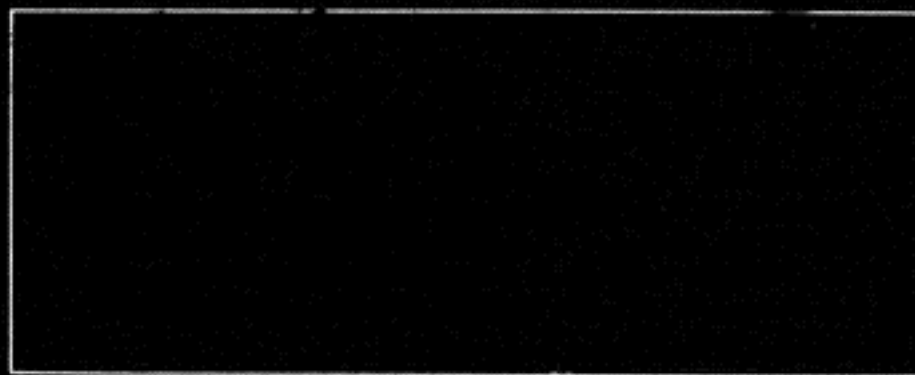


BANCA NAZIONALE DEL LAVORO
QUARTERLY REVIEW



R O M E

BANCA NAZIONALE DEL LAVORO

HEAD OFFICE: ROME
VIA VITTORIO VENETO, 119

Condensed Statement of Condition, December 31st, 1947.

LIABILITIES	(Lire)	ASSETS	
Capital	1,150,000,000	Cash, Balances with Banks & Money at call	41,684,244,764
Ordinary Reserve Fund	212,000,000	Investments	
	1,362,000,000	Govt. & semi-Govt. Securities & Treasury Bills	10,669,686,972
Deposits & Current Accounts	102,235,277,740	Other Securities	326,572,124
Cheques in circulation (<i>assegni circolari</i>)	9,312,978,432	Contango, Advances on Securities & Loans	49,265,857,699
Bills for collection	2,329,143,713	Bills receivable & Re-discounts	27,387,561,026
Guarantees & Acceptances for A/C of Customers	20,660,133,519	Sundry Accounts	802,680,127
Sundry Accounts	13,132,932,555	Premises	177,187,385
Staff individual Retirement Accounts	1,900,468,189	Furnitures & Fixtures	1
Unearned Discount & other unearned Income	562,157,232	Customers' Liability for Guarantees & Acceptances	20,660,133,519
Profit	78,832,237		
	151,573,923,617		151,573,923,617
Depositors of Securities	23,170,369,901	Securities deposited by Third Parties	23,170,369,901
Accounts guaranteeing special Accounts	11,538,943	Special guaranteed Accounts	11,538,943
Bank's Securities guaranteeing staff Assistance & Retirement Fund	1,889,042,000	Staff Assistance & Retirement Fund—Securities deposited by the Bank as guarantee	1,889,042,000
	176,644,874,461		176,644,874,461

AUTONOMOUS SECTIONS FOR SPECIAL CREDITS

SECTION FOR CREDIT TO MEDIUM AND MINOR INDUSTRIES

Capital and Government Guarantee Fund L. 2,275,000,000

SECTION FOR HOTEL AND TOURIST CREDIT

Aggregate Capital and Reserves L. 197,597,664

SECTION FOR CO-OPERATIVE CREDIT

Capital L. 500,000,000 - Government Guarantee L. 2,000,000,000

SECTION FOR MORTGAGE CREDIT

Aggregate Capital and Reserves L. 99,974,926

SECTION FOR CINEMA CREDIT

Aggregate Capital and Reserves L. 383,589,304

SUMMARY

In the paper "Evolution of the Psychology of Work and of Accumulation" Professor Corrado Gini anticipates for this Review an essay on his most recent researches in the field of the sociology of labour, a subject dealt with in a book now in the press (*Economia laboral*. Ojeda historica y primeras lineas teoricas con aplicaciones a la sociedad americana. Editorial Labor, Barcelona-Buenos Ayres).

The author accepts the psychological criteria of differentiation of social groups and depicts the evolution of society and of the spirit of accumulation in relation to the changes that have occurred in the psychology of man the worker, throwing into relief the main stages of this development. The importance of the last stage — that of spontaneous and pleasurable work, of which the United States represents the most advanced type among the Caucasian peoples — is such as to induce the author to suggest once again the need for an economic science wider and more comprehensive than "bourgeois" economics, which he calls *Integral Economics*: this should be based on a more general theoretical outline covering the whole of the historical development of human psychology and institutions.

The problem of unemployment is today the most worrying aspect of the economic recovery of Italy and it is being specially studied by Italian economists in relation to its structural character and its dynamic basis, which is due to demographic pressure.

The great interest aroused in Italy by the "Keynesian revolution" has, however, resulted in most careful consideration — also in public investigations — of the diverse schemes for full employment policies, from the standpoint of their possible practical application to Italy at the present time. This has brought out the basic conditions which differentiate the Italian economy from those economies where the full employment policy was originally worked out; the conclusion seems to be that there is a possible, but distinctly limited, field of application in this country.

In his paper entitled "Some Aspects of Italian Economy and the Theory of Full Employment", Professor Vittorio Marrama illustrates with statistics these basic conditions and limitations.

In the paper "Italian Foreign Trade in the Framework of World Trade" Professor Guglielmo Tagliacarne gives a comprehensive statistical survey of the movements of Italian foreign trade from 1881 to the present day, illustrating certain fundamental aspects of Italian economy and its international relations. This analysis brings out clearly the process of industrialisation within the country, the changes in the standard of living of its people, the effects of the autarchic policy pursued in the years preceding the second world war, and the dislocations that have taken place in the sources of supply and the outlets for production.

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Oscar Sinigaglia — President of the public holding corporation *Finsider*, which controls the most important groups in the Italian iron and steel industry — is one of the most authoritative proponents of the possibility of operating in Italy an iron and steel industry at internationally competitive costs. This view is reaffirmed in his article on "Prospects of the Iron and Steel Industry in Italy", which shows the basic difficulties, both technical and economic, confronting this industry in the post-war period. The author suggests a rational solution of these problems within the framework of the reconstruction plan envisaged by E.R.P.

