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# VICARELLI'S KEYNES
# (AND TODAY'S INTERNATIONAL DISORDER)

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**Abstract**

The paper speculates about the legacy of Fausto Vicarelli's interpretation of John Maynard Keynes's work in the times of a major global crisis. In particular, it puts an emphasis on those aspects of Keynes's "method" that Vicarelli rightly considered as revolutionary in his *Keynes*, of 1977, as well as in other writings. The article then turns to Vicarelli's reconstruction of Keynes's early work in international economics (*Indian Currency and Finance*, *Economic Consequences of the Peace*), and reflects upon the continuing relevance of the philosophy inspiring Keynes's plans of global reform in the Forties, also in the light of Vicarelli's (Keynes-inspired) vision of the problem of policy space at the international level.

**Keywords**: John Maynard Keynes, Fausto Vicarelli, economic method, international economic order, policy space

**JEL codes**: B31, B4, F02

Multiple anniversaries fell in 2016. 80 years since the publication of Keynes's *The General Theory of Employment, Interest and Money*, but also 70 since its author's death, and 30 since the departure of Fausto Vicarelli, who was born exactly in 1936, and died when *The General Theory* turned 50. Without knowing, evidently, that after another 30 years, we would have celebrated the return of the book embodying Keynes's revolution, in a world that seems to have more in common with the troubled interwar period than with the disordered post-Bretton Woods decades in which Vicarelli published his writings on Keynes.

Vicarelli was more than a Keynes scholar. Today's "heterodox" economists spread the peculiarities of their specific approach as widely as possible, being somehow compelled to mimic, without knowing how, "orthodox" colleagues, who can count on the possibility to adapt the same analytical method to multiple theoretical contexts and apply it to various practical purposes. On the contrary, Vicarelli's work demonstrates the author's ability to bring and hold together the multiple dimensions of a specific issue, as well as his full command of issues themselves, always dealt with by adopting an "integrated" approach – to use a word visibly dear to Vicarelli himself (see Ciocca et al. 1988, Alessandrini and Niccoli 2008) –, his capacity to "exhaust", so to speak, a topic in a single contribution.

Vicarelli was more than a Keynes scholar, but he *was* a Keynes scholar, and for sure, the relevance of his work today owes much to the enduring relevance of Keynes. Which Keynes should one privilege, in speculating about Vicarelli's legacy? The present article concentrates on the international environment. True, Vicarelli's Keynes can scarcely be identified with the Keynes of Bretton Woods, the architect (despite the final defeat of the "Keynes plan") of the most successful international monetary system in history, which we now tend to regard as mythical (see James 2012, Carabelli and Cedrini 2014a) exactly because of the peculiar, unrepeatable historical circumstances which led to its creation. Yet Vicarelli – who devoted considerable effort to the endeavor to integrate international trade theory with international monetary economics (Vicarelli 1972; see also Gandolfo 1999) – left us one of the most powerful synthesis of *Indian Currency and Finance*, Keynes's early (1913) work on the reasonableness of the unintended evolution of the Indian monetary system towards a gold exchange standard, detecting the elements of continuity with the global reform plans of the Forties.

The international economic order is not Vicarelli's main focus, but nothing would have prevent it to become his principal concern; or, rather, it seems a fact that Vicarelli's own peculiar approach to the economic material can be fruitfully put to use in addressing precisely the more often than not troubled international relationships. The explicit aim of Vicarelli's work on Keynes was to examine the "vision Keynes form[ed] of capitalism through his confrontation with the concrete problems of his time" (Vicarelli 1984: xv): problems arising from "dramatic historical events", which Keynes addressed, Vicarelli wrote, by recurring to "objective observation, good sense, and rigorous inductive logic" (p. 3). From problems to logic, the one "animating", he observed, "brilliant intuitions" but also "nonlinear views", "contradictions", "occasional self-doubts, and the at times obscure or elliptical reasoning which eventually clothed the body of thought behind the *General Theory*" (p. xv).

