

# I Introduction

## I.1 WHY THIS BOOK

Sex is much more talked about than practised; by contrast, power is talked about relatively little, while so many spend an enormous amount of time pursuing it, in their own immediate sphere if not in society at large. Yet, at least in principle, reserve should be natural in the case of sex, while it should be equally natural for every citizen to be interested in forming an idea of the distribution of power in society: of the factors that determine it and the changes it undergoes over time.

What we are interested in here is power as a social issue. The topic is of great interest in itself, but also because it cuts across a wide range of research. Power is a ‘rainbow’ concept: you can never tell where it begins and where it ends, and it has many different aspects that intersect, with boundaries that gradually blur as they pass from one to the other. There is power linked to physical strength and individual charisma or to a role in public administration or justice, or in an organization (e.g. a company), economic power and political power, the power of the state or linked to the social position of the individual, and so on. Precisely for this reason, the subject is difficult to deal with: it is practically impossible to provide a clear and coherent picture of the situation at a given moment in time; the elements that intervene to modify the situation over time are too many and too varied for unequivocal identification of a precise trend, except in extremely vague terms.

It is impossible to master such a broad and complex field. I write as an economist; researchers with expertise in other disciplines, from sociology to law, philosophy or history, political science or anthropology, will inevitably find my laboured forays into these fields simplistic and flawed, though necessary to develop the argument. Indeed,

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as Bertrand Russell observed (1938, p. 108), ‘Economics as a separate science is unrealistic, and misleading if taken as a guide in practice. It is one element – a very important element, it is true – in a wider study, the science of power.’

On the other hand, anyone wishing to change the society we live in for the better, whatever that means – and we have all, or almost all, felt the ethical call of this objective – must confront the problem of power: what kind of power is needed and how to acquire it, in order to be able to play a truly active role; how to assess the situation facing us, in order to understand what direction we should be working in and what constraints will limit our action. For a reformer – a term we will try to clarify later – an analysis of power is, in principle, a prerequisite for action. In practice, it is often the good politician’s ‘nose’, or flair, that guides action, rather than a reflective analysis of power that proves too difficult to make; but a little reflection and reasoning never hurts.

For these reasons, the aim of this work is not to formulate a (more or less new) abstract theory of power, but to illustrate its different aspects for a political use, with the aim of achieving reforms: a transformative use and not a conservative one, for the purpose of change and not defence of the status quo. Hence an alternation between different analytical levels: even the most abstract reasoning is influenced by political objectives.

By structural reforms we do not mean – contrary to current usage – reforms to improve the efficiency of the economic system. We mean reforms to make the distribution of power in society less unequal, without neglecting efficiency. It is precisely the complex nature of power that calls for reflection searching enough to identify political strategies that are useful and not counterproductive for civil progress. Demagogy – demand everything, and then some more – is a practice in which the most reactionary politicians excel, and is in any case the best way to consolidate the pre-existing power structure, if not to worsen it.

With his theory of probability, Keynes (1921) taught that, while surrounded by uncertainty, it is worthwhile to gather information

and to reason about it: trust in reason, accompanied by constant caution, has the same cultural roots – the Enlightenment – as trust in the possibilities of progress in human societies. As a rule, research has a normative motivation: to know, to the best of our ability, in order to be able to act usefully.

For these reasons, it seems to me that it is worth making yet another attempt, desperate though it may be, to reason about power – that is, to try to understand its nature and its distribution in society. After all, this is equivalent to studying the elements that at the same time hold together and differentiate society internally: a fundamental problem, which must be addressed, complex and challenging as it is. Illustration of the various aspects of the problem cannot be in great depth, let alone exhaustive, but should be sufficient to show how each aspect fits into the context of the overall problem.

The results of my research must be considered partial and provisional. I hope, however, that this work will suffice to reject two opposing but equally unrealistic ideologies, both of which operate in a conservative sense, as they tend to block any attempt to address the problem concretely. On the one hand, there is the idea that our societies are characterized by a well-levelled playing field where no single competitor is advantaged or disadvantaged compared to the others, and where it is therefore the merit of individuals, together with the randomness of luck, that determines the results of each one of us. On the other hand, there is the conspiracy mythology of an invisible world power centre on which everything depends and to which everyone is enslaved. The reality is much more varied: there are considerable power differentials that generate deep and radical inequalities, but also margins of freedom of action that we can use to counter these inequalities and their causes.