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The anti-inflationary policy introduced by Professor Einaudi at a time of acute monetary crisis in Italy had results in the autumn of 1947 that were scarcely hoped for: the arrest of the rising price level and the beginning of a reverse movement. This experiment which has attracted much attention, also in other countries, is studied by Professor Luigi Federici in his article "Six Months of Economic Policy in Italy". The form taken by the Einaudi policy, its objectives and its repercussions, are here discussed in the setting of the particular, distorted conditions that inflation had produced on the Italian economy. Criticism levelled at this policy by the interest affected are refuted by the author, who regards the direction thus given to Italian economic policy as the only rational and possible one for anyone wishing to undertake the difficult task of saving the lira, in the given circumstances.

The author maintains, however, that the success of the Einaudi policy is imperilled by serious factors which are impeding the readjustment of internal prices to an average level lower than that of the summer of 1947. Above all, he regrets the rigidity of production costs and the financial administration of the Government which — influenced perhaps by temporary political and electoral pressure — has not yet ventured to impose the necessary "austerity" measures and, since the end of November 1947, has adopted an attitude directly opposed to the aims and methods of the Einaudi policy. This contradiction is stressed by the writer, who fears that in this way the remaining power of the Einaudi policy may be frustrated, with serious results for Italian economic recovery.

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In his "Note about the Survey of Current Inflationary and Deflationary Tendencies" Professor Giulio Pietranera examines critically a recent publication of the United Nations' Department of Economic Affairs. He considers some of the statistical material concerning inflation in Italy and discusses the unusual coincidence of this inflation with widespread unemployment, which the *Survey* regards as a particular and exceptional case.

The Banca Nazionale del Lavoro assumes no responsibility for opinions or facts stated by authors whose contributions are published in the present Review.

All communications regarding the Review should be addressed to Banca Nazionale del Lavoro, Ufficio Studi, Roma, Via Vittorio Veneto 119.

Editor: Dott. LUIGI CERIANI - Ufficio Studi, Banca Nazionale del Lavoro

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Stabilimento A. Staderini - Roma, Via Crescenzo 2

Evolution of the Psychology of Work and of Accumulation

by
CORRADO GINI

1. — The most highly developed forms of wealth, civilisation, art and military power as well as all the other conquests of mankind are, broadly speaking, the result of work, including in this term not only manual labour, but also intellectual activities. This is an undeniable and universally accepted fact. It is strange however that people should have taken so long to deduce from this fact a truth which is its natural corollary, namely that the changes in man's propensity to work are the main cause of human progress. This is a logical consequence of the first truth, inasmuch as the more valuable human qualities are to the species, the more they are affected by natural selection, which must have been particularly persistent and intense in the effect it had on man's propensity to work.

It is quite useless, therefore, to try to find evidence of the evolution of the human species in shades of pigmentation or in the ratio between the length and breadth of the skull, between the breadth and height of the nose or between the size of the trunk and the limbs. These traits are of no value or at most of very little importance for the survival of both individuals and groups, so it is not surprising if, in these respects, the human species has remained practically stationary. It is on the contrary in the changes occurring in psychology of work that we must look for evidence of mankind's past and present evolution.

2. — It is easy to find in facts convincing confirmation of these logical deductions.

If we study the populations that are still at the lowest cultural level and who, as regards some fundamental traits, are held to reflect the original state of mankind, it soon becomes apparent that such peoples are to be found among all the great races of mankind.

They include all the Pygmies of Africa, Asia and Oceania, all the Bushmen and other Pigmoid races in India and Indonesia, many Negro races and, in Australasia, the Tasmanians, Australians and several Melanesian races; they also include the Paleo-Americans of Tierra del Fuego — Yamans and Alakalufs — and their neighbours the Onas — neighbours geographically, but of a markedly different race — as well as those of the Brazilian forests and California, the American Indian races of the Amazon Valley and Mexico, almost all the hyperborean peoples of America and Asia, and, lastly, the Ainus, who are representatives of the Caucasian race.

The somatic characteristics of these peoples differ widely, as do most radically their social systems, religious beliefs and practices, ethical and social rules and the regulation of the relations between the sexes. We find among them patriarchal and matriarchal systems, peoples that are strictly monogamous, others that are polygamous and some that are polyandrous; we find monotheists and polytheists and animists; sun-worshippers and moon-worshippers; cannibals and peoples that abhor human flesh; warlike tribes and peace-loving tribes; meek races and savage races.

Also the intelligence of these peoples differs widely. The civilised peoples of the world had built up a theory flattering to their pride, according to which mankind was divided into two categories: on the one hand, the primitive peoples with a pre-logical, almost pre-human mental development; on the other, themselves — the civilised peoples — endowed with a logical and experimental mentality. But the objective studies of ethnographers and sociologists, who have lived in close contact with primitive peoples, have demolished this flattering construction. The truth is that among primi-

tive as among civilised peoples, intellectual qualities vary considerably, but, taken as a whole, it can hardly be said that there is a radical difference in raw material between one category and the other. Undoubtedly the primitive peoples are deficient in some of our qualities and, particularly, in the power of abstract thought; on the other hand, however, their power of observation surpasses ours. Incredibly obtuse, as a rule, where arithmetic is concerned, their geometrical sense is superior to that of the civilised peoples. An impartial study of the question compels one to conclude that it must be a matter of different adaptation to different systems of life. As a matter of fact, while the primitive peoples would undoubtedly be at a disadvantage in our environment, we should be equally at a disadvantage in theirs. In fact, a civilised man would die ten times a day under conditions in which a primitive man has no difficulty in getting along, and he would hardly know how to find means of existence for himself alone where the primitive man is able to support a large family. Nor can this be attributed to the greater keenness of the senses of primitive man, which generally does not exist, or to his greater strength and resistance; it merely depends on the fact that the primitive man is better able to take advantage of circumstances of time and place of his environment and of the habits of animals (1).

But where all the primitive races differ radically from the civilised is in their psychology of work.

