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Massimo Ronchieri, Banca Popolare Etica

The languages of art and economics in times of recession

I was deeply touched by Irena's work. In it I saw the strivings and commitment of a person/citizen/activist who refuses to remain an idle bystander of the economic and social decay that is getting worse day by day. I would like to first try and explain the connection between a 'journey' through Irena's work and my own personal journey. In my working life, I have come to know several different environments. I began my career doing university research in theoretical economics, after which, naturally, I got a job in a multinational company. But not too long after I made an abrupt career change and began working in a study centre exploring the mechanisms underlying socio-economic and environmental imbalances, translating them into simple terms within easy grasp of the average citizen, and proposing ways to intervene and bring about change from the grassroots level. Next, I worked in social cooperation, a field with which I am still closely associated. In fact, nowadays, I work for the "Banca Popolare Etica" (People's Ethical Bank). I do trade union work and am actively involved in the process that has managed to create an Economic Fair Trade District in our area, where all commerce is governed by the principles of social and environmental sustainability. Ours is a non-violent movement aiming to alter our economy by putting people, personal relations, human rights and respect for the environment first and foremost.

From the social and environmental perspectives, depicting the current state of the world - its health, if you will - reveals a very dismal picture indeed, and one that is deteriorating with each passing day. If the world were a castle, until just a few years ago we Italians would have been amongst the privileged courtiers living safe and sound within the castle walls, while outside, poverty and squalor reigned. Nowadays however, those walls are closing in on us. I do not believe that what we are experiencing today is a temporary recession, but a deep, irreversible structural change that will lead to an ever-widening gap between the (few) rich and the (many) poor. More and more, my job as a bank employee is coming to resemble that of an attendant at a charity organization information desk. The financially strapped people I meet are no longer foreigners or the jobless - nowadays, it is the middle class who are finding themselves in very dire straits. A few weeks ago I advised an architect to ask for help at the well-known Italian charity organization, Caritas. He, an architect mind you, was no longer able to make ends meet on his salary. This was a man who only a few short years prior was earning about €60,000 a year! I was also consulted by a university employee and a clerk at the provincial government offices, both of whom were so over their heads in debt that their only recourse was to default and declare bankruptcy. Nowadays, many townships are at risk of being placed into receivership by the national government.

Their funds choked off by austerity measures, they have no resources to cover operating expenses and have been relegated to the role of tax exactors for the central government. Rendered incapable of paying their suppliers, many towns have accumulated as much as 12 months of back payments! They are unwillingly dragging the entire local economy to its knees. Local businesses are failing left and right, and people with them.

The absurdity of this whole messy Italian situation is that, ostensibly, it stems from the debt that we have accumulated over the years - a justification that I find hard to swallow¹. I will try to explain my reasoning. Let us analyze the Italian debt since the 1980s. Over the last thirty years we have borrowed €263 billion to cover our expenses and investments. During these three decades, the Italian economy was, on the whole, quite sound. In terms of simple home economics, with Italy as the family in question, over these thirty years a certain amount of money has come in (our earnings), and a certain amount has gone out to cover 'family expenses'. However, the difference between the earnings and the outlays has actually been positive - we have made a net profit! Potentially, we earned a net of 633 - more than enough to repay our original debt of 263. However, we have had to pay out all we have earned to those who lent us the money. Thus, we have paid back our debt of 263, plus 370 in interest. The thing is, the amount we have paid back is still not enough to satisfy those who lent us the money: they expect us to pay back about €1.900 (billion, that is)!

So who are these people we need to pay back? 40% are foreign investors, 20% Italian banks, 19% mutual funds and insurance companies, and 6% the Bank of Italy. Italian families represent only 15%. All in all, the whole thing is quite bewildering, considering that our government is largely composed of the "bank men": Prime Minister Mario Monti was an international consultant to Goldman Sachs from 2005 to 2011; Transportation and Infrastructures Minister Corrado Passera is a former manager of Intesa San Paolo; Education Minister Francesco Profumo is a former member of Unicredit Bank and brother of Alessandro Profumo, the former CEO of Unicredit, which embroiled a number of public institutions in the so-called financial derivatives mess. He is now CEO of the bank, Monte dei Paschi di Siena, which apparently has a budget shortfall of over €10 billion, which our government is currently planning to help cover with a €3.9 billion infusion of funds. Meanwhile, this same bank's former CEO, Giuseppe Mussari (within the **limited** liability system), is now president of the Association of Italian Banks (ABI).

