

# Antonio Serra, Early Modern Political Economist: From Good Government as Individual Behavior to Good Government as Practical Policy

JOS RAADSCHELDERS

## Introduction

The Italian jurist and political economist<sup>1</sup> *avant-la-lettre* Antonio Serra wrote his »Breve Trattato« while in prison, and it was published in 1613. We do not know much about him. His slim volume did not receive much attention initially, but attracted much interest among Italian economists in the second half of the eighteenth century and then, after the Second World War, in other parts of Europe and the United States. In 2011, it was translated in full into English for the first time,<sup>2</sup> and that has greatly increased awareness and interest in his ideas.

In this article, the focus will be on his thoughts about economic policy and especially on how this is a responsibility of government. He is one among several authors of his time, including Althusius, Bodin, Botero, and Grotius, who wrote and thought about the role and position of government in human society. Serra, however, wrote more specifically about the contribution of government to the economy and, thus, its contribution to building a good society. He is among the very first

authors, and possibly *the* first, to regard the state and government in their abstract manifestation, that is, not as a ruler's personal property, but as the prime mover of wellbeing broadly defined. In section one, a brief biographical context is presented for Serra, along with some notes on the nature and context of the time in which he lived. In section two, the idealized conception of good government that dominated from antiquity until the late sixteenth century is summarized, followed in section three by the claim that the more modern conception of good government started locally but was still visualized in its ideal. This will be illustrated briefly through Ambrogio Lorenzetti's famous fresco »The Allegory of Good and Bad Government«. In section four, Serra's ideas about what it actually takes to realize good government are summarized. It appears that his brief remarks on the matter found a following in the eighteenth century (section five), became practical policy in the nineteenth and twentieth centuries and are still relevant today (section six).

## Antonio Serra in Brief and in *Sattelzeit*

According to one source, Serra was born in the later part of the sixteenth century in the town of Cosenza in the province of the same name, a little over 300 kilometers south of Naples.<sup>3</sup> It is unknown when he arrived in Naples, but he did so at a time when the province of Calabria was a viceroyalty in the Spanish empire. Around 1613, he served time in the Vicaria, the viceroyalty's prison (and the Civil Court today), either for having been involved with a conspiracy to free Calabria from Spanish rule, for counterfeiting money, or for market rigging and spreading false information.<sup>4</sup> In 1617, he asked the court for permission to present his ideas for economic reform, but that was denied and he had to remain in prison.<sup>5</sup>

In order to understand Serra and his ideas about good government, he needs to be positioned in his (geographical) context and in his time. That will provide the contrast or the relief (as the term is used in sculpture to refer to three-dimensional shapes on a flat base or in painting as *tromp l'oeil*) that will make Serra's ideas stand out in comparison to past ideas about good government (see also sections three and four below). At this time, Naples was far removed from the thriving city-states of northern Italy and north-central Europe.<sup>6</sup> Its economy was underdeveloped. The land was not fertile and was lacking in water and minerals. Its wealth was in the land, which was divided among *latifundia* (large, agricultural estates worked by slaves) that had been established long before. Common lands had been privatized by greedy landlords, the viceroyalty was governed by a foreign power, and international finance was controlled by Genoese merchants who served as the bankers of the Spanish monarchy. The strong connection between sovereign and feudal lords held the regional economy back, unlike the circumstances in northern Italy and in other parts of Europe (see section four).

Serra lived during an age that bridged an era in which good government was essentially identified with the individual behavior of the ruler – that is, a period ending in the fifteenth/sixteenth centuries in Europe – and the period from the seventeenth and eighteenth centuries through the current time, during which good government came to be identified with practical

policies benefitting the citizens. Koselleck labelled this sort of bridging period as a »Sattelzeit«,<sup>7</sup> a transitional time between the idealized conception and the actual practice of good government. Of course, Koselleck used his concept to refer to the transitional period between the early modern and modern ages, that is, 1770–1830,<sup>8</sup> but the concept can be used to refer to other transitional periods. Applying this concept to Serra's time, it refers to a dramatic transition from government and state being literally embodied in a person, as had been since antiquity, to government and state being seen as an abstraction and representation of the common good (especially in democracies), no longer regarded as the property of one ruling person. This started in the late 16<sup>th</sup> century with new ideas about government's role in public education and became fully realized by the 1660s Von Seckendorf's work that marks the beginning of the study of public administration.