In general, Vicarelli concerned himself first and foremost on the "internal", national traits of capitalism: monetary stability, capital accumulation, growth and development, income distribution, and the related moral dimension. Yet it is in *Indian Currency and Finance* and *Economic Consequences of the Peace*, that is in the two works where he most explicitly brings the international dimension to the fore, that Keynes deepens the understanding of such aspects, well before translating the vision thereby formed into the more general theoretical propositions, as Vicarelli would say, of *The General Theory*. It is not a question of empirical or even logical priority: rather, Vicarelli's perspective derives from having made a choice, however general. And Keynes himself seems eager to disorient his readers, when neatly favouring the interest for the national traits of capitalism or, on the contrary, for their international counterparts, which, *en passant* – perhaps because it is tempting (it has always been tempting) to read these latter as reflections of the former ones – more often than not appear excessive, out of proportion. Keynes the free-trader, son and servant of the British Empire, will finally proclaim the end of laissez-faire, while invoking national self-sufficiency. He will then attempt to build a new international architecture, being however accused, at the same time, of fighting for Britain…

In truth – I believe that Vicarelli's Keynes can be of great help, to grasp this point – if Keynes voluntarily chooses to disorient, it is because he wanted to avoid any kind of reductionism. As is well documented in Vicarelli's (1984, p. 3) work, Keynes's revolution lies above all in the "revolutionary way of attacking reality" embodied in the offer of a way of doing economics which is first of all a method, a technique of reasoning. Anna Carabelli has always insisted on the criticality and originality of Keynes's method, finding support, on one side, on the enduring liveliness of the Keynes-philosophy literature, and, on the other, in the (nonorganic; once again, a problem of reductionism…) *revanche* of Keynes's thinking in the times of the crisis. To cope with the "emblematic reality of capitalism" (Vicarelli 1983, p. vii, our translation), which is the object of Backhouse and Bateman (2011)'s recent essay on Keynes (one which, I believe, Vicarelli would have been eager to read), the Cambridge economist developed and employed, as said, a way of reasoning in economics – "economics is a method rather than a doctrine; an apparatus of the mind, a technique of thinking which helps its possessor to draw correct conclusions" (CW 12: 851) – that is itself to be conceived as an antidote to reductionism. A lesson, as both Ciocca et al. (1988) and Gnesutta (2001) aptly point out, that Vicarelli takes, adopts and puts forward again: economics regarded as a way of thinking cannot treat complexity as an obstacle on the road to linear analysis and clear-cut results. Rather, economics must bring complexity to the fore, and adapt itself – economics (and therefore reasoning, or thought, as Morin 2005[1990] would say), not complexity, is the problem. It is not only to the capitalist economy, but also and first of all to economics as discipline, that Keynes addresses his "awkward questions" (Vicarelli 1985a, p. vii).

Vicarelli was conscious of Keynes's methodological "difference", as evident not only from his writings on Keynes. Telling indications of this awareness come from an article published in this same journal in the mid-Eighties on the theoretical foundations of New Classical Macroeconomics, significantly entitled "Natural Laws and Economic Policy" (Vicarelli 1985-86). Vicarelli believes, as Keynes believes – in effect, the *fil rouge* of *Keynes. The Instability of Capitalism*, is the methodological critique to the various "received views" of the neoclassical approach –, that theories are not to be judged only according to the degree of "realism" they attain. Conformity to reality may be the most important criterion, as Vicarelli explicitly maintains; but when attempting at remedying the lack of internal criticisms of the neoclassical theory, he endorses the methodological critique exposed by Keynes in *The General Theory* as well as in more surprising occasions (against Kalecki's economics, for instance: see Carabelli and Cedrini forthcoming). New Classical Macroeconomics "find[s] analytical justification only in those macroeconomic models built upon the *a priori* assumption of full employment" (Vicarelli 1985-86, p. 311); and in opening up the Walrasian analytical structure to expectations, it neutralizes them "by an a priori assumption that they are self-fulfilling" (ibid.). More, in lamenting the continued absence of a comprehensive macroeconomic theory of a monetary economy of production, Vicarelli relied on the key Keynesian concept (see Clarke 2009) of "fallacy of composition" (Vicarelli 1985-6, p. 312).

After all, Vicarelli knew that it would have been useless and, rather, impossible, approaching *The General Theory* through the distorting lens of the neoclassical conception of equilibrium: the author of *The General Theory* is also the author of *A Treatise on Probability*. The former, he wrote in 1983 (in Italian, translated into English in 1985b, p. 156), is "founded methodologically on an analytical philosophy which is completely alien to the neoclassical notion of equilibrium. This philosophy is the same as Keynes had already put forward in his *Treatise on Probability*". Like various protagonists of the Keynes-philosophy literature after him, a few years later, Vicarelli suggested reconsidering the "normalization" of Keynes's thinking exactly in the light of *A Treatise on Probability*, that is the "essay on method", as Carabelli (1988) argues (the view is now consensual: see Dow 2010), only apparently lacking in Keynes's theoretical production. Among the reasons that explain the topicality of Vicarelli's work are his reflections on the treatment of time Keynes made in his economics, directing attentions towards the methodological-in-essence criticism of the Swedish sequential approach.

