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## COMMON GOOD AND INSTITUTIONAL DIMENSION: THE ITALIAN CASE

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Italy is a country that is becoming impoverished. One need only look around to see that. This is not happening because of a deliberate plan or a sordid conspiracy, but, we believe, because it has been ruled by a small political, economic, and cultural elite, close to immovable, highly resistant to change, and impervious to criticism. It consists of a circle of privileged politicians, businessmen, bureaucrats, and intellectuals who have come to shape society in their own interest, to the detriment of the vast majority of Italians.

As long has been long maintained in the columns of this newspaper (“Avvenire”), in principle, there are two types of institutions: the “extractive” and the “inclusive” (D. Acemoglu - J. Robinson). Following the teaching, among others, of Luigi Sturzo and Luigi Einaudi, the first, the “extractive,” involve a social reality based on the exploitation of the population and the creation of monopolies, reducing the incentives for and the capacity for economic initiative of the major part of the population. The second, the “inclusive”, are those that allow, encourage and facilitate participation by as many people as possible, in order to channel the best talents and abilities, allowing them to produce their own life project.

“Inclusive” institutions, according to one of the fundamental precepts of the “social market economy”, requires a State – a strong and impartial State –, which guarantees freedom of access for all to the competition. It requires a State as regulator and referee (rule-oriented), but never a player, or worse, in collusion with some player. The institutions that have a character opposite to the “inclusive” are called “extractive”, as they come to be used by certain social groups and corporations to appropriate the income and wealth produced by others, with the consent, at times tacit, at times explicit, of public decision-makers (target-oriented). Many examples demonstrate this.

If, therefore, the concentration of power in a few hands is accepted, and is reinforced even more by institutional mechanisms that deny the logic of Schumpeter’s “creative destruction” as a lever of change in the political, economic and cultural fields, the institutional framework that will result would allow the exploitation of vast riches by the few at the expense of the many.

In such contexts, for the “inclusive” line of thought to prevail over the “extractive”, the generational replacement (or “destruction”) of an elite for the benefit of another is necessary, but not enough. (It cannot be said that the new generation will prove more enlightened than the preceding). There is only one way for a society progressing toward economic decline to reverse course: a cultural-political transformation that relates to the quality of institutions .

Pope Benedict, in his encyclical *Caritas in Veritate* (and other writings on social issues), invites us to undertake “the institutional path of charity” and, concerning the “common good”, refers explicitly to the



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“institutional” dimension. “The common good is made up of many goods: material, cognitive and institutional goods, and moral and spiritual goods. The latter are superior to the former. Therefore, the common good has, a plural dimension, and the institutions responsible for obtaining it are themselves good when they correspond to the ranking of principles and, therefore, are articulated in a subsidiary manner .

The reference to the authentic and not merely rhetorical “common good”, which takes the institutional element of Benedict XVI and seeks to respond positively to the invitation of Pope Francis for an inclusive economy, cannot neglect this fundamental distinction, and cannot fail to proceed with a serious and merciless criticism of the too many Italian extractive institutions that impede the authentic development of our country. Just the identification and denunciation of the latter we believe represent the first step to implementing the theoretical perspective of social market economy, which also refers to the tradition of the Church’s social doctrine and, thus, responds to the invitation of Benedict XVI and Pope Francis.