## Good Government as Individual Behavior

Until the seventeenth century, conventional understanding of what constituted good government focused on the qualities that rulers and supervisors possessed that guided their actions vis-à-vis their subjects, that is, the people who were subordinate to them. This line of thinking had its roots in Ancient Egypt and Mesopotamia in the so-called instruction or wisdom literature.

Some of these instructions have been transcribed, such as those of Ii-em-hotep (27<sup>th</sup> century BCE), which advised humility as an important characteristic of officials.<sup>9</sup> Other well-known documents are »The Instruction of the Vizier Ptah-Hotep«, city administrator and vizier of Pharaoh Djekare Isese (25<sup>th</sup> to mid-24<sup>th</sup> centuries BCE) who also advises humility and righteousness,<sup>10</sup> and »The Admonitions of Ipu-Wer« (23<sup>rd</sup>–21<sup>st</sup> century BCE), wherein the author stresses justice and truth and the importance of being equitable when passing justice.<sup>11</sup> In »The Protests of the Eloquent Peasant« (Middle Kingdom, 21<sup>st</sup> century BCE), one can find the oldest known observation concerning the reciprocity expressed in the Golden Rule: »Do to the doer to cause that he do«.<sup>12</sup> Several other instructions can be found in Pritchard's book.<sup>13</sup> The central theme in all is

the insistence upon individual morality, impartiality, justice, and truthfulness. Similar wisdoms have been found in the ancient China of the Hsia, or the Xia 2070–1600s BCE, Shang 1700–1027 BCE, and Chou 1027–221 BCE periods.

Some of these instructions found their way into the earliest legal codes: Ur-Nammu, King of Ur, 2111–2094 BCE and Hammurabi, King of Babylon, 1792–1750 BCE. The instructions were based on personal experience; the only formal teaching at the time was for learning how to write. In ancient China it was Shen Buhai, a high-ranking civil servant, during the Chou period, who emphasized the importance of education for efficient administrative and technical expertise (4<sup>th</sup> century BCE). His ideas were adopted by Yu Hyŏngwŏn, a scholar in seventeenth century Korea.<sup>14</sup> In the third century BCE, political philosopher Han-fei-tzu advocated the study of the rule of law and the concept that no one could be above the law.<sup>15</sup> Those themes of proper behavior for individuals, efficiency of administrators, and the rule of law would dominate the advice literature from then on. It is important to emphasize that much of the instructional literature focuses on the individual behavior of public servants and on the ideal relationship between ruler and ruled. In Europe, this was codified in »Der Fürstenspiegel« by Niccolò Machiavelli.

## Good Government as Practical Policy for People Started Local

For most of history, government was regarded as the property (*patrimonium*) of the ruler, and this idea persisted well into the seventeenth and eighteenth centuries. For instance, James I [King of England and Ireland, 1603–1625 and James VI as king of Scotland, 1567–1603] noted »I am the husband and the whole Isle is my lawful wife; I am the head and it is my body.«<sup>16</sup> Better known is Louis XIII's (King of France, 1601–1643) »l'état c'est moi«.<sup>17</sup> Of course, James I and Louis XIII ruled unified monarchies, and their realms were very different from the quilt of jurisdictions that existed in central Europe. Their sentiments did not acknowledge that times had already been changing, even in their own countries, and that this change had started locally centuries ago.