"Keynes warns us, however, that to achieve an understanding of capitalism, we have to be willing to accept a high degree of abstraction" (Vicarelli 1985b, p. 165). This is made necessary by various reasons, some of which may appear paradoxical. If we stay on the plan of theory – which must attack reality –, and only if we stay on this plan, we feel the need to avoid the naturalistic fallacy (in the awareness, as Ciocca et al. remind us, that the future is to be invented, that the state can and must intervene in the long-run evolution of capitalism; see Gnesutta 1996). If we stay on the plan of theory, we can appreciate the methodological difference separating theory from policy, the former necessarily aspiring to generality, the latter being the domain of particularity, the peculiarity, that is, of specific assumptions, of specific socio-political factors and institutional contexts, and so on. Economists who undermine this difference, as Keynes observed in criticizing "friendly" economic theories like Lerner's and Kalecki's, unduly restrict the validity of their own reflections as well as the possibility to employ them in shaping practical policy. It is on the plan of theory that the battle against the reductionism of classical economics must be fought. *The General Theory* is, *in primis*, a guide to economic reasoning. The classical theory suffers from methodological flaws: in particular, the classics lack the courage to approach the complexity of the economic system. Tacit assumptions of generality, independence between variables, proportionality of effects, linearity, and the like: oversimplifications made necessary by the ambition to make science with a complex world (and "cut" reality accordingly), but destined to be removed in the name of complexity itself. Economists simply cannot avoid removing them, in the second, probabilistic but necessary and decisive stage of the analysis, so as to be able to consider all those possible repercussions and feedback effects of dependent variables on those previously indicated as, without believing them to be so, independent (see Carabelli and Cedrini 2014b).

There is therefore nothing "natural", as both Keynes and Vicarelli after him can claim, in economics: no law, no natural equilibrium, no natural rate (of unemployment, of interest). "There exists no law of nature governing the workings of the capitalist system" (Vicarelli 1985a, p. vii). The same for the gold standard regime: as Vicarelli observes on commenting *Indian Currency and Finance*, Keynes believed it "impossible to give an a priori definition of an 'ideal' monetary system for all varieties of essentially capitalistic economies. Rather, one has to weigh the state of development of a specific country's financial institutions and in particular the structural aspects and international role of its capital market. The British example, Keynes thought, was deceptive. The fact that Britain had succeeded over the previous half century in maintaining a certain degree of monetary stability was not due to its operating on the gold standard as such but rather to Britain's commanding economic position with regard to the rest of the world, to its particular position vis-a-vis the members of the British Empire, and above all to the strategic role of the "City" in the world financial market" (Vicarelli 1984, p. 9).

It is by emphasizing the difference between the rules of the game and the practical functioning of the system (theory cannot generally purport to be applicable to affairs, Keynes would say) that Keynes can "attack" the reality of international laissez-faire capitalism. It is by considering its complexity, without recurring to reductionism, that he can hope to intervene constructively – as his critics would remark, while Vicarelli followed Myrdal in positing the impossibility of a disinterested social science: see Gnesutta 1996, 2001) – to reform capitalism itself. To enhance the possibility, Keynes would say, of autonomous individual judgement against the supremacy of conventions, which uncertainty (permeating complex social aggregates) ends up with exalting to the status of unmanageable, authoritative norms of economic systems – included the global one, populated not by individuals but by national countries. But nations behave quite like individuals – Backhouse and Bateman (2011) note that "individualistic" is the term most frequently associated with capitalism in Keynes's writings – , and are victim of problems rather similar to those that affect agents in domestic economies.

