in the cities to control the workers if they rose again. But in 1894 something was different. Eugene Debs, a railroad worker had worked in the railroad unions for years, but came to the conclusion that the unions organized by specific trades, specific skills, divided the workers, and excluded most of the workers in industry who were unskilled. So he formed a new kind of union, an industrial union that united all the workers who worked on the railroads in any kind of job. Hundreds of thousands joined the union, and the union decided to side with the Pullman workers and refuse to work any train that had a Pullman car. This meant in the end a national strike against all the railroads. Now, at the time, large American companies were, like their European counterparts, family owned. They were owned by dynastic families of very rich people with names like Rockefeller, Gould, Vanderbilt, who were in competition with each other for wealth, power and influence. And so this time the workers were united and the capitalists divided. The strike was able to shut the entire transportation system of the United States and since no industry could operate if it could not move its goods on the railroads, this meant workers control of the industry of the US through its control of transport. The US government, under Grover Cleveland, a man born in my home town and a conservative Democrat, used the army to crush the strike. Debs in jail read Karl Marx and founded the Socialist Party for which he was a candidate for President several times, realizing the need to gain political power for the working class.

But the capitalists learned a lesson too, and in the years immediately following the Pullman strike, they began to unite and form first trusts and then corporations, organizations of a new type for the capitalist class. The corporation is an organization of the capitalist class which is NOT a form of private property. The corporation is not private property because the owner of shares cannot go to the office or the factory and say – I need a chair or a computer and since this is my property I am bringing it home. He or she might not even be allowed into the office building or factory. It is not the shop under the gallery here at the Palace of Reason in the main piazza of Padua, or the farm of a rural family or a pizzeria, or the business of a self-employed artisan or the studio of a self-employed professional, or any other form of really private economic property of an individual or a family. The corporation is a legal person and owns itself, and the owners of shares are only owners of a right to certain flows of money when possible and when determined by the management of the corporation. The corporation is a form of collective property that is undemocratic. We must also note that this kind of organization sells shares in itself on the stock market to finance itself through investment or else finances its activities through its own profits, allowing it to operate without much outside investment at times. In other words, for much of their history the American corporations are largely self-financing and are not really forced to find credit, to depend on mobile capital at the international level to operate. So the corporation is an organization to permit the capitalist class collectively to dominate the American economy. And, through their collective control of the corporation to unite themselves as a class.

Now, this productive organization also leads to something else that is important today. It gives birth to a new class of technicians, specialists, engineers, managers, professionals of various kinds that work for the corporation. This class has as its main task to reorganize work so it is in the hands of management or rather its agents, who are these managers, technicians, and so on, and to develop technology, which is really embodied in them as a class – again I rely on John McDermott's groundbreaking work on this class and its role in the modern organization. In the United States, this model of large corporations, government spending to create the educational systems to favor the expansion of this class and the tendency to support production based on these modern relationships, which

McDermott calls the “Americanist” model, proved more advanced and successful than the compromise version worked out by European elites, which he calls “Bismarkian” which sought to maintain the privileges of the precapitalist elites in Europe who were largely anti-modern, corporate scale of production, and use of this new professional class as servants of the older elites in government and business. So after the World Wars, the American model because more or less the model followed, but even so the European systems adjusted it to some pre-existing privileges with professional statuses often becoming new forms of semi-aristocratic status. And this is also different with regard to the US, because the class of professionals in Europe work either as what in Italy are called “free professionals”, that is self-employed, or else work for state agencies for the most part. In the United States, this class is largely formed to control work, to reorganize work so that it is not very much under the control of workers, but of these specialists, managers, technicians, on behalf of the corporation. And this creates, earlier than in Europe, a condition of conflict between the two largest classes of modern society, the workers and the professionals. Today 30% of the US population has a university degree, and we find that there are many differences between those with college educations and those without – unemployment rates are lower, incomes higher, life expectancy higher among university graduates, who now tend to vote for the Democratic Party, leading many workers to vote for Trump in the last election for example.