While there had been cities and city-states in antiquity, those that emerged in Europe in the eleventh and twelfth centuries were neither self-contained republics – as in the case of ancient Greece – nor administrative centers of an empire – as in the case of southern Mesopotamia and Rome.<sup>18</sup> In much of continental Europe, towns were simply large villages without any political and/or legal standing, no municipal administration, surviving on the basis of an agricultural economy. They were part of the *patrimonium* of a feudal lord.

This changed in two phases. First, from the seventh and eighth centuries on, feudal lords granted annual, and sometimes weekly, market rights to towns. Farmers were to take their produce to the local market and sell it there. Both buyer and seller paid a tax, and some of that went to the landlord. Second, from the eleventh century forward, modern cities emerged not only with an agricultural base, but also with a flourishing new class of artisans and craftsmen. Commercial activity intensified. From the second half of the eleventh century, various towns were granted a city charter, and several of these served as a model for similar charters in the same region. The cities in northern Italy were among the first, but these were quickly followed in the first half of the twelfth century by cities in France, England, and the German territories. It spread to the Low Countries in the course of the thirteenth century. This is the age of the guilds in Europe, an age of social mobility.

These city charters provided some degree of autonomy from the feudal lords in exchange for a share of the taxes. Municipal administration consisted of one or more mayors, several councilmen or aldermen, and justices [*échevins*] who served for fairly short periods of time of six to twelve months. The cities usually had »lower jurisdiction«. Authority over »high jurisdiction«, that is, criminal and capital punishment, rested with the king or lord or their representative, for example, bailiff [*baljuw*]. While these cities were part of a Europe dominated by one organized religion, the Catholic Church, they were the first secular states of Europe. They did not emerge organically, they were founded intentionally. Perhaps they were also the first capitalist states, a thought that crossed Sumberg's mind when he wondered whether the rise of capitalism happened because of the Protestant Reformation in the sixteenth century, as – in Sumberg's view – Weber had argued,

or because religion was removed from the center of urban life.<sup>19</sup> Contra Sumberg, it has been argued that Weber never said that Protestantism was the cause of capitalism, but that one manifestation of it – Calvinism – fit with and supported the spirit of capitalism.<sup>20</sup> The city charter served as a constitution of local associational life. Upper-local territorial regimes would rise and fall, as always, but continuity of social and economic life was to be found and always will be found locally.<sup>21</sup>

By the thirteenth and fourteenth centuries, municipal government was no longer considered to be someone's personal property; it had become the property of the commune. Good governance was thus not embodied in an individual, it was invested in the community. The best visualization of an idealized good government is that of Ambrogio Lorenzetti who painted the allegories of good and bad government in the town hall of Siena in 1338–1339, a decade before the Black Death. In Lorenzetti's good-government fresco, good government is still depicted in the image of a person; but it is an imaginary person, a bearded man, surrounded by the ancient ideals of faith, hope, charity, temperance, prudence, fortitude, magnanimity, and justice.<sup>22</sup> The various parts of the fresco suggest that a city prospers when citizens are acting collaboratively – as imaged by the rope they hold and pass to government, the bearded man – and when government's rule is virtuous and just. To Lorenzetti, economy and state are intertwined since the latter assures economic growth through oversight and regulation.<sup>23</sup> The basis and *raison d'être* of government is the common good, a notion already advanced by Aristotle and adapted by Thomas Aquinas after the rediscovery of the »Nichomachean Ethics« in the 1240s or the early 1250s. The Italian philosopher and notary Brunetto Latini (1220–1294) was among those who read Aristotle and regarded republican or communal government as better than a government of kings or nobles.<sup>24</sup>

The emergence of municipal government in Europe can only be understood as a function of the interplay between the creation of institutional arrangements and how people were involved as citizens. That interplay is captured very well in a recent study by Maarten Prak<sup>25</sup> who focuses on four case studies in the first part of his book – Münster, Siena, York, and Utrecht – while in the second part turning to the institutions that enabled civic

involvement through representation. The evidence is growing that it is the institutional arrangements that may very well determine how communal people actually are and can be (see section six).