The capitalism Keynes wants to reform is the capitalism of instability ("the fragility of the capitalist accumulation process", Vicarelli 1984, p. 15), that is a morally inefficient capitalism, resting upon the false virtuous of abstinence and purposiveness, as well as on conventional judgments, one that sometimes fails even when considered (correctly) instrumentally, not as an end but as a means to prosperity. But it also, although (until the recent crisis, at least) one tends to forget in retrospect, the "decadent internationalist capitalism" (CW 21, p. 239) demolished by Keynes in *National Self-Sufficiency*, of 1933, the essay where the Cambridge economist defines capitalism as "not intelligent", "not beautiful", "not just", "not virtuous", one that even fails to "deliver the goods" (ibid.). The ancient myth of self-sufficiency enjoys new popularity, as various references to the heretic 1933 Keynes in the times of the crisis demonstrate. "Let goods be homespun whenever it is reasonably and conveniently possible; and, above all, let finance be primarily national" (CW 21, p. 238), wrote Keynes, expressing his preference for minimizing the "economic entanglements between nations" (ibid.).

Having acquired "a degree of wisdom about the non-neutrality of financial institutions and money vis-à-vis the interests directly engaged in the organization of a capitalist economy, Keynes's steadfast rationale was to improve the efficiency of these institutions", Vicarelli (1984, pp. 13-14) writes in relation to *Indian Currency and Finance*. "In a deep sense, despite a vast ideological gulf, his welfare principle for society was in some ways similar to the optimum of Vilfredo Pareto. Keynes needed no convincing that the general interest would be enhanced by reforms that would eliminate generally damaging inefficiencies". Thirty years later, Keynes would revolutionize our way of conceiving the international order. Virtually destroyed by WWI, the gold standard had already shown its limits, which Britain experimented, now a debtor country among and like many other, in the form of the "dilemma of the international system" (CW 6, p. 272), compelling debtors to choose (as if it were truly possible to choose) between international discipline and freedom to choose interest rates and volume of foreign lending. A declaration of birth for the problem (to use modern jargon) of "policy space" (see Kregel 2008), in a world assuming the traits described by Keynes in *The End of Laissez-Faire*, of 1926. A world in which individuals – nations – end up with playing, yielding to uncertainty and conventional judgments, the zero-sum game of mercantilism, or – to say it *à la* Keynes – with participating in a "competitive struggle for liquidity" (CW 21, p. 42) inducing them to export unemployment to trade partners. Winning nations are those whose "progress towards negation" (p. 40) – the antithesis, Vicarelli could add, of accumulation and growth – is greater than that of their neighbors. *National Self-Sufficiency* is thus Keynes's reaction to the "awkward questions" raised by the (impossible) generalization of mercantilism as *modus vivendi* of the international system; his qualified answers to such questions are embedded in his global reform plans of the Forties.

In a way, in preparing the new architecture of the post-war global order, Keynes is simply revamping the ambition expressed in *Indian Currency and Finance* to ensure rational monetary management to the system. But "rational" means here rational *à la Treatise on Probability*: what matters is reasonableness, rather than rationality; possibility, in other words, of autonomous individual judgement, that is, in this case, of national policy, grounded on evidence, on the confidence in the judgment itself, and depending on historical time, context, and circumstances. The gold standard, in this perspective, is a system of golden fetters, as it has been remarked, which impede autonomy of judgment. In *Indian Currency and Finance*, Vicarelli notes, Keynes sets himself on a theoretical path which will lead him to dethrone gold; he invokes a rational use of exchange reserves, he emphasizes the importance of a public institution aiming at stabilizing the monetary system. Now, in Keynes's ethics, rules of behavior (not aims, which in his Aristotelian, individualistic perspective point at, and rest upon, autonomy of judgment, but means, among which moral rules) *must* adapt to changing times and circumstances. Economic theory must vary as well, in the name of a continuity of method, of way of reasoning, which is of a non-demonstrative character, in Keynes's economics, and necessarily takes contingencies into account. With varying times and circumstances, perspectives change (thus, the Great Depression will compel Keynes to leave somehow behind the problem of price stability, dealt with in the *Treatise on Money*, and concentrate on the determination of output and employment, in *The General Theory*), but Keynes does not abandon the categories of complexity shaping his peculiar, revolutionary way of attacking reality. What he sees is the burst of a generalized conflict, one that reminds him of the "economic juggernaut" of Versailles. He rapidly realizes that an international system forcedly impacts on members' policy space (see Kregel 2015), as well as the utmost importance of a leader willing to struggle with those fetters, by expressly violating the rules of the game – or by playing accordingly, when no one has respect for them (as Keynes told creditor countries, France and the United States, in the interwar period).