Upon 'delving' into the *Installation for Improving the Sense of Responsibility* and seeing the great scientist Nikola Tesla 'imprisoned' on those crisp, cold banknotes, feeling his multiplied gaze all over me, I became anxious. It aroused in me the same sense of oppression that I always get when contemplating a world dominated by finance. So began a journey through the four installations: from that tiny, seemingly identical multitude, flattened to the ground and imprisoned in miniscule spaces, prospectless; then the enchanted city of receipts, perfect, but seemingly lifeless, nearly sterile, glacial and above all ephemeral; and finally, the formula, with its power to liberate and its exhortation to never surrender, to free the dream, and the single word "Non" embodying all that economic principles ignore. The beauty of mankind, the perspective of NON-violent revolution, which I believe can only be such if each of us is willing to put ourselves on the line, to relate to one another, and be prepared to change.

¹ Centro Nuovo Modello di Sviluppo, *Debito Pubblico. Kit per la partecipazione di base (Public Debt, Kit for grass-roots participation)*, www.cnms.org, 2012.

*Every social revolution is preceded by, or brings with it, a change in the perception of the world or a change in the perception of the possible, or both. Just as inevitably, these altered perceptions are first seen as ridiculous nonsense or worse by the collective common sense of the time.*²

Actually, an active, creative citizenry does already exist - a citizenry that refuses to yield or give up their dreams. It is they, who from their very perspectives as citizens, workers, consumers and savers, are inventing alternative practices, so that our economics change. For instance, the history of a product should not be viewed as irrelevant: what I make, where I make it and how, are all important. Consumption and savings can be directed towards those products and those enterprises that respect the environment, that distribute their profits for the common good, rather than to enhance the affluence of a few. Appropriately informed, we can make practical choices that guarantee jobs, respect for human rights and environmental conservation. What we must do is shift our resources from an economy centred purely on profit to one based on human relations, environmental sustainability and social justice.

Often the solution to our problems is at hand, but we cannot make it out it because we are prisoners of our own mindset, unable to imagine anything different from what already exists.

By dint of constantly being told that there are no other alternatives, we have come to believe it and have resigned ourselves to keeping within the boundaries of the system. If we had been so defeatist in our attitude towards technology, we would still be living in the Stone Age.

We dream of replicating the sun in a laboratory; we plan to land on Mars, and to interfere with the most intimate mechanisms of life. We dream, we believe and we invest ourselves. Only in the context of 'the social' is it forbidden to dream or imagine a different world. Anyone who tries proposing something new is mocked, like Copernicus (...) first mocked, then burnt at the stake.

*It is up to us to renew enthusiasm for the dream, and demonstrate, through facts, that another way of living is possible, as are another way of consuming, another way of doing business, another public sector, and another way of working. This is why it is so important to experiment, a fact that deserves political recognition.*³

Whence the lightness, the feeling of relief in the room containing ***Means for Intensifying a Sense of Poetic Reconstruction of the World***. Such change has already begun. In this regard, I would like to share some of the many heartening stories that

I have had the fortune to experience and participated in in my work. In Italy, the law provides for various different types of cooperatives. Of these, in my opinion, it is the type B social cooperative that is the most promising new organizational approach to furthering enterprise. The purpose of type B cooperatives is to help the disadvantaged enter the labour market. A job is the means to restore independence and dignity to people with difficult life stories. These 'Bs', as they are known, traditionally work in the sectors of cleaning, gardening and light maintenance. Given the social utility of their public function, their main

² Carl R. Rogers, *On Personal Power*, Delacorte Press, New York, 1977.

³ Francesco Gesualdi (Centro Nuovo Modello di Sviluppo), *Sobrietà (Sobriety)*, Milano, Feltrinelli, 2005.

clients have always been public bodies. Bs can be found mowing the lawns in public parks, or cleaning rooms in a town hall or school. But an economic crisis hits, public funds dry up, and the first cuts made are inevitably to social services.