## I.2 AN OUTLINE OF THE BOOK

As we shall see in Chapter 2, we have a grid of possible interpretative elements (power as a barrier, as belonging to networks, as weight in society) and fields of application (political, economic, cultural): a

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complex grid, but perhaps still too simple. This complicates identification of an adequate line of argumentation. It is generally recognized that in the end everything depends on everything else; however, we must not be overawed by the difficulty of finding a logical thread that will not run into criticism. A note of caution is therefore sufficient: the line of argument adopted, even if it has its own good reasons, should not be hypostatized; other lines of reasoning, other links between categories and fields of application of power are also valid, but some choice – obviously open to criticism – is in any case unavoidable.

A possible alternative, which had been suggested to me and which deserves mention, would have involved an analysis of power from the perspective of theories of justice. But rather than starting from ‘what should be’, and then considering how to get there, I prefer to start from ‘what is the case’, and then see if and how it can be improved. We should not aim to reach an ultimate, optimal goal, or even to define it: we should rather aim to drive towards a less unequal distribution of power.

Following Adam Smith, we begin with the division of labour (Chapter 3). The division of labour underlies the unequal distribution of labour and social roles, income and wealth; its evolution underlies economic development and changes in the social structure. We will thus consider first the aspects of power that have most directly to do with economics: the differentiation of production roles and incomes.

We will go on to consider, in Chapter 4, the problem of the power of control over the different production units and the relative importance of some of them compared to others. The form in which this control takes place is linked to the mechanisms of finance, which influence the pace and sectoral structure of economic development.

Finance shows the importance of networks as a means of strengthening and centralizing widespread power. While the power of Henry Ford was concentrated in the direct control of a large car company, the power of the Rockefellers, which also started from the control of a single oil company, was already in the second generation

spreading through banks, insurance companies, oil companies and conglomerates of various kinds. Is there more power when you control 40 per cent of the shares in a large company, or when, with 3 per cent of the shares in a bank and a network of cross-checks, you exert a dominant influence over large sectors of the economy?

Interlocking shareholders (and the related networks of interlocking directors) are but one type of a more general species, namely networks as a structure for generating and enhancing power, active in the most diverse fields of social life. As we will try to show in Chapter 5, the different types of networks, sometimes but not always endowed with an institutional framework regulating their functioning and favouring their stability, condition political, economic and cultural life. The 'white' (fully legal) networks, based on family solidarity, religious beliefs, political convictions and economic relations, are flanked by what we might consider 'grey' networks, not illegal but with dubious moral foundations, based on the exchange of favours (such as Masonic-type associations) and by 'black', illegal networks, such as Mafia-type associations. Their importance is often underestimated in theoretical analyses of power, whereas they seem to have a decisive influence on the political and economic life, certainly in Italy and probably in other countries as well.

Chapter 6 moves on from the analysis of networks of relations to analysis of state-centred political power. In this regard, it is perhaps worth pointing out here another significant limitation of this work. The central aim is to draw attention to the multidimensional nature of power and its political implications: however, this means that a systematic treatment of political power would go far beyond my scope here.

The nation-state has its own historical path: it was born out of the decline of feudalism and gradually developed its role, which then came to be eroded in the phase of globalization. There are various conceptions of the nature of the state: the Weberian one of a monopoly of legal force, the Marxian one of an instrument of class power, the ordoliberal one of the legal construction of the market and, preceding

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these, the conception of a social contract (Rousseau, 1762) or of an association based on Hume's (1752) 'tacit consent'. In the internal organization of the state, administration of justice and military defence are important; intervention in the economy is important too, to the point of configuring the role of the state as a countervailing power to private economic power, or as expanding the role of private power. The welfare state has become increasingly important for social cohesion, not only for the redistribution of income but also – above all, perhaps – in containing the economic uncertainty that affects the lives of individuals and families.

This brings us to Chapter 7 and the problem of the relationship between culture and power. Cultural factors play an important role in the evolution of societies over time, involving the Gramscian theme of the quest for hegemony and its relationship with domination. The theme is complex: it is necessary to consider the typical behaviour of the masses (whose role has found its way into debate on the origins and characteristics of totalitarian regimes), the role of civil society and of religions, the various types of elites, and the new social media.

Chapter 8 is devoted to a brief discussion of the spatial dimension of power, from families to international relations. The dynamics of family relations have undergone profound changes, with transition from the patriarchal family to the varied forms present in today's scenario. The distribution of power between the various institutional levels – municipalities, provinces and regions, states and supranational bodies (from the European Union to the United Nations) – is also changing. The Covid-19 crisis has highlighted complex coordination problems at the international level, within the European Union, and in the relations between the central and local authorities within individual countries; a debate has thus been launched that could lead to significant but as yet unassessable changes in institutional arrangements. And now the war in Ukraine raises complex issues in international political and economic relations, but also concerning the relationship between ethics and power. These are undoubtedly

critical points for overcoming these multiple crises and reconstructing a better world – which requires a strategy of structural reforms.