Simply, there is nothing left to reform, at that point. Cesarano's (2015) recent reconstruction of Keynes's work in international economics brilliantly illustrates changes in perspective, aims, use of instruments occurred in those years, with Keynes going so far as to exalt mercantilism in chapter 23 of *The General Theory*. But the credibility of the gold standard (wrapped in the so-called restoration rule) is now over: domestic economic policy objectives are all that matter, price stability belongs to the past. The mercantilist solution is correct, Keynes argues, if we are to remain to the phase of problem-detecting. But the solution shares a crucial aspect with the problems it is intended to solve: de facto, it is dictated from outside. *The General Theory* looks elsewhere to find answers to the economic troubles of the Thirties. As Alessandrini (1977, p. 187) rightly put it in an edited volume among whose contributors was Vicarelli himself (we translate almost literally), Keynes assigned priority to internal equilibrium, and this led him to shape international monetary policy on completely different bases than those of rigid adhesion to an international standard. The stability of international monetary relations has to be the effect, not the cause, of the stability of domestic economies.

Keynes's triumph, in this regard, is astonishing. At least, this is what we perceive when revisiting the golden epoch of Bretton Woods in the light of the non-system that followed. The essence of the splendid myth of Bretton Woods is the somewhat paradoxical vision of globalization implied in the concept of "embedded liberalism" (Ruggie 1982): as Rodrik (2011, p. 72) maintains, "what pushed globalization along … was the background of economic growth, equity, security, and stability that the Bretton Woods compromise helped prop up. Broad-based growth facilitated globalization because it helped take the sharp edge off the distributional impacts of trade. The choppiness of the waters becomes less noticeable when a rapidly rising tide of economic opportunities lifts all boats. Thus national policies promoted globalization mostly as a byproduct of widely shared economic growth along with some modest opening up. The success of the Bretton Woods era suggests that healthy national economies make for a bustling world economy, even in the presence of trade controls".

But what Keynes indicates is exactly a national *modus vivendi*, one that is not dictated from outside, and whose success is not built upon defeating others in a race to the bottom. The idea rule of the system, in other terms, is the one every single country would adopt, if it were sheltered from external influences and international relationships – exactly those that make the system indispensable. This is why Keynes had to transform the problem into its solution, by reverting to barter, the exchange of goods against goods. Keynes's plan for Bretton Woods eliminates the international standard (see Kregel 2015, Amato and Fantacci 2013), which is but a unit of account, although it can be defined – rather, exactly for this reason – as a veritable international currency. The institution of an International Clearing Union would allow orderly unwinding of existing global imbalances, while aiming at preventing their formation; the possibility of currency wars is eradicated by making the building up of reserves useless and de facto incapable of occurring, while the harmful effects of the Triffin paradox are impeded by the elimination itself of an international reserve currency. The "banking principle" applied to finally symmetric debtor-creditor relationships remedies the main faults of previously experimented adjustment mechanisms: surplus recycling is the (virtual) price creditors have to pay to exploit, ultimately to their own advantage, the expansionary bias embedded in the new system. It is the *General Theory* world that finally comes true, an "end of chapter 23" world, coming after, also from a logic point of view, the praise of mercantilism.

Ours is, conversely, in many regards, a "beginning of chapter 23" world. Consider Europe, with austerity measures and the return to a pre-Keynesian vision (see Konzelmann 2013); consider the global scenario of currency wars in the times of various quantitative easings; consider, above all, the neoliberal international non-system shaped by the Washington Consensus paradigm as main rule of the system itself. The non-system of hyper-globalization, of globalization as end, one-size-fits-all, instead of means, to borrow from Rodrik (2011) again: one that does not tolerate exceptions, reversing the logic of Bretton Woods (when exceptions were rules). The current "chapter 23" world is forcedly, given the historical origins of Bretton Woods II (if we are to adopt a term popularized by Dooley, Folkerts-Landau and Garber in 2003, one that has the merit of suggesting, however implicitly and only to those that do not believe, contrary to the three economists, in the continuity between the two systems, the contrast with the previous epoch), a world molded by emerging and developing countries' strategies. This is what emerges not only, and not so much, from some recent dossiers on today's "gated globalization" published by *The Economist*, but also and above all from the recent UNCTAD's *Trade and Development Reports* (2014 and 2015 in particular). These latter insist on the limitations, both *de jure* and *de facto*, to policy space imposed by, respectively, the international trade regime and the mix of globalization and financial deregulation, crowning the striking absence of shared rules to govern international monetary relationships. As effectively demonstrated by Alessandrini and Niccoli, Vicarelli – who worked on the structure of international trade (Vicarelli 1975) and the so-called "external constraint" (of the balance of payment) to development (Vicarelli 1985c) – suggested an innovative interpretation of the transition from Bretton Woods to the first decade of non-system. Specifically, he insisted on two key aspects of the new disorder: the partial, incomplete character of the analysis (affected by short-termism) of balance-of-payments problems, and, more in general, the ultimate end of international integration.