The following anecdote gives a clear picture of the psychology of the primitive races. On taking possession of an estate he had acquired in Mexico, a wealthy American was horrified at the starvation wages paid to the labourers and, when Saturday came round, he informed them of his decision to raise their wages to a proper level and, as a proof of his good intentions, gave them double pay. Needless to say his generosity was welcomed with great rejoic-

(1) See CORRADO GINI *Le rilevazioni statistiche tra le popolazioni primitive*, third edition, in « Manuali Universitari della Facoltà di Scienze, Statistiche, Demografiche ed Attuariali della R. Università di Roma », and the article *Cause e Caratteristiche della Primitività* in « Genus », organ of the Italian Committee for the study of population problems, Rome, Vol. V, No. 3-4.

ing and manifestations of gratitude and the American spent a very happy Sunday, congratulating himself and dreaming of wonderful plans for a solution of the thorny agricultural problem in Mexico. But on Monday none of the labourers turned up — not a single one of them. Amazed, the American questioned his stewards. — Had there been some misunderstanding? Perhaps the labourers had not understood his decision properly? He had doubted their wages. And the labourers had seemed so delighted. — Certainly, replied the stewards. — Not only had they seemed delighted, they really had been so. Never, within the memory of man, had anyone been so popular as the American gentleman. The labourers would most certainly return to work — there was no doubt about that — but only the following week, for, as their double pay enabled them to live for another week, they would only need to work again the week after.

This psychology is common to all peoples at a low cultural level. However different they may be as regards race, social systems, religion, morals and customs, in one thing they are all alike: they refuse to work more than is absolutely indispensable for getting a living. They are on what may be described as the *animal level of production*.

3. — Only the coercion of a domineering exploiting race can succeed in raising them above this level. Thus, from the animal stage of production, society advances to the *stage of enforced labour*.

Many savage races are now at this stage and many have lived through it in the past, forced to work more than was necessary for their livelihood and this for the benefit of other groups by whom they were subjected and enslaved. This was the stage that had been reached by the society of classical antiquity. The Greeks were in the habit of justifying slavery by asserting that, if the people were free, it would be impossible to get them to work.

If this coercive system be interrupted after a comparatively short time, the enslaved peoples fall back into their former primitive way of life. This is what happened to the Guaranies in Paraguay, who were organised by the Jesuits. The Jesuit Missions won the admiration of the

Europeans for the orderly way in which they were run and the prosperous appearance of the native population, for their regularity and the economic yield of the concern. The natives do not seem to have shared this enthusiasm, for they often ran away, saying that the work they were compelled to do was unbearable. When the Jesuits were expelled, the Missions broke up, leaving no noticeable trace of their beneficial influence on the psychology of work of the native races. Likewise the peoples subjected by the Incas and organised under an iron rule of enforced labour, returned to their former primitive conditions as soon as the empire fell, when attacked by Pizarro.

4. — But if this system of enforced labour lasts for a long period of time, as it did in Europe, where it obtained for thousands of years, the continuous selection of such elements as are least refractory to work and, later on, of those who are most willing to work, which automatically takes place in a servile society, finally succeeds in permanently modifying the attitude of the people towards work. Slowly a new and ever more numerous class of persons arises and differentiates itself from the labouring masses, a class for which work is not such a terrible effort and which is therefore ready to work more than is absolutely necessary for a livelihood. When access to power is precluded, this extra work can only be directed to the satisfaction of less urgent needs. And thus the future bourgeoisie is prepared which, after the French revolution, was to dominate European society and set its mark on the whole of the XIXth century. This new psychology of work ensures production without compulsion; consequently slavery and servitude are abolished and the *stage of free work* takes the place of that of enforced labour.

The limit of the less urgent needs which people are willing to work for varies greatly from one people to another. To a great extent it depends on the greater or lesser severity of the system of enforced labour to which the peoples were subjected in the past. Where it was less severe, as was generally the case in the more fertile regions and warmer climates, we find a psychology that is satisfied with the first economic conquests. On the other hand,

where a less generous Nature and a colder climate rendered harder work both necessary and possible, we find that people are ready to make a greater effort with a view to obtaining goods that others would look upon as mere luxuries, if not superfluities. Thus, as between one bourgeois society and another, there is a whole scale of propensity to work and, of course, also in one and the same society there are radical differences from one group to another and from one person to another which tend to place them on one economic level rather than on another.

5. — But from the working masses another shoot was to spring from which a further stage in the psychology of work was to develop.

The more adventurous and enterprising of the seasoned workers took advantage of the new means of communication and crossed the seas to seek their fortune in the new countries on the other side of the Atlantic. In the United States, the bourgeoisie and the gentry that had first landed there, and had organised an independent State, were submerged by the ever increasing flow of immigrants. The hard ordeals the latter had been through at home and the spirit of enterprise that had led them to emigrate, together with the attractions of a pioneer's life, the stimulating effect of the new climate, the abundance of farm produce that this virgin land placed at their disposal, and the development of machinery which made production less laborious, further contributed to reduce the hardships of work, thus facilitating the rise of a new psychology which looked on work as a normal manifestation of one's personality and therefore, within certain limits, as pleasurable. Thus the *stage of voluntary work* started.

The society which sprang from it — and which, in opposition to European capitalistic society, I have called *labouristic society* (2) —

(2) In my lecture *America: stirpe di lavoratori (Un profilo del Nord America)* held at the Centro di Studi Americani on December 19, 1939 and later published in this collection of this Centre's Statistical Economic Committee (Carlo Colombo, Rome 1940). Enriched by an extensive statistical documentation it was later translated into German and published by « Weltwirtschaftliches Archiv », July 1940, with the title *Europa und Amerika: zwei Welten*. Lastly, this lecture was further developed and published under the title: *Una società « lavorista »* in the « Rivista di Politica Economica », June 1940, and, in a

has many characteristic traits which differentiate it from *bourgeois society* no less than the latter differs from the *servile society*. Not that work is looked upon as a pleasurable activity by all members of the labouristic society, just as, in the servile society, there were people who were ready to work more than was strictly necessary for their livelihood, and in the bourgeois society there are people — left over from the preceding stage — who are refractory to work and others — forerunners of the future stage — for whom work is a pleasure. But in each of these three types of society, the representatives of the psychology of work that characterises it, were and are the most important, if not the most numerous.

One of the first things that strikes Europeans on landing in the United States is the paroxysm of activity everywhere; people seem to live for their work rather than to work for a living. The revolts of convicts when they are given no work to do show that the hardest punishment which, in servile and bourgeois society, used to be forced labour is now enforced idleness in America's new labouristic society. Over there, the civil servant or the professor who, in Europe, still longs for the day when he will be able to retire on a suitable pension, dreads the "endless holiday" awaiting him when he reaches the age limit and which frequently, we are assured, shortens his life (3).