So, on this organizational basis, until the late 1970s, the United States has this preference for industry over finance, and for large corporations that can usually self-finance themselves through their own profits, with investors wanting to get in on the profits of blue chip stocks, of those where profit rates were most secure, leaving the economy largely independent of mobile finance capital. So the role of banks in the United States has always been different from Europe where large companies are often under the control of banks, dependent on them for financing, and where banks are highly respected. Instead banks are always viewed with suspicion, as an unproductive part of the economy, based on speculation, in the United States, and from the time of the Jackson administration in the 1830s through the populists, through the New Deal, the politics of the US are largely to restrain and limit the power and influence of banks and finance, both nationally and later with FDR internationally, compared with the influence of industry and production. And after World War II, with the New Deal still in power in the US, US policy included government financing of reconstruction in Europe through the Marshall Plan for example, and the Bretton Woods system, whose capital controls allowed governments to limit the flow of mobile capital into and out of their economies and territories, and whose fixed exchange rates limited the dangers to national currencies from investor disapproval of the governments' social policies. Thus national development policies in third world countries and social welfare social democracies in wealthier countries are widespread from the 1950s to the 1980s.

But, in response to the growing power of workers, and declining rates of profit, capitalists withdraw investment from production, and the Reagan Administration and the Federal Reserve lead a move toward an alliance with finance capital. Paul Volker, head of the Federal Reserve raises interest rates, helping to devastate an auto industry already hit hard by competition and which is essential to other industries like steel, rubber and glass, and also hits hard the construction industry. At the same time the high interest rates devastate third world economies and put into crisis those in Eastern Europe all of which have taken loans in dollars at lower rates. The Debt Crisis allows the Reagan administration to use the International Monetary Fund, after Reagan's chief economist there, Ann Kreuger, fires all of the Keynesian economists, to impose on the countries of the world the policies we today associate with neoliberalism. These include above all opening the economy to the free entry and exit of mobile capital, ending systems of capital controls that had limited the power of mobile capital to command government policies; they also mean privatization, deregulation of business, cuts in social programs, opening to global competition, free trade and the allowing of the national currencies to "float" that is to have their value determined by the buying and selling of the national moneys and of the national debts by investors, by mobile capital.

And so, in order to break the power of workers in the US, through their unions and their newly won social and labor rights, capitalists in the US shift from production to finance, and find allies in the Reagan administration and the Federal Reserve the latter always an ally of finance and mobile capital, the former wanting to win the Cold War competition with the Soviet Union and to break the resistance of opposition movements in the third world. So the domestic shift in alliances, from the New Deal alliance with labor but in the context of supporting industrial corporations, to the alliance with mobile capital and finance to win the Cold War externally and for capitalists to break the resistance of workers in the US, changes the relationship of the US to mobile capital into one of alliance. But not one of complete dependence of the US state such as remains the case in Europe and now, through the IMF, much of the world. And therefore, in order for capitalists to defeat American workers, and their unions, the US government favors globalization, that is the idea that mobile capital can decide what enterprises are worthy of investment and of success, what work is worth doing, what regions of the world are worth investing in and what states are going to gain or lose in power. But from the US governments' point of view, the US state's worthiness is a given, and capital depends on it for global protection. So it is not concerned that mobile capital again is given a free hand to determine outcomes worldwide.

Now the US still today does not really have to compete very much for mobile capital, having still a very privileged relationship to capital for the time being. This is true for a few reasons: first it is because the dollar is the reserve currency of most of the world, everyone wants US treasury bonds and dollars as the most secure currency and investment, since the US will always pay its debts, and other countries are sure to accept dollars in payment, whatever other currencies they might accept; but that reality in turn is partly due to a major fact of world politics: oil worldwide is still only sold in dollars. Even countries not very friendly to the US, such as Venezuela or Russia, sell their oil in US dollars. The only two governments to state an interest in selling Euros as well, Iraq under Saddam Hussein and Libya under Quaddafi, stand as lessons for the rest of the world. Russia may soon accept Yuan for its oil, there has been some discussion of that between the two countries, but for the time being the situation is what it is. Therefore everyone needs dollars in order to buy oil, including some oil producing countries that cannot refine their own oil into useful products and depend on oil companies to do that. But the price of oil goes up and down based on investment as much as based on supply and demand, and so mobile capital has a big role in determining the price of oil and also the income of the oil producing companies. The value of the dollar tends to go down when the price of oil is high, allowing for the world to purchase oil by keeping the real price adjusted for inflation from being too high, and the dollar goes up when oil goes down, because otherwise the high cost of dollars on the world market would make the real price of oil to high. So US dollar policy, largely set by the Federal Reserve is crucial to the oil economy and to the global economy's ongoing minimal stability. And US debt is financed by the rest of the world which needs dollars to as a reserve for a rainy day, to purchase other products from other countries, and for oil. The US dollar's role in the world, backed up by its military power, is a major source and expression of the US state's power in the world, and is linked to the power of finance in the world economy at least for the time being.

