

BOOK REVIEW by Alessandro Innocenti

for the September issue of the Post Keynesian Economics Study Group Newsletter

Giacomo Becattini et al., *Federico Caffè. Realtà e critica del capitalismo storico*, a cura di Attilio Esposito e Mario Tiberi, Meridiana Libri, Catanzaro, 1995.

This book contains a collection of papers presented to a Conference in honour of the Italian economist Federico Caffè organized in November 1993 in Penne. After Caffè's sudden disappearance for mysterious causes in 1987, his work has been discussed in many books and conferences but the proceedings published in this volume have a particular significance for at least two reasons. First, the importance of the participants to the Conference testifies the debt of gratitude that the whole community of Italian economists owes to him. Second, the volume gives a global view of Caffè's contribution that went well beyond the narrow limits of economics.

Even if much emphasis has been given to his work in economic policy, as it is pointed out by Giovanni Palmerio ("Il contributo di Caffè alla teoria della politica economica") and by Vittorio Valli ("Istituzioni e teoria economica in Federico Caffè"), the other contributions included in the volume show how Caffè's life was dedicated to both building up as well as tearing down economics. As a builder, he introduced a new way to perceive the idea of economic and social reformism connected with his concept of historical capitalism, that is - as one of the two editors of the book, Mario Tiberi, writes in the Introduction - a society in which many conflicting interests regulate and correct the spontaneous mechanisms of the market. As a critic, consequently, he constantly attacked economic theory in favour of a stronger pragmatism and a more motivated and purposive attitude.

A first contribution by Michelangelo Bovero ("Una certa idea di riforma. Giustizia e Stato nell'opera di Caffè") analyses Caffè's political theory which dealt extensively with the idea of progress and the role of the State. In a more economic context, Federico Vianello ("Federico Caffè e l'«intelligente pragmatismo»") defines Caffè's political conception as intelligent pragmatism - or the keynesism of Keynes - implying the refusal of any automatic rule and the necessity for the economist to consider every single situation in order to select the fittest political action and to execute it more flexibly. At the same time, Vianello reminds how Caffè always defended the idea of Welfare State even when most economists have declared it dead. The causes of this defence are extensively discussed by Giuseppe Ciccarone ("La tipologizzazione dei regimi di Welfare State e il pensiero di Federico Caffè") and especially by Maurizio Franzini ("Il «trade-off» tra efficienza ed equità. Gli argomenti critici di Federico Caffè"), who shows how Caffè attacked the trade-off between efficiency and equity with powerful arguments concerning mainly the social costs of economic inequality.

The remaining papers deal with the historical roots of Caffè's ideas. Roberto Faucci ("Federico Caffè e gli economisti italiani dell'Ottocento e del Novecento") reconstructs the strong relations between Caffè and the Italian school of economic thought. Pierluigi Ciocca ("Per il tramite dei grandi economisti: il lessico «non familiare» di Federico Caffè") offers some enlightening examples of Caffè's art of writing which belongs to the long tradition of Italian economic literature. Giacomo Becattini ("Per Pigou, oltre Pigou.

L'economia del benessere nel pensiero di Federico Caffè") shows how Caffè drew inspiration from authors like Mill, Sidgwick, Marshall and Pigou to base his theory of welfare economics.

Finally, the reviewer offers to the readers two personal remarks about the author and the book. The first might seem critical, but it isn't. Some contributions point out how Caffè often had a too idealistic conception of political action, which during the last years before his disappearance conduced him to take radical positions, apparently in contrast with the "intelligent pragmatism" characterizing his scientific career. Such a choice, that could also be explained through factors concerning private or interior life, represents a further proof that Caffè's inheritance extends well beyond economic theory to support a very active conception of the economist's role in the society.

A second remark concerns the picture of the Italian economist among his students, drawn by Sergio Steve ("L'esperienza di Caffè come docente universitario"). The loss of a person practising such a strong and continuous exchange between scientific work and passion for teaching is probably the main fault we could attribute to Caffè if his disappearance had really been voluntary. For the rest, the quality of his work assure us that he will continue to have a great influence upon the Italian way to economics.