Spanish translation in the « Revista Mexicana de Sociología », Vol. III, n. 1-2, 1941.

(3) In relation to the above, see, besides the articles mentioned in the preceding foot-notes, the articles on *La crisi mondiale* in « L'Information », Sept. 5, 1930 and August 20, 1931; the book *Prime linee di patologia economica*, Giuffrè, Milan, 1935, pages 16-17 and 594-597. The article of Sept. 5, 1930 in « L'Information » was very much spoken of in the international press. See « Il Popolo d'Italia » (Milan) Sept. 5, 1930 (*Origini e conseguenze della crisi mondiale in un acuto studio del Prof. Gini*); « Il Corriere » (Rome) Sept. 6, 1930 (*La crisi economica mondiale esaminata dal Prof. Corrado Gini*); « L'Informaßion » (Paris) Sept. 6, 1930 (*Ce qui se dit en bouffée*); « Il Corriere » (Rome) Sept. 7, 1930 (*Cause e vicende della crisi economica mondiale*); « La Finanza d'Italia » (Milan) Sept. 9, 1930 (*Il carattere psicologico e materiale della crisi mondiale*); « Le Temps » (Paris) Sept. 17, 1930 (*L'homme américain*); « The Evening World » (New York) Sept. 23, 1930 (*Homo americanus*); « The Weekly People » (New York), Oct. 17, 1930 (*The Wrong Key*); « Criterio » (Buenos Aires) Oct. 22, 1930 (*Los economistas y la crisis mundial*); « El Cronista comercial » (Buenos Aires) Oct. 23, 1930 (*La situación económica italiana*); « Nueva Epoca » (Santa Fé) Oct. 26, 1930 (*Los economistas y la crisis mundial*); « Atlantica » (New York) Oct. 1930 (*Atlantica's Observatory*); « Commentaires » (Paris) Dec. 17, 1930 (*Une nouvelle théorie des crises économiques*).

Still more marked is the difference between the American man, who represents the Far West, and the man of the Far East.

In 1929, when I was teaching at Minnesota University, I was present at a most instructive debate between two Chinese and two American students, each asserting the superiority of their concept of life. Confucius' "Food, children and a home" and the joys of the spirit summed up the Chinese ideal, whereas the American ideal was represented by the constant growth of production and trade (this was just after Hoover's election — when ever increasing prosperity had been the slogan of the triumphant Republican party — and on the eve of the ensuing over-production crisis). A bridgeless abyss separated these two psychologies; the morphological differences between the two Americans and the two Chinese were negligible indeed as compared with their psychological differences.

As far as the psychology of work is concerned, the U.S.A. are certainly in the vanguard of the Caucasian peoples, the rear being made up by the peoples of the Far East. This psychical difference is of such importance socially, that we should be justified in taking it, rather than the shades of pigmentation or the shape of the skull as our basis when classifying the Caucasian stock, and in distinguishing an *homo orientalis* from an *homo europæus* and from an *homo americanus*.

6. — Even in the United States, the labouristic psychology has spread above all among directors and managers on whom the high yield and regularity of production depend. Now it is important to note that in Europe also this psychology is gaining ground among the captains of industry, showing that an evolution towards the stage of a labouristic society has already begun.

The fact is that a vertical selection, very similar to that which occurred horizontally when the most seasoned workers emigrated to America, has taken place, inasmuch as, other conditions being equal, such workers were more easily able to climb the social ladder and reach the top. One of the circumstances, which particularly favoured the growth of the labouristic psychology both in Europe and in America during the nineteenth century, was the great in-

crease in population, which led to the keenest competition among the industries. In view of the rapid progress of technology and particularly the expansion of markets due to the improved means of communication, the successful enterprises were those that managed to develop most. Consequently the smallest possible part of the entrepreneur's gains was assigned for consumption and as large a part as possible re-invested in the concern, leading to an insatiable crescendo of activity and production.

The diffusion of the labouristic psychology among the upper directing classes is further promoted by a selective process which favours the directors and managers whose work is inspired by this psychology; in view of their exceptional efficiency, such persons are eagerly sought after and receive exceptionally high pay.

In this as in many other fields, keen competition and lastly the world wars have hastened the evolution and, as often happens in such circumstances, the most backward peoples have been the first to try and rush the pace.

Under the Empire of the Tears, the Russians, who were the last of the European peoples to emerge from the servile state and in many respects indeed had not yet emerged from it, were still at a pre-bourgeois stage. Among the Europeans, they were the prototype of the *homo orientalis*. Lenin was well aware that it would not be possible to bring them up to date unless a radical change was brought about in their psychology of work and he explicitly stated that an iron rule of enforced labour was essential if the will to work was to become rooted in the Russian people. Enforced labour, to which the exercise of all political and social rights is subordinated, is actually the rule there. This means that there has been a return to the stage of coercive work, the intention being to pass straight on from there to the stage of voluntary work. Some people look upon "stakanovism" as a first step in this direction.

Whether following the Soviet example or spontaneously, the duty of work was inscribed with a fine flourish of words in the Fascist Government's "Labour Charter". But it was never put into effect; on the contrary, during the war, the Government attempted to acquire if not the favour, at least the acquiescence, of the

workers and particularly of the civil servants by reducing working hours at a time when all other countries at war were lengthening them as a matter of course. Shorter hours became the order of the day, especially in the capital, where the need of well organised work was most felt.

Another measure adopted under the Fascist Government but never actually put into practice, was the so-called "labour service", which required the members of the upper classes, both men and women, within certain age limits, to devote a certain period to manual labour.

Historically this measure may be linked up with the old requirement of the "corvée" which obliged vassals to do certain work for their lords. Now that the township has taken the place of the lord, this system is still to be found in some mountain villages, and there are traces of it in some farming contracts, which stipulate that the tenant farmer or métayer or cowherd is to do a certain number of days of unpaid work for the landowner.

After the first world war, the demand for labour for public works brought the above system into force again, and some States (Bulgaria appears to have been the first in 1920, followed the year after by Peru) (4) ordered that all men of a certain age must work for a certain number of days for the State without pay.

New developments occurred in this system in Germany, where the labouristic psychology was probably more developed than in any other country of Europe. Here the aim of the labour service (manual labour always) was not only to relieve the shortage of man-power in certain branches of production and, particularly, to carry out land reclamation, but also to convince young people that manual labour is honourable and that the manual worker should not be despised. This system was applied extensively not only to men but, not without drawbacks, to women also.