### 1.3 THE POLITICAL OBJECTIVE AND THE STRATEGY OF STRUCTURAL REFORMS

Brief as it is, this analysis of the dimensions of power nevertheless enables us to tackle the next step: possible intervention strategies.

Both the use and the pursuit of power pose major ethical problems, which are outlined in Chapter 9. In itself, power is neither beautiful nor ugly, neither good nor bad: it is a fact which we must come to terms with, neither demonizing nor exalting it. On an ethical level, the problems do not concern its existence, but the judgement to be made regarding its configuration in a given historical moment and in a given society, and the attitude to adopt towards the situation we are faced with, taking into account the objectives of freedom, justice and the common good (which includes prominently the issues of peace and the defence of the natural environment).

If what matters is not the point of arrival – because the final destination cannot be defined unequivocally, nor fully achieved – it is better to focus on the road to follow: the progressive extension of rights and a progressively fairer distribution of powers in their multiple ramifications. These issues are discussed in Chapter 10.

Thus we come, in Chapter 11, to the problem of defining concrete strategies for today's scenario: this, after all, is the objective that lies behind this book. The chapter is focused on the case of Italy: a case that I know by direct experience; however, I believe that – *mutatis mutandis* – its illustration provides useful pointers to what feasible reforms might look like in other countries as well.

Human history as a whole is characterized by undeniable progress, but temporary and/or local setbacks are also possible. Thus, while the first decades after the Second World War saw major steps ahead, since the 1970s significant progress in the field of civil rights (in particular gender inequality) has been accompanied by elements of regression. In the economic field, following the rise of

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neo-liberalism and the associated financial globalization, the concentration of power and imbalances in the distribution of income and wealth have increased. (The role of neo-liberalism and its theoretical shortcomings will be discussed in Sections 11.3 and 11.4.) In the political sphere, the burgeoning of demagoguery and populism is worryingly reminiscent of the manoeuvrability of the masses that favoured the establishment of authoritarian/totalitarian regimes such as fascism and Nazism. The war in Ukraine now adds further dramatic elements to an already worrying situation.

It is difficult, but not impossible, to reverse these trends, and to make progress on the road to individual freedoms and social justice. The 2008 financial crisis and the Covid-19 pandemic with their heavy consequences make it clear that we need to abandon the path advocated by neo-liberalism and followed in recent decades, given the resounding failures of the myth of the invisible hand of the market. The formation of a new consensus around progressive policies requires complementary actions in the cultural, political and economic fields, with a progressive alliance along the never easy path of gender equality, environmental protection, reduction of economic and power inequalities, dissemination of culture and education and defence of civil rights.

For better or for worse, all this justifies yet another attempt to define a more just society – a society in which the distribution of power is less unequal and less conditioned by violence – and to identify the paths along which to move in that direction. The strategy of structural reforms was an important element of my youthful political education; at the time (the 1960s) it was translated into reasoned political choices that were discussed as rigorously as possible in open and in-depth debates between politicians, economists and lawyers. Reflecting on the multifaceted nature of power may be useful to revive this strategy after decades of oblivion, in a radically changed scenario.



## PART I **The Colours of Power**

## 2 Interpretations and Fields of Application

### *The Multiple Faces of Power*

#### 2.1 A BACKWARD GLANCE

Over time, different definitions of power have been proposed, referring to different areas of social life. They all have something in common, in that they are specifications of the same phenomenon, but they may differ in bringing out particular aspects. The following brief overview, inevitably superficial (especially with regard to the best-known authors), serves essentially to recall the variety of positions on the subject, as the background to our own interpretation.

In the classical age of the Greek polis, between the fifth and fourth centuries BC, following Vegetti (2017, p. 17) we can identify five main ‘types of legitimation of power’: 1. *plethos*, the majority principle; 2. *nomos*, the principle of legality; 3. *kratos*, the principle of force; 4. *arethè*, the principle of excellence; 5. *episteme*, the principle of competence.’ Authors like Plato or Aristotle consider the problem of power as part of their analysis of forms of government. In the same vein, Cicero distinguishes between *auctoritas*, the source of legitimacy to govern, and *potestas*, the power to intervene directly in the subjective sphere of others. Thucydides is the first of a long stream of authors who utilizes the standpoint of a realist balance of power in their analyses of international relations.

In the Christian world, the supreme power is divine authority. In the first centuries, political power was recognized as a reality to submit to (‘Give to Caesar what is Caesar’s’); later, with the Church’s conquest of temporal power, the thesis of the religious origin and legitimation of political power, and therefore of the supremacy of religion over civil life, was upheld for centuries. In partly different