So, today, we have a very particular situation: whereas in Europe the states are returned to the condition where they must compete to convince mobile capital to finance their public debts as we see in the Euro crisis situation that is ongoing, in the United States, which still really does not yet have to compete much for mobile capital, with even China buying US debt. But in the United States itself, its companies, and many of the multinational companies around the world, are the ones that need to compete for mobile capital now, no longer really self-financing through their productive and industrial activities. And we know what investors, what mobile capital in the form of activist shareholders, mainly hedge funds and other large investors, wants – they want the companies' share price on the stock market to go up regularly. And companies that do that will get mobile capital and those that do not will not. This is not the best way to run a corporation – it means not investing in a lot of things that don't make the share price go up in the short-term: long-term investments in research and development, in basic science, in innovative technologies, in new product development, in job creation, in rising wages, in expansion of the business, in savings for a rainy day or in moments of need in the future, in strategies that over the long-term can increase market share instead of short-term share price, a strategy traditionally more common among Japanese companies, and so on, to not mention social responsibilities to the environment, workers, consumers, the general public. All in the name of the doctrine of "shareholder value" – the neoliberal view that the shareholders are the owners of the corporations which is false, and that any use of funds that doesn't increase their capital is robbing from them, which is false, since a disproportionate attention to their interests robs from the company itself as a collective entity and also from all the other stakeholders with an interest in the company's activities as we see.

So far this year, large American corporations have spent $1 trillion dollars, fully 5% of the whole US Gross Domestic Product, on buying back shares of their own company stock. This is a practice that was illegal until the Reagan Administration since it is a conflict of interest on the part of the company management and is essentially a form of insider trading. Why buy shares of your own company stock? Because it raises the price on the market, making the shareholders even richer. Buybacks, and dividends to shareholders, the profits given directly to owners of stock for four years in a row now have been larger in sum than the actual revenue of these companies from sales of their products and services – a snake eating its own tail and an unsustainable way of managing a company and an economy. In Europe, this practice was banned until 2006 when the EU changed its rules on illegal trading to allow it and this year, as far as I can determine with less accurate numbers available, is that between 300 and 400 billion Euros have been spent by large European companies like Royal Dutch Shell on buybacks of their own stock.

This is mobile capital, the logic of the pure capitalist with no interest in the company, community, process, product mediating his or her money on the way to enlarging their capital, run amok. It has made national economies, governments and their policies, communities, industries and now corporations themselves unsustainable under its sway. And this doctrine of shareholder value is taught in every economics department and every management department in the United States, with catastrophic results. A president or CEO of a company, interested in the long-term health of their company, who wants to spend money on an innovative technology, on a different strategy, must contend with the demand of investors for short-term gain through share price. And such companies will be punished. This has happened to companies like Sears, Toys R Us, Yahoo! And others. And socially this is really disastrous. This is money, on the scale of 5% of the whole national US economy, that could be used to transition to renewable energy, to develop Africa and poorer nations around the world, to enable all the people of the world enough to eat. But it is going unproductively to capitalists, to mobile capital, to enrich the world's richest people. It is a crime against humanity.

One issue is that if tax rates remain low for higher incomes, and if capital gains are taxed at a lower rate than work-income, as is the case in the United States, and at a lower rate than the corporate income tax, then companies have an incentive to give money to shareholders in the form of dividends and share buybacks, rather than to keep them inside the company for investment in productive activities. So a much higher capital gains tax, much higher rates of taxation for high incomes, a personal wealth tax, lower corporate tax rates especially if targeted to create incentives for productive investment and job creation, make more sense if we want better outcomes that more just and more responsible than this situation. But any European country doing so will find itself under pressure from mobile capital if others do not also do so. The EU could be a venue to unite the efforts of European countries to put mobile capital under control, but for now it is quite the opposite and it may be that it cannot be reformed or transformed. The United States has the power to change its laws now, but for the moment is in alliance with global finance and mobile capital. But if the US, due to the rise of powers in other parts of the world, or because mobile capital by undermining the very economy of the US and therefore a major source of US well-being and governmental power, by undermining its technological innovation , its industrial development, the stability of its large companies themselves, finds that mobile capital is a threat to US interests as a nation and to its state interests with relation to the rest of the world, it can and might decide to break the alliance and form a new one with other forces that would support limiting the power of mobile capital.