In drawing up this programme Germany's aim therefore, and that of Italy also, was not

(4) Information on this point may be found in ASTOR ZUCKA's *Trionfo del lavoro* - Roma, Casa Editrice Mediterranea, 1942, which is full of interesting references, though frequently spoilt by a one-sided and boundless enthusiasm for everything German.

only economic, but also social, the goal being to lessen class distinctions which were accentuated by the growth of the party hierarchy.

During the last war, this double purpose induced all the belligerent States to mobilise their workers, both to avail themselves of their full working potential and to remove from the working classes any pretext of discontent towards the upper classes.

Quite apart from exceptional war requirements, the social service system installed in Rumania in 1938 deserves to be mentioned; unfortunately it came to an end after only one year as a consequence of domestic and international events.

In Rumania, social service did not refer to manual labour, but to intellectual work. For a period of some months intellectual workers had to take part in the activities of cultural centres which, founded in every village and divided into four branches: public health, organisation of labour, agricultural and co-operative technology and moral and intellectual education, gathered together the intellectuals (teachers, priests and civil servants) and the peasants' representatives in order to place at the disposal of the people all that they needed in the four spheres considered. This service was compulsory for all pupils of both sexes frequenting colleges or universities and its aim was to make the intellectual classes aware of the poverty and nobility of farm life and to test their capacity for satisfying the needs and raising the standard of life of the peasants (5).

This system, whose purpose is to make manual work properly appreciated, takes into account the fact that, in order to appreciate it, one must be able to understand it and that in order to understand it, one must come in close touch with it. On the other hand, it has not the drawbacks of the German system which, by enforcing manual labour, in many cases causes people to hate it, instead of having a higher opinion of it. Nor should it be forgotten that the members of the intellectual classes very often have not the physical resistance required

(5) See article *La Sociologia in Romania* in the « Bollettino di Legislazione Comparata » of the Italian Board of Education, Nos. 3-4, 1946. Spanish translation, with some additions and bibliographic notes, in the « Revista Internacional de Sociologia », Year V, January-March 1947, no. 17.

for manual labour and, in any case, lack that experience which is only acquired through practice, so that in reality this periodic labour service with the lower classes weakened rather than strengthened the social hierarchy that so many other measures were trying to consolidate.

Lastly, life in common with the lower classes, who are certainly more backward as regards the morality of family life, was fraught with dangers for young people and particularly for girls.

In any case, the Soviet system as well as those of Bulgaria and Peru, the German and Italian systems as well as the Rumanian, are all evidence of the greater esteem in which manual labour is now held by public opinion.

On the other hand, however, the constantly falling birth rate and the consequent weakening of the urge to accumulate property which, in bourgeois society, came from the wish to transmit one's property to one's children, are undermining the foundations of this society and lead one instinctively to seek the urge to production in another source (6).

From various practical requirements, from a number of ideologies and, opposing systems, forces are converging to promote the passage of economic organisation from the stage of free work, characteristic of bourgeois society, to that of voluntary work, characteristic of the labouristic society.

7. — Obviously the picture I have given here of the evolution of the psychology of work is schematic. Further it is restricted to the European races and their ramifications on the new continents, among which the main current of civilisation has developed during the last thousands of years. It is not at all improbable — it is even quite likely — that, under the pressure of similar factors, a similar evolution or at least certain stages of a similar evolution, may have repeatedly occurred among other races. This has most certainly been the case in Japan.

(6) See on this subject the author's lecture *Die Krise der Bürgertums und die Bevölkerungspolitik der totalitären Staaten* held at Berlin on February 8, 1942, under the auspices of the « Deutsch-italienische Studienstiftung » and published in German in the « Zeitschrift für die gesamte Staatswissenschaft », 103 B., 2 H., 1943 and, with some slight additions, in Italian with the title: *La crisi della borghesia e il compito dei regimi totalitari*, in the « Archivio di Studi Corporativi », Year XIII, Nos. 2-3, 1942.

In ancient Egypt also, where manual labour was first looked down upon with the utmost contempt (7), we are assured by competent persons that a stage was reached later in the psychology of work, when it was considered a pleasure and the reward to which one aspired in another and better life (8). But later on this psychology disappeared (probably, I imagine, as a result of the infiltration and ultimate occupation by foreign races which, originally imported for labour or military service, ended up by getting the better of the autochthonous dynasties), so that it was to have no direct influence on the subsequent evolution of civilisation.

There is also no doubt that through the hard ordeals of life and especially through hard toil in the fields, there must several times have been a selection among the European races themselves, apt to promote the aforesaid evolution in the psychology of work. It is more than likely that in such cases the acquired qualities of laboriousness and thrift were advantageous to the race and contributed to place it above its neighbours — the Romans were an outstanding example of this. But these particular tendencies were subsequently absorbed by the general tendency, so that they do not disturb the synthetic picture I have tried to give in the preceding pages of the main thread of the evolution of the psychology of work.

8. — It is tempting to shape the first theoretical schemes of the organisation now arising. For the traditional political economy that developed during the formation of the bourgeoisie and became a systematic scientific organism just as the latter was preparing to take over political dominion, is essentially a *bourgeois economy*. It is not suitable for formulating the economic laws at the stage of enforced labour inasmuch as ex hypothesi it excludes coercion. Nor is it suitable for formulating the economic laws at the stage of voluntary work as its explicit pre-

(7) See R. THURNWALD'S *Staat und Wirtschaft in alten Ägypten*, « Zeitschrift für Sozialwissenschaft » IV, Berlin, 1901, pages 697, 714, 769, 788.

(8) See on this subject L. SPILLERS' *Les figurines funéraires égyptiennes*, Fondation Universitaire, Bruxelles, R. Sand, 1925, pages 158-171. A. ZEMKA'S *Trionfo del lavoro*, Casa Edit. Mediterranea 1942, pages 84-89; and F. MAROT'S *L'agricoltura nel libro del lavoro del nuovo Codice Civile*, « Atti della R. Accademia dei Geopofili », 1942, pages 16-17.

mise is that work is not pleasant. An inclusive economic science, what might be called an *integrated economy*, would have to be based on a more general theoretical scheme, of which the servile and bourgeois and labouristic economy would be particular cases (9).

