

COMUNE DI ROMA
ASSOCIAZIONE “FAUSTO VICARELLI”

*Unveiling of the plaque bearing the name of the square
Largo Fausto Vicarelli*

Fausto Vicarelli’s Scientific and Civil Commitment

Remarks by the Governor of the Bank of Italy

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The decision to dedicate a Roman square to Fausto Vicarelli shows that, sixteen years after his premature death, many of Rome's citizens and the city itself still feel a debt of gratitude to him, a strong desire to remember a figure who embodied commitment to scientific research and civil engagement.

The square, the centre of the *polis*, seat of democracy and dialectics, and the Church overlooking it, a universal community and point of reference for all men of good will, visually symbolize the values in Fausto's life.

Fausto, who was born in Osimo in 1936, was deeply attached to Rome. He attended university here, earning a degree in Economics in 1959, and won a Bonaldo Stringher scholarship. In 1961 he began a brilliant professional life, going on from a period in the Economic Research Department of the Bank of Italy to a university teaching career. In 1968 he returned to the Bank as a consultant, an intense collaboration that lasted until his death.

Fausto was not only an economist with a solid grounding in theory; he was a man of great inner poise, able to combine social commitment, sensitivity to others with a sober life-style, a dislike of display, in close accord with a tradition also characteristic of the Bank of Italy.

In the 1960s, in an atmosphere of great intellectual ferment and far-reaching institutional, cultural and economic innovations, Fausto took part in the lively debates on the economic and social situation, shunning all ideological extremism and taking the approach of one who regards economics as a discipline capable of making a concrete impact on society and serving it.

His faith was an essential part of his personality, a trait that animated his intellectual interests, foremost among which was the analysis of employment problems. In Fausto, faith truly did enlighten reason.

For Fausto, as for many of us, civic life was not restricted to the economic sphere. Economics is a necessary discipline; however, alone, it cannot capture the essence of social behaviour. As a social animal, man is not driven by economic motives only. In history, this aspect has been portrayed as being absolute by opposing ideologies – historical and dialectical materialism and ultra laissez-faire – that paradoxically agree on this point. There is economic man but there is also ethical man, who is receptive to spiritual values: there is no separation between the two natures. Reason and meta-economic objectives coexist in man. As a person, man is always sensitive to the welfare of others, in the sense that he rationally seeks, as part of his self-fulfillment, not only personal gain but also the good of his social environment encompassing his family, his work place, the city, the country to which he belongs and where he lives and works.

In interpreting Keynes's thinking, Fausto Vicarelli attributed an important role to politics, which is necessary to prevent phenomena of macroeconomic instability or attenuate their adverse consequences. Following that reasoning, in economic policy solidarity must re-establish and cement the link between democracy, economic growth and social integration.

On a more general level, there is a close relationship between the economy, society, law and politics. There can be no progress without an underlying solidarity among the members of the community. Solidarity, in turn, rests on justice.

Fausto believed that a society is just if it offers every one of its members the chance to become part of the world of work; if it allows everyone to contribute to the good of his community, to express his individual personality, to awaken to higher intellectual and spiritual values. Merit and social cohesion can coexist. They are powerful forces for progress.

Fausto interpreted the great strand of Keynes's economic and social theory with exceptional scientific rigour and with the eyes and the mind of the tradition and Christian social culture that pervaded his being. It was a fusion whose value we can now appreciate in full. Solidarity and cohesion are matters of great relevance in the national and international scene. The need for them becomes all the more evident when tensions permeate international relations and good men aspire more ardently to the greatest good, peace.

The example and the thinking of Fausto Vicarelli live on in the Bank of Italy. They remain with those of us who worked with him for many years, who knew him, who appreciated him as an economist and a man.

His economic and econometric analyses of the balance of payments and exchange rate system led him to foresee that under the floating rate regime the external constraint would emerge in new forms.

In the climate of instability, inflation and unemployment of the mid-1970s, he dedicated much reflection and analysis to the problem of the relationship between firms and finance in the actual context of Italy.

Taking Keynes as his starting point, Fausto focused his attention on the intrinsically unstable nature of the capitalist system, a highly topical issue nowadays.

Today, in a profoundly altered context, in which the financial sphere is far more developed compared with the limits and distortions of the period Fausto Vicarelli observed, these issues have gained an international dimension and a much broader impact.

The advent of global finance has increased the scope for channeling savings into investment, with beneficial effects on capital formation and growth. At the same

time, however, global finance can be a source of instability, helping to spread financial crises and turmoil. The issue of governing globalization arises.

The market alone may not be enough to ensure that the labour force and other resources are used to full advantage.

Careful economic policy measures and appropriate supervision of the financial system can correct the dysfunctions and problems stemming from the dissociation of saving from investment at the national level and in the global economy.

Fausto adopted a method of work that would lead him to understand the real problems affecting the ordinary people and to represent them in simple and comprehensible models, in a constant search for concrete and feasible solutions.

This method fitted in smoothly with the tradition of the Bank of Italy, which bases the performance of its functions on economic, legal and institutional research. Following Einaudi's rule of "knowing in order to decide", which Carli made his own and acted upon by promoting studies on the econometric model and encouraging research, the Bank, in the service of the country, promotes scientific output in a spirit of openness to the different schools of thought.

Fausto was very much a part of his adopted city and alive to its problems, its prospects, its desire to progress. He was engaged in a form of "voluntary work" compounded of culture and action, as befitted his not belonging to the category of those intellectuals who shut themselves in an ivory tower. He immersed himself in the problems of the area, the neighbourhood, the outskirts. His culture enabled him to set these issues in an organic intellectual and practical framework.

A city requires the development of participation, communication, relations, exchanges, especially when, as with this city, it speaks to the world. A city cannot be a body made up of central organs that think and a periphery that is not part of the community.

Voluntary work, places of worship, associations play a crucial role in a megalopolis.

Proceeding along a well-chosen course, for our part we are also engaged in injecting new life into places of encounter, locations where experiences, knowledge and feelings are compared.

As His Eminence Cardinal Ruini observed in the presence of the Head of State, the highest authorities of the Republic and the representatives of the city, the Bank of Italy, as tangible proof of its commitment to strengthening its ties with the scientific community and with the aim of contributing to a more balanced urban development, has built the Donato Menichella Centre in the area of Tor Vergata. The Centre houses organizational, data processing and logistical facilities in an environment that has developed into a major scientific and technological pole owing to the vicinity of the city's second university, the National Research Council, the Agency for Nuclear and Alternative Energy and the National Nuclear Physics Institute.

It was the inscrutable will of Providence that death should tragically overtake Fausto before his time, in the fullness of the fervent intellectual activity in which he was engaged and that his thought had encouraged in others. It was a different tragedy that struck down with unseeing violence other intellectuals who, like Fausto, had placed their knowledge and the results of their work at the service of the country, of the future of the young, of the dignity of man: Ezio Tarantelli, also an intellectual son of the Bank of Italy, Massimo D'Antona, Marco Biagi.

All have shown us the way, performing their role of “good escort” as we proceed along our path.

Rome and Italy will always owe them a debt of gratitude. Our task is to keep the flame burning, to carry on their scientific and social engagement, to keep their memory alive among the new generations, especially the lesson in life they have given us.

The Bank of Italy offers sincere thanks to the city authorities, the Associazione Vicarelli and the people of the quarter for honouring the memory of Fausto, whom the Bank is proud to count among the leading exponents of its culture.