So companies in the United States, and to some extent those in Europe, are increasingly in the same situation that historically we found the European states to be in, competing for mobile capital. The large companies that are family-owned, like the company Lego which is the largest toy maker in the world, are able to set their strategies without being too concerned with mobile capital, so long as they have savings and income and don't need bank loans for example. Lego decided a few years ago to reorganize and that they would have no profits for as long as five years. They could do that because they were privately owned, in the hands of the founding family. Even if a privately owned family-owned company needs credit, the European model of bank to company relationships has provided more stability historically than the current global free for all for shareholder value, even if it was not as successful as the one based in the US on self-financing from company revenue. But otherwise a company manager or CEO that wants to do something other than what shareholders insist on is accused of using "other people's money" when in fact the corporations' money is its own as a collective organization, and the real issue is who should have a voice in governing companies. We have seen that mobile capital is only interested in going where the profits are highest, not accepting even modest and stable profits by re-investing in the same enterprise, company, business or product – it has no interest in these things, nor in the long-term survival of FIAT, of Apple, of General Motors, of Sears, of Toys R Us. It is interested in the highest possible profit to the cost of everything else. But this means that even corporations must now be understood to be what they always really were – collective forms of ownership and cooperative production of goods and services which must be run by those with a stake, an interest, in their actual activities, who don't see them merely as bags of money to be exploited and rundown. This requires a conceptual shift for the political left in my view. Again, we must not see the collective entity, neither the country, nor in this case the company, as being the SYSTEM, as being only capital. That, ironically is now capital and neoliberalism's view point, everything is only capital, which has a right to the highest profit rate possible, and nothing and no one has a right to interfere in that search. We realize that all organizations and communities, activities and practices, professions and societies, have a right to their own integrity, autonomy, to their own logics, based on the needs and interests of their various stakeholders.

Corporate democracy, shareholder democracy, is an urgent issue, maybe THE big issue of the early 21st Century now, and we need a lot of models of how it might be designed and work for different kinds of companies and sectors. We need a political science of businesses and organizations like universities, hospitals, and nonprofits, that treats them on the basis of the categories we have about political organizations, as monarchies, constitutional monarchies, dictatorships, republics, democracies. When a company like Whole Foods, in the US, with all its faults as a business enterprise, but where workers had some voice in management through belonging to teams that actually did the hiring and firing, promoting, organizing of work, falls under the control of a company like Amazon that has horrendous and dictatorial systems of governance and of organizing work, it should be a concern to us. That this happens because investors are unhappy with the rate of profit of the company and not concerned with its better values, and so support the purchase by Amazon to discipline the democratic element at Whole Foods, that is something we should oppose, as another unwanted intervention of capitalism into the everyday working of business as such. We need, in other words, to separate capital, mobile capital, from our governments, and have them cooperate to limits its power and mobility and eventually to render it a mere public utility like water or electricity, and we should separate mobile capital from business, making the latter more susceptible to democratic control by stakeholders.

For example, in the case of the e-commerce companies, we like Amazon, or of the large retailers like Walmart, we should develop a model where if I, as a supplier of goods to Amazon or Walmart, or IKEA or the European supermarket chains that exploit African farmers, and as a supplier am a stakeholder, when I sell $100 or 100 Euros of goods through Amazon or Walmart, I should receive automatically the equivalent proportionally of that 100 Euros or dollars in voting shares in that large company. So that by selling through them as a small business, I become an owner and manager as a voting stakeholder in it. This would eventually convert the large retailers into consortia that serve the small suppliers, and the workers who work for them, like the taxi drivers' cooperative here in Padua, where the rides are assigned by the cooperatively owned dispatch service.