A study of servile economy is of great scientific interest to the historian and ethnographer; the study of the new labouristic economy is also of great scientific interest and of great present importance, if it be true that mankind is heading towards it as stated here. I have already traced the outlines of the special labouristic society that has come into being in the United States in a former article (10), but the subject deserves to be taken up again from a more general and theoretical standpoint.

Here I shall merely complete the general picture I have already traced of the evolution of the psychology of work with a similar survey of the evolution of the psychology of accumulation.

9. — The evolution of the psychology of accumulation is taking place side by side with the evolution of the psychology of work, since the esteem in which wealth is held is closely connected with the esteem in which the work producing it is held.

At the animal stage of production, there is really no accumulation. Many primitive races are quite unacquainted with this concept; they live from hand to mouth. This is usually the case among peoples inhabiting equatorial or tropical regions where the seasons are hardly felt or, at any rate, where there is, if not the same abundance, at least the possibility of a livelihood the whole year round. In these regions, moreover, the hot and often damp climate would make it difficult to preserve food. Like certain reptiles, primitive man under these conditions stuffs all the food he can when the

(9) The subject is dealt with in detail in the article: *Unità o pluralità della scienza economica? Un tentativo di coordinare i vari concetti di Economia politica e di inquadrarne l'evoluzione* in the « Rivista di Politica Economica » Nov.-Dec., 1942. A more extensive edition of this article was published under the title *Alle basi della scienza economica* in the volume in memory of the late G. Masci. With further additions, it was then reprinted separately by the same publisher A. Giuffrè, Milan 1943.

(10) See articles mentioned in note (2) and particularly the last and most inclusive *Una società « lavorista »*.

opportunity presents itself and then slowly digests it while resting for several days to come. It is said of some peoples that, in times of famine, they extract the seeds of the fruit eaten at the time of the crops from their excrements; the Indians of California, who used to follow this system, called it the "second crop". This is undoubtedly the most primitive and involuntary form of saving and puts one in mind of the coprophagous habits of rabbits and guinea-pigs.

In temperate and cold climates, where putrefaction is slower, there is no need for food to be consumed immediately and in excessive quantities, and primitive man, who has killed a large animal or caught an exceptional number of fish, need not overload his stomach, but can put something aside for future meals, just as many animals do under similar circumstances. This brings us to the formation of seasonal reserves, representing the first form of planned saving.

As a general rule the changing seasons are accompanied by a periodical modification in food sources which, should they happen to be scarce or lacking at any time, would make it impossible for the population to survive without forming adequate reserves. Even the most primitive peoples, therefore, are in the habit of setting aside a part of the available food for the dead season, just like a number of animals.

It is too soon as yet, however, to speak of accumulation in the true sense of the word, for these reserves are not meant to be accumulated but are certain to be used up within the year. It is only when savings are made in consideration of indeterminate or at least uncertain needs, such as illness, invalidity or old age, or for the needs of one's descendants or as the result of instinctive urge, that we can really speak of accumulation.

10. — This occurs systematically for the first time during the stage of enforced work. In this case also — needless to say — the savings are enforced. It is the race or class or person enforcing the work who benefits from them, often as a consequence of the authority given by military strength, but sometimes also as the result of magic or religious power, in which case the savings may be said to be more of an

institutional than of a personal nature, as when they take the form of habitual offerings or of levies due to the temples.

Of course the wealth thus accumulated is considered in quite a different way by those disposing of it from private riches in the bourgeois society.

Those who dispose of it can rely on its constant renewal, so that they are not inclined to put anything aside. Their position is the same as that of the primitive inhabitant of the tropics who, counting on the abundance of the land, feels no urge to form reserves. Nor are these persons particularly interested in increasing more than is necessary the wealth that others accumulate for them, since they derive their authority not from the size of their resources, but from the prestige conferred on them by their strength or magical powers. Accumulation therefore, though it exists, is not of a progressive nature. On the contrary, it is in the interest of those who receive these savings to spend them lavishly so as further to increase their prestige; consequently they give public banquets, make public donations and finance public works. The use they make of the money, therefore, is the same that States and local government bodies make of public revenue, the only difference being that, in the primitive society we have spoken of, this authority is not based on law or on a legally expressed popular desire, but on prestige, having a far less steady and solid basis, which has constantly to be fed. The aim of wealth in such cases is far more to increase its owner's personal prestige than to devote it to works of public utility. During the stage of enforced labour, social economy is definitely an *economy of prestige*.

11. — The economy of prestige does not stop at this stage, however; it continues and develops during the subsequent stage of free work. As soon as this stage began, prestige, which was the attribute of the upper classes, grew to be the aspiration of the lower classes who were now able to make their way. There were several ways in which they could conquer it: military bravery; magic powers; among some peoples, eloquence and, among others, a saintly life; among all peoples, wealth. Not everyone can be or become a magician or a saint, a hero

or an orator, but everyone or almost everyone can work and accumulate wealth.

Thus, during the first phase of the free work stage, wealth becomes the motive power of social organisation, not yet for its own sake but as a means for obtaining prestige. It has remained such for many peoples who, through enforced work, have risen above their original primitive level, but who have not yet reached the further stage that characterises bourgeois society. Although it is less efficient from the point of view of accumulation and progress than the bourgeois organisation, the organisation of free work based on prestige usually works satisfactorily, varying in form from one country to another. These variations are often most interesting.

Particularly interesting is the description of a form of this organisation given by a British writer who spent many years among the savages of the New Hebrides. Here man works more than is strictly necessary, not to consume the goods produced but to use them for gifts to private persons (especially to a certain person who is his rival throughout life) or to distribute them collectively at public festivals so as to acquire or increase his prestige. The person who receives a present must repay it as soon as possible. If he does not, he will become ashamed to be in the presence of this other; his wife may even hint that he is no man. Public donations are proof of a man's social progress. Villages compete in the same way. It is not prestige that helps to conquer wealth, but wealth that helps to conquer prestige. The actual measure of value is a matter of convention. In the New Hebrides, the social organisation is based on pigs. With pigs you can buy women; pigs are women's main occupation; a man's prestige depends on the number of pigs he owns and they are the means by which he asserts himself on feast days and ascends the social scale. Pigs are power. Pigs are lent out and interest is paid on them. A man's age is not calculated in years, but in pig's progress. Pigs, however, are not desired for their flesh or for the other material uses; in fact pork is seldom eaten. They are valued because of their tusks which, if the corresponding top canine teeth are taken out, grow in spirals. When the spiral completes its first coil, the tusk and the

pig acquire a great value, which becomes very great when the spiral completes the second coil; but the tusk without the pig or a magnificent-looking pig with a small tusk, as well as the dead pig with the tusk or the pig's skull are without meaning. Only a live pig is of value with its tusks and because of its tusks. If one of the two tusks is broken, the pig loses most of its value, however good the other tusk. A sow is worth nothing. The interest on the loaned pigs corresponds to their increased value due to the growth of the tusks. Measured by this quite conventional unit of value, all production is organised on the basis of a series of reciprocal donations between persons and between villages, donations which give rise to emulation, thus stimulating production by means of a social device that works beautifully (11). This is a typical "economy of prestige" based on free work.