Some years ago, the social cooperative Melograno, realizing where things were headed, decided to try and free itself of the 'public sector' and expanded into new markets and new supply chains. It jumped on the environmental sustainability bandwagon. Amongst their various activities, they decided to set up small fountains serving up natural and effervescent water in public places. They were simple wooden stands in squares and streets where citizens could go to stock up on mineral water, paying a nominal fee for the service. For most, this meant not having to buy bottled water, thereby saving money. After only 3 months in business, one such fountain has enabled the citizens of a small town of 5,000 inhabitants to save €15,000, and has spared the environment 60,000 plastic bottles, while at the same time creating 150 hours of work in a social setting. All this in only 3 months! Moreover, profits have been diverted from the multinationals in the mineral water sector and distributed to consumers and workers in the social sector, with considerable benefits in environmental terms: reduced road transport for bottled water, less oil used to manufacture the plastic bottles, and lower toxic emissions from disposal of the plastic.

All this has been made possible thanks to the support of ethical financing instruments. Indeed, the entire operation was financed by the cooperative, using social savings. The law allows cooperatives to open savings accounts for its members. So, some cooperative members, instead of depositing their savings in a bank, keep them in the cooperative in return for a minimal interest rate. The cooperative can thereby finance projects. Another source of funding was the Banca Etica, one of whose functions is to guarantee a transparent flow of money. Clients who bank their savings at Banca Etica know exactly what their money is being used to finance. At a time when the banking system has shut off the taps, and access to credit has become ever more difficult, the instruments of ethical finance have kept the cooperative liquid. This enabled them to go to town halls, where administrators were eager to set up their small fountain stands, but lacked the financial resources to do so, and propose that the cooperative itself front the money for start-up costs in exchange for an annual fee. But the project did not stop there. The cooperative, together with the towns, initiated an information campaign (with presentations in schools, meetings with local merchants and business associations, and so forth) to 'educate' citizens on the consumption of water resources. A sense of participation and community was kindled, and shop owners too became partners in the project; they began offering prepaid cards for use of the water fountains. Now, these cards can be found only in shops scattered around the region. The townsfolk have gone back 'to living' the shop beneath their homes. A process of 'conversion' of consumption had begun, and the shelves of these shops are now stocked with local products, short supply-chain goods and organic produce. This small town has managed to shift from the profit economy, to a local economy governed by precepts of social and environmental sustainability, and from speculative to ethical financing.

Another story involves a farmer who used to cultivate organic vegetables for ethical purchasing groups. Members of such groups are very heedful consumers. They want to know exactly what they are purchasing and seek to establish a certain solidarity with producers. However, even the most ethical of buyers has been spoiled by the life style of our consumer society, which has accustomed us to having courgettes in winter, when natural winter cultivation will yield, at best, cabbage and beets. Ethical buyers may also sometimes complain when their wintertime package contains vegetables on the measly side in terms of

both quantity and quality. Then, the fields explode in summer. The August earth is bountiful, but we all take off on holiday, and family farmers are left holding the bag, literally – an overabundance of produce that they simply do not know what to do with.

As for our family farmers, all of a sudden many have unfortunately had to abandon their fields because the aquifers have been polluted by illegal waste dumping. For them the situation is dramatic, but scarcity often becomes a resource, nearly a dream come true. Over this ‘misfortune’, a small group of crackpots decided to risk a wager: to go beyond the traditional relationship of producer to consumer, even beyond the idea that vegetables are bought and sold by weight. The farmer’s job is one of the most important in the world, they reasoned. Farmer’s markets cannot be left to fickle fate - the risk of a bad year or unforeseen adversity should not be borne by those who work the land. The risk is the community’s. So, the proposal was launched: create an association whose aim is to pay farmers a fixed salary, regardless of the amount of produce. All members pay €300 annual dues and must moreover pledge to work 16 hours a year in the fields. The harvest will be divided equally among all members and distributed in weekly packages (provided there is any to distribute). In order to get off the ground, the project would require a minimum of 120 members. The task of finding 120 other crackpots willing to pay for vegetables they were not even sure of ever receiving, and who would moreover have to work the fields seemed an insane enterprise. The idea was launched in September; by January the minimum number of members had enrolled and the association got underway. Today, it is in its second year of operations, and ...oh the vegetables we eat!

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