If we see the world that enslavement to mobile capital is creating, if we see that nothing will be spared, nothing will have value in the eyes of shareholders, holders of mobile capital, except the enlargement of their capital, we see that the very cultural differences, the aesthetic beauty, the differences even in the banal example of the different kinds of windows we find in Europe or in America, will disappear as only those enterprises that do what mobile global capital wants will be allowed, we see that even our cultural richness, our diversity and plurality of ways of life or our different aesthetics, are all in danger. Look at even the Euros I have in my pocket – we see on them images of cathedrals, aqueducts, arches, but these are not actually existing churches, or structures. They do not exist anywhere in Europe. They were digitally produced, synthesizing several actual examples, to produce generic European things. Or European-looking things. But Europe – look at a map – is already the most diverse area in the world culturally, based on the vast differences in national cultures and languages and histories in such a concise area, nowhere else in the world except maybe India, and probably not even there, can compete with Europe. But the EU is not an expression of European diversity and cultures and history. It has become, perhaps since Maastricht, perhaps since the Lisbon Treaty, perhaps since the 2008 financial crisis, and instrument for dismantling all of the democratic social rights and labor rights won in the various social democracies and welfare states around the Continent as a result of each country's particular history of class conflicts and democratic nation-building. We see that the EU has not brought about a new Renaissance of European culture: where are the Shakespeares, Beethovens, Dantes, Voltaires, of European history today? Where are the new great philosophers, writers, artists that should be expressing the inspiring new situation of a united Europe? This particular Europe, slave to mobile capital when the unification of the European nations should have enabled them to become the master of mobile capital, is uninspiring, because it is only a bankers' and investors' project. That is why it is failing – countries and even the EU must be more than one system, but Europe right now is not being allowed to be more than one system.

And Europe of course is now multicultural within each nation and not only continent-wide. Immigration is used by politicians to divide people, but the real problem is that countries in Europe need to be able to think about what immigration they do want and why they want it and to work out a democratic and humanitarian approach to it. So does the United States, but the US has always or nearly always been a receiver of immigration. I will get to it in a moment. But the situation here is that people are told that the reason for immigration is because of the aging of the population. The idea is that the aged are not a resource, full of knowledge, experience, history, a sense of community, but are instead a weight on society, they are only pensions, health care, and homecare, an accountants' nightmare. The idea is that Europe needs young immigrants to raise the working population and to raise the birthrate so that the pensions and health care of the elderly in an aging population can be paid for by the taxes paid by the immigrants. And only immigrants will be around to care for the elderly or the sick because lower wages mean both adults in the home work so they need a Romanian or African or Filipina home care worker to take care of grandma or grandpa.

Everything about this explanation is false and wrong. The first problem is that as we know millions of Europeans, young people, are leaving their home countries because the austerity policies favored by mobile capital and the troika of the EU Commission, EU Central Bank and IMF and by the German government which is currently the favorite of mobile capital in Europe means that there is no work for them in Italy, in Romania, in Ireland, in Greece, etc. So the idea that no one would be home even with parents working is false. If we recognize, as feminists have called on us to do for decades, work in the family as work that has economic value, which we know it is because when not done for free it is done for pay in the money economy, if we recognize that work and we pay for it, we enable one member of the family, father, mother, son or daughter, to be at home with an income taking care of an elderly member who has care needs. Second, the idea, the same we hear in the United States and have heard for decades, is that once our pension plans had, say 10 people working for everyone on a national pension, in the US on Social Security, in Italy on IMPS, etc. Then it was 5 to 1, then 3 to one and now it is close to 2 to 1 which is unsustainable, to have two people working to every one on a pension. Or to have 1 to 1, which seems a disaster.

Now, the problem with this logic is clear, and the constant repetition of these alarming numbers does not make the logic any less faulty. First, it was very common in the post-world war II era in the US and in Europe, for one wage-earner to work in every family and for one other adult, usually a wife and mother, to work at home, not being paid for what, as I noted above, is really important productive work, but in any case, not having a money income to cover expenses in the money economy in which the family exists. Again, a family is also not just a single system, it interacts with all kinds of other systems, including wage work, taxes and government institutions, consumption in the money economy, credit for home loans and so with mobile capital, and also its own systems of child-raising, elderly care, largely unpaid housework, sometimes production of things that can be and are sold, like fruits, vegetables, clothes etc. sometimes non-money production and consumption of such things in the family. So one person worked and received an income in money, while one other lived as part of the expenses of the family, even if working in other ways and systems, yet this 1 to 1 relation was perfectly sustainable so long as the income of the wage-earner or money income earner was sufficiently high. And since often people, couples, had children, the real relationship was always more like 1 to 3 or 4, plus if an elderly parent of the adults lived with the family it might be 1 to 5 or 6 or even 7. In my own family my father earned a money income and we were five children plus my other, 1 to 6, but we lived materially quite well.