True, Vicarelli's attention was caught by the contingency of European stagflation and the redistributive effects of the financial crisis in the Seventies, but also by national strategies to counteract the crisis and the (problematic) availability of adequate tools to reduce the burden of the external constraint on growth. He noted that the crisis could not but demonstrate that it was impossible, "to set out along a path of international disintegration without facing enormous costs in terms of reduced growth", and that, at the same time, "exchange rate policy aiming at conquering foreign markets cannot but result in a zero-sum game" (Vicarelli 1985c, p. 109, our translation). In a Keynesian mood, alarmed by the persistence of imbalances, Vicarelli had already warned against the dangers of sustained export-led growth strategies, generating incentives to accumulate financial wealth. Painful inflationist processes would necessarily result, with destabilizing effects on markets, themselves produced by volatility of expectations on exchange rates, nominal interest rates, and inflation rates (see Alessandrini e Niccoli 2008).

Revisiting Vicarelli's work today signifies bringing a peculiar perspective alive for an era of economic troubles like those affecting the system of Bretton Woods II, which for various historical reasons institutionalizes (besides tolerating) global imbalances, in a world in which developing countries admittedly play a first-order role. Vicarelli's lines of reasoning on the missing reforms and transformations in Italy in the second half of the Sixties reminds us of the current debate on the use of strategies of "self-protection through increased liquidity" in the developing world (the insurance premium of exchange reserves accumulated against the risk of crisis being equal, if not superior, to the benefits promised by the WTO Doha development round; see Rodrik 2006) as well as the (more controversial) one on the "global saving glut". While the idea of a conflict between growth and the balance-of-payment external constraint resembles today's discussions on the international architecture featuring the deficit of policy space available to emerging countries. Vicarelli believed it possible to reduce the burden of the external constraint only by means of a multi-method, holistic strategy (see Gnesutta 1996), considering monetary policy as only one of various instruments, to be *all* used for purposes of growth and development. Monetary and financial policy to smooth out the cycle and sustain accumulation; industrial policies, to boost competitiveness; fiscal policies, and income policies. Policy space, in two words. It was the right to this room for manoeuvre that Keynes strenuously defended in his plan for the reform of the global architecture (see Kregel 2015) – an updated version of Keynes's plan would center on the institution of an International Clearing Union or rather the diffusion of Regional Clearing Unions, which should avoid unduly sanctioning (thereby aggravating the problem of external equilibrium in the correction of global imbalances) deficits and surpluses that derive from successful development strategies.

The 2015 *Trade and Development Report* emphasizes the importance of the trade-off between comprehensiveness and feasibility of plans for international reforms, which evidently reduces the chances of a new, fully Keynesian global monetary order. Still, Clearing Unions on a regional scale (the European Payments System of 1950 can serve as illustration, see Amato and Fantacci 2013), Kregel argues, might substitute for central bank foreign-currency swap arrangements established to provide emergence liquidity after the outbreak of the financial crisis. It would thus become possible, by rescuing the political philosophy of Keynes's reform plans, to give substance to the discourse on the "varieties of capitalisms" (Hall and Soskice 2001), and reaffirm the right to difference, to the "diversity of policy" (CW 24, 608) invoked by Keynes as the only trait the postwar international order should not interfere with. Policy space, once again. And the generalization of such regional-in-character solution would help escape from the abovementioned trade off, enhancing the feasibility of reform without impacting on its comprehensiveness. But reform is a formidable political task, and today's policy-makers, both in Europe and at the global level, might lack (and probably lack) the authority required for creating a consensus on the need to implement the reform itself. To use words written by Vicarelli in the mid-Eighties, on commenting the stall in the process of European integration which will then be broken by the influence of the Cecchini Report and the European Single Act of 1987, it might reasonable to place our hopes on the "economist' tools. They are limited, as is known; but they are also, at this time, the only available ones" (Vicarelli 1985c, p. 106, our translation).

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