In the nearby Bank Islands a similar organisation is in force. But, as a matter of fact, when one examines closely the organisation of primitive societies, it will always be seen that in reality they are more or less clearly and completely founded on prestige. This applies not only to relatively developed peoples, where there are different social classes and where the accumulation of wealth has brought into being an economic organisation, but also to peoples who still live in what we have called the animal level of production, in which there are as yet no social classes and no systematic accumulation of wealth and in which social prestige derives from bravery, magic powers or other personal gifts.

It is by considering the psychology inherent in this system that we can understand the strange behaviour of certain populations, brought to our notice, but not usually explained, by European explorers and ethnologists. It is worth while devoting some words to this.

It is said of the Fuegians that, although each has a right to private ownership of what he produces, they are all of such a generous disposition that it would seem the only pleasure they find in property is to be able to give it

(11) For the social organisation of the New Hebrides, see TOM HARRISON *Savage Civilisation*, London, Gollancz, 1937.

to someone else. It is easy to understand how, under such conditions, the foreigner who keeps his instruments, provisions and clothes for himself must cut a sordid, miserly and horribly selfish figure, so that a hostile collective reaction is practically unavoidable. This is probably what led to the growing hostility against, and finally to the massacre of, the first Protestant missionaries among the Fuegians. — What? These foreigners preach of brotherly love and Christian charity and yet they are not willing to give away their clothes, their arms and their trinkets and all the wonderful things they have brought with them? Woe befall anyone who even touches them! How is one to believe in the sincerity of their intentions? — It should be added that the missionaries lived apart, whereas the Fuegians' homes are open to all and sundry. Moreover — and this was really unheard of — they had not brought their women with them (women's presence — it should be remembered — is always a guarantee of peaceful intentions among savages). The natives could hardly be blamed for feeling most suspicious.

With regard to many other peoples also — the Andamanese, the Veddas, the South-eastern Australians, the Bushmen, the Selish Indians and those in the North of Central California, the reindeer-owning Caribou Eskimos and those of Western Greenland — travellers and ethnologists stress the fact that they love giving and lending and are in the habit of lavishing gifts on one another — indeed this seems to be the main reason why they pay visits. Certain ethnologists — wrongly, as has since been admitted — interpreted this altruism as an indication of the collective nature of property; others instead see it as a manifestation of the innate goodness of primitive man. But the question is: is this really altruism or is it not rather the wish to affirm one's prestige? It is not difficult to penetrate this primitive psychology by following our own. Actually these customs still survive in the presents we make on certain occasions, for weddings for instance. They also survive in entertainments, very often of a public nature, or in donations on the occasion of births, marriages and deaths. We all know that these presents, entertainments and donations are inspired far less by affection or altruism than by strict etiquette and careful consideration of one's

economic conditions and, in the case of presents, of the person who is to receive them as also of presents previously received. The mere fact that there is an obligation to return a present shows clearly that the system of present-giving is based on prestige and, in fact, if the present is not suitable, the giver is criticised and the person who receives it considers himself slighted. In this we do not differ from the primitive races. Very often an unsatisfactory present leads to disputes and quarrels in occasion of the collective visits of one village to another that are customary among the Andamanese. With reference to quite another people, an amusing story is told by a Danish explorer who married an Eskimo. The latter, having through her marriage become the outstanding female personality in native society, was most indignant at the insignificant gifts one of her acquaintances continually made to her. One day she made up her mind to give this woman a good lesson and, with profuse and exaggerated thanks, immediately loaded the unfortunate creature's arms with rich gifts, on top of which, as a thing of no importance, she placed the small gift she had just received. With bowed head, the woman left the house. When her husband came home, he was told what had happened by the villagers, and lost no time in giving his wife a lesson of a still more painful nature. The following day the presents were returned with the humblest apologies, but the ignominy was so great that the dishonoured family had to depart from the community and look for other hunting grounds.

The traditional power of prestige explains how, when wealth first made its appearance, it was often subservient to prestige and sometimes was even sacrificed to it.

The white men who first came in touch with the various populations of Australasia, often made them gifts of objects that they seemed greatly to desire; but, to their surprise, they discovered that a few days later none of their gifts were to be found in the village or in the neighbourhood. — Where had these things gone? — Obviously they had been passed on to other people — But why, since they were such coveted objects? — They were coveted, it is true, but how could one let such a wonderful opportunity escape for asserting one's

prestige? As the magnificent gift was passed around, the whole island must have exclaimed: "Look what X has received. Look what he has sent us. He must undoubtedly be a great Chief!". It is not only in bourgeois society, but even more so in societies ruled by completely opposite principles, that the leaders are intent on *épater le bourgeois!* Primitive man — it has been well said — is a peacock!

Quite in keeping with the concept of wealth as an instrument of prestige is the destruction of important property carried out by the chiefs of some Indian tribes on great occasions as an ostentation of grandeur, or the hecatombs of slaves effected for the same purpose by the kings of Guinea amid the rapturous admiration of their subjects. A pale reflection of this may be found in the very often considerable expenses that in many European countries have to be borne by the local gentry — if they do not wish to be accused of avarice — for public illuminations, flower festivals and so forth and so on. While on this subject, it should be mentioned that peoples which technically are certainly the most advanced in the world, but which psychologically retain manifest traces of primitiveness, such as the Americans, never neglect to boast with ostentatious complacency of the large sums they have spent or donated.

The distribution of the property of the deceased among a number of primitive peoples is also in keeping with the foregoing concept. The custom among civilised peoples in times gone by — and of which something still remains — of burying attributes of authority, arms, horses and even slaves and other marks of social prestige with their owner, is probably a survival of the above.