Second, back in 1900 there was one person growing food in the US to every perhaps 3 or 4 that ate food. Half the workforce in the US was still in agriculture. By the 1940 this relationship was more like 1 to 8 or 10, now it is 1 or 2% of the workforce in agriculture, 1 to 99, really, but we are not starving to death in the United States of America. A miracle ! Nor are you starving in Europe with numbers not dramatically different from these, perhaps 5% in some countries, less in others, working growing food. How has it been possible? Productivity of course. If productivity goes up, one person can produce the same amount as 2, 3, 5 or even 10 others, so you don't need as many people working. And the same is true of pensions to workforce percentages. If 1 person produces as much wealth as 10 people used to, then 1 person is enough in the workforce compared to ten back in the 1940s or whenever. So the real issue is productivity. And productivity is a function really of three things: 1. Investment in research, development, technology, and industry, which as we see goes instead to buying back stock shares and dividends to shareholders and to financing public debt, anything but in investment in industrial technology to raise productivity. In Italy the small scale of family enterprises in a problem in this respect, but government, consortia of companies in the same industry, cooperation with well-funded universities, etc. can make up for this problem of scale. 2. The second source of productivity is the training and education of the workforce as the Americanist model of developing well-educated professionals and investments in the general workforce had understood. But today we are cutting education funding, cutting university funding, universities are spending money on non-productive administrations instead of on faculty and students, and in Europe austerity is devastating universities as well. 3. Government infrastructure spending and maintenance. Our infrastructure in the US was built by the state but is not maintained today due to neoliberal Reagan-era ideology, and privatization. A major bridge fell down in Genoa recently showing the same problem here due to austerity and privatization – the bridge is maintained by Benetton ! So we are failing on all three fronts. But spend that money being wasted by companies on shareholder value and we have the means to raise productivity so that 20 or 30 people could do other things while one person works to fund their free time or retirement. So, don't be fooled by this nonsense.

But national pensions, like our Social Security are not just money, not just accounting tricks. Not just numbers. They are forms of solidarity between generations. The generation in Social Security in retirement now worked to provide wealth to the country, and now deserves to be taken care of comfortable in recognition of that contribution, and so I work now and pay Social Security. When I retire the next generation will recognize my contribution by doing the same, secure in the knowledge that they too will be taken care of. Solidarity, not just money. We need to get away from treating everything as money, or as market relations, it has become a poison. We need leaders who talk like this again, who talk about values. About how we don't want a country with cities with no shops because everyone buys on Amazon, hence my suggested reform earlier, which would use Amazon as a resource to enable shops to remain. Because we want community. The same is true of immigration issues. It is despicable really to draw talent and energy from poor countries by letting the market decide where people are going to work and live, and not base immigration policies on values, democratic values. Take the TFR, the end of relationship transfer payment in Italy. When you leave a job in Italy you get one full month pay for every year worked at that place. Now those funds accumulate in an account that the employer can use to sustain the business while you are still there, but you get this nice fund when you leave to make your retirement even nicer. Well, it is a form of solidarity between employer and employee and gives the employee a stake in the business, in remaining and the employer a stake in keeping them. The reform in 2006 that allowed people instead to invest the TFR in other places came right before the 2008 crash and probably a lot of people lost their money, but more importantly it signified a shift to an individual situation, just money, no solidarity, but it is still a good idea, the original idea, that builds relationships.

If Europe wants immigrants, and being an immigrant I favor immigration but every county has a right to have a democratic debate on how it wants immigration to happen, how many immigrants it is able and ready to receive on the basis of its own conditions, economy, culture, values, and on what basis – for families, for work, for education, for cultural exchange, for cultural similarity. Letting the market and traffickers in persons decide who gets to come to Europe is not a policy and certainly not one consistent with democratic values. In any case, if the best trained professionals come to rich countries, as the case of there being more Ethiopian doctors in Chicago than in Ethiopia, or of nurses coming to the US from the Philippines, South Africa and Jamaica, we are not helping poor countries with their needs, we are exploiting the tax payers that worked at third world wages to pay for educations that are not going to benefit their country, except in the form of the remittances – the money sent back by most immigrants to their families in their countries of origin. This is some help but I would argue that we need instead to look at several reforms. First, all those already inside a country's borders should have the same rights as everyone else in that country, a path to citizenship. Second, we should have one path for immigration from outside the country that is based on family, on settlement , permanent settlement. If we want couples, families, let's actively recruit young families, decide where we want people to come from, avoiding any racist preferences, but taking ease of learning a similar language for example, into account, and recruit young people, with jobs and housing ready in welcoming communities. Jobs need to become a basic right of everyone, a jobs guarantee, the national government as employer of last resort, because a job is a part of full citizenship really at this point in democracies, and we are only providing immigrants who commit to live permanently in our country, with the means to live as everyone else does. Third, if we want specific skills or kinds of work, make it a form of visa that comes with training, and with something like the TFR in Italy, so when the immigrant returns home they bring home additional funds, to start a business or buy a home, for the time worked, say a year's pay for every five worked, plus some form of advanced technology in the field, so when they return they can train others and use their experience in a richer country to enrich their own. Recruit works and the deal should include a select number of technicians and professionals from Europe and the US who go to work in the poorer countries to help develop them in exchange for the years of work from nationals of the poorer one producing wealth for our own countries.

And it should be possible to request asylum for political reasons at the embassy or consulate of the country you seek it from while still in your own country, and if a preliminary hearing finds cause, to have that consular staff enable you to leave on their own transportation means, recognized by international treaties and laws. No one should die crossing deserts, or seas as happens so often today, to seek asylum.

So to conclude, if today we are seeing Europe once again in the same condition of centuries past of competing for credit. But we find that the United States is in a different situation. First of all, investment is now as we have seen, endangering even the existence of our most successful or productive companies, in the interests of mobile capital and finance. Second, because investment has moved heavily to China and other countries, reducing the difference in power, wealth and influence in the world between the US and China especially, setting up a potential rivalry for power internationally. This is part of a long historically pattern noted by Giovanni Arrighi, in which capital, searching for political protection by a strong state for its mobile capital and investments, supports a hegemonic, leading power – like Britain in the 19th century and the US in the 20th – but now which may be abandoning its longtime relationship to the United States. The US has long been more independent of mobile capital as we have seen and this is true for another reason. Even today, after decades of globalization, US exports are only 11% of the US GDP. Imports are only 14%. In other words, 86% of what is consumed in the US is made in the US. Even today. Historically, these numbers are even sharper – in 1960, the year I was born, US imports were…ready for it? 4% of the US economy. 4 percent. I found one other country that was also large and had imports that were equal to 4% of its GDP. Can you guess which one? China. The Communist China, the People's Republic of China of Mao Zedong. A country that had as its ideology autarky, disconnecting itself as a goal from the routes of the capitalist world economy. So the most important country in the capitalist world was largely disconnected – the US – from the world economy. The US is largely or can be largely self-sufficient. This might be true of Europe as a whole but is not true of individual European countries of course. Italy exports 31% of its GDP, and its imports are 28% of GDP, so 72% of Italian consumption is made in Italy. Germany is at 47% exports, and France and Sweden are over 50%, along with the small countries like Luxemburg.

So today, in a country that is not dependent on mobile capital economically, we see mobile capital has de-industrialized many parts of the country, is damaging companies and communities and the well-being of the working class, and probably of the professional class, and of the national interest and power of the United States, as investment goes toward a new rival in China. So we are seeing both the phenomenon of Donald Trump as President, who is returning, if not in a very constructive way, to a historical relationship of the US to the world economy and to mobile capital, and also a new Socialist movement in the US, in the Democratic Party, which has taken the insight of the Tea Party that you can solve an ancient problem of how to form a new party in the US with its particular electoral system by forming one right inside the larger party. And now socialists are gradually doing the same thing, and with some real success. So that after Bernie Sanders, an old, Jewish socialist from a small rural state got 13 million votes for president, we now have several young women, including Alexandria Ocasio-Cortez as the youngest person ever elected to Congress, and tens of thousands joining the Democratic Socialist of America. This is not an accident. The interests of the US as a country, and as a government, and those of finance and of mobile capital increasingly do not coincide anymore, and that means that almost anything could happen. We don't know what a world looks like in which the US and capital don't have the same interests, and we don't know what a Europe united not to do what mobile capital wants, but to finally end the game of mobile capital playing countries off each other as it is still doing looks like. But we may be about to find out and that may be good news for all of us and for the world, and bad news at last for capitalism in both America and Europe, and almost certainly worldwide. So, we may look forward to the day that capital is reduced to being a public utility like water, roads, or electricity, and a servant of human well-being instead of a master of governments and companies and communities.

Transcript of a talk given by Steven Colatrella in the Sala Anziani of the City Hall of Padua, Italy on December 6, 2018 sponsored by the local association the Progetto Formazione Continua (the Continuing Education Project) of Padua, and attended by around 100 persons.