12. — It was not everywhere, though, that the stage of enforced work led to an "economy of prestige". Where the domineering classes were more numerous or more energetic or radically different as regards race, beliefs and customs from the subject masses, so that the latter could never hope to rise in the social scale or to use such property as they might accumulate to acquire prestige, wealth could only be used to satisfy material needs and consequently it was for this purpose that it was accumulated. Therefore, whereas the upper classes continued

to be influenced by the psychology of prestige which also regulated their relations with the lower classes and dictated the conduct of the State, which was under the ascendancy of the ruling classes, the lower classes were guided more and more by principles of gain.

There thus came into being a composite economic system, which may be considered as an *economy of gain* dominated by an *economy of prestige*. In Europe this economy took the form of feudalism and even to-day most of the reigning houses and many of the noble families in Europe are guided more by principles of prestige than by principles of gain in their economic conduct. As a matter of fact, however, the feudal system was not peculiar to Europe; in a number of other countries, Abyssinia and Japan for instance, the same system was adopted.

In the Ottoman empire, where the ruling caste was too small to govern with its own demographic forces and too exclusive to admit the subject races, this composite economic system took a different form. Instead of the aristocratic regime that generally characterised feudalism, therefore, an absolutist form of government had to be established and the charges usually falling to the nobles under feudalism were entrusted to officials, who were often recruited, as children, from the subject races, torn from their families and brought up in the Seraglio. They rose in the bureaucratic or military hierarchy according to their personal prestige with the Sultan and were entirely dependent on bounties. The Sultan did not pay regular salaries to his subordinates, but made them presents; in return his subordinates paid homage to the Sultan making him gifts which replenished the Imperial treasury. Relations between the various categories of officials were on the same basis, the result being a system which for centuries — judging at least from the expansion of the Empire — worked efficiently. Meanwhile the lower classes, formed mainly by the subject races, followed the urge for gain in their economic life.

13. — The ultimate fate of these composite forms of economy varied from one country to another.

In some of the poorer countries not yet

reached by modern economic currents, like Abyssinia, the system continued and actually exists still.

In most other countries, sooner or later the subject classes, having increased in number owing to the fact that they were more prolific and their system of money-making more efficient, overthrew the dominating classes; but the outcome of this was not the same everywhere.

In the East, probably because of the much blander form of coercion applied by the dominating classes, the subject classes felt the urge to work less strongly. At the same time religious motives, a deeper respect for traditions and the greater numerical importance of the descendants of the old dominating classes kept the system of prestige alive; so that a mixed system came into being at the basis of which are both gain and prestige.

In the West, instead, the system of gaining money prevailed so completely that nothing has remained of the system of prestige, but some quite negligible vestiges in the reigning houses and among the high nobility. This is the result of a combination of circumstances: the reaction against the contemplative life of the religious orders under the Reformation, which culminated in exaltation of work and also, in some Churches, in the sanctification of wealth as a token of divine benevolence; some inventions such as a more suitable type of harness for draught animals and the rudder on ships which, by enabling men to make a better use of the animal strength of traction and of the propelling power of the wind, rendered the last remains of slavery and servitude superfluous; the more efficient system of communications by land and sea deriving therefrom and the subsequent important discoveries of new commercial routes and new continents which rapidly developed trade exchanges and increased the power and prosperity of the merchant classes and of other professions of a strictly lucrative nature; and, last but not least, the exceptionally high birth rate among the middle classes which increased their importance as compared with the nobility and — this phenomenon is probably connected with the high birth rate and is of outstanding importance — the strength

of family ties which led people to identify the needs of their descendants with their own, so that their urge to work and save money was much greater.

These circumstances not only determined the triumph of the bourgeoisie in Western Europe but, some continuing and some increasing, they contributed to its demographic, economic and political expansion. One of the main reasons why the system of money-making proved more efficient than the system of prestige is undoubtedly to be found in the fact that it is easier and safer to accumulate material goods than the immaterial advantages on which the latter system is mainly based. Consequently, in the long run, the system of gain spread from Europe all over the world, penetrating, stirring, if not upsetting, societies based on other systems and setting its mark on national economy in the century that was aptly termed bourgeois.

This was certainly not the first time in history that the system of gain prevailed: Athens and Rome are well-known historical examples.

In Athens and in Rome, however, the system did not get a firm footing, because the huge accumulation of wealth to which it led engendered corruption both in private and in public life and — probably an unavoidable consequence of this — a drop in the birth rate, a loosening of family ties, a breaking of solidarity with the generations to come and, therefore, not only an end to accumulation, but the consumption and dispersion of wealth already accumulated. Serious reasons lead us to fear a similar degenerative process in our present bourgeois society and many think it has already started.

14. — Unlike the ancient classic society, however, our contemporary bourgeois society would not die out without leaving heirs. This time the stage of free work based on gain has lasted long enough for the stage of voluntary work to have evolved from it.

With the system of voluntary work, production at any rate is assured, though within certain limits, by the pleasure people take in their work; to a certain extent the spur of gain is now superfluous and we find the stimulus of prestige re-acquires strength. Complex economic and social consequences ensue, that I

shall illustrate in another study, tracing the first outlines of a labouristic economy (12).

15. — This sketch of the evolution of the psychology of work and of accumulation is a

(12) A Spanish translation of the study, entitled: *Economía laboral - Ojeada histórica y primeras líneas teóricas con aplicaciones a la sociedad americana*, is in the press, published by the Editorial Labor, Barcelona and Buenos Aires. An article, summarising some results, had appeared during the war in the *Revista Internacional de Sociología* (Madrid), April-September 1945, under the title *Primeras líneas de una economía laboral*, and then reproduced, together with another article, in a pamphlet entitled *Dos ensayos de economía laboral*, published by the Instituto Balneario de Sociología, Consejo Superior de Investigaciones Científicas, Madrid.

general one and many quite important details remain in the shade from which perhaps they may never emerge; many others are the result of a process of intuition rather than of well founded proofs which may never be supplied. Except by intuition, it is indeed impossible to penetrate the psychology of the working classes in pre-historic times, and even very difficult to penetrate it in more recent times, particularly in view of the fact that for centuries these classes lived in the background of history. But, in any case, I hope this sketch will by found interesting and suggestive enough to justify its presentation.