## Antonio Serra's Ideas about the Role of Government: Focus on Policy for People

While in prison, Serra was pondering the fate of his city by comparing it to the wealth and prosperity of cities such as Venice and Genoa in the north. He refuted his contemporary Marc'Antonio de Santis, who had argued a few years earlier that the poverty of and lack of money in the Kingdom of Naples was a function of the high rate of exchange.<sup>26</sup> Instead, Serra stated that the rate of exchange was determined by the balance of international payments that regulated the flow of money. In other words, in his view the negative balance of trade for Naples was the root of its problems. One of these problems was that lots of money left the Kingdom in the form of taxes and donations to the Spanish monarchy. Another problem was rent-seeking by the Genoese merchants who profited mainly from mortgaging future public revenue.<sup>27</sup> The quality of Serra's work was recognized for the first time by Bartolomeo Intieri (1677–1757), a Tuscan mathematician and agronomist who had moved from Florence to Naples in 1699. He »discovered« Serra's booklet in the 1740s and financed the first chair of political economy at the University of Naples in 1754. One of his students was Ferdinando Galiani (1728–1787) who became an economist and recognized the analytical qualities of Serra's work<sup>28</sup> – for more detail about the rediscovery of Serra, see Di Battista 2016 and Roncaglia 2016.<sup>29</sup> Serra's analysis prompted Joseph Schumpeter to write that Antonio Serra was »the first to compose a scientific treatise, though an unsystematic one, on Economic Policy and Principles.«<sup>30</sup>

It is this remark by Schumpeter that prompted this author's consideration of Antonio Serra as a bridge between what had been bubbling up in thought about and action in municipal, civic communities before his time, and what would follow after him in thinking

about the role of government in society and in the economy. That is, in the centuries preceding Serra's ideas, city-chartered local governments had become the responsibility of the community as represented in the local political and economic elite. This would trickle up to an awareness of the possibility that even a country could be governed on the basis of a represented population. That thought percolated through the seventeenth and eighteenth centuries, became stronger and stronger, and reached its apotheosis in the Atlantic Revolutions – for more, see section six).

Serra's book is divided into three parts.<sup>31</sup> In the first part he compares Naples to Venice in a discussion of the causes of economic prosperity, which, he believes, have partly to do with government's role in preventing disorder.<sup>32</sup> In the second part he outlines his opposition to De Santis's proposals for lowering the exchange rate to attract money from abroad. Finally, in the third section he describes a monetary and economic policy that should help the kingdom. In that section he distinguishes between »proper« and »common« accidents that determine economic opportunity. Proper accidents arise from natural conditions such as land fertility, weather patterns, and the like. About these, one cannot do much. But, one can do something about the vulnerability to proper accidents by paying attention to common accidents, which can be manipulated by policy. There are four such common accidents: a diversified economy, extensive trade and connectivity, an enterprising population, and good government.<sup>33</sup>

A diversified economy is important because agricultural production is dependent upon common accidents. A »multiplicity of manufacturing activity«<sup>34</sup> is important, because

- (a) it does not depend as much on human labor, let alone weather;
- (b) manufacturing achieves a multiplication of products on the basis of increasing production at lower costs (which is not possible in agriculture);
- (c) the sale of manufactured products is more certain than that of agricultural produce. That is, agricultural produce cannot be preserved indefinitely, and is thus risky to export from one country to another; and
- (d) because manufactured goods in general yield higher earnings.

This is the first time that a law of diminishing returns is identified.

Connectivity and trade are, in Serra's view, possible through investment in infrastructure that then included physical infrastructure such as roads, canals, harbors, and so forth. The question arises: How can such connectivity be assured and who is the initiating actor? Also, to Serra a country appears rich when its people are »enterprising, hard-working, creative people who trade not only within their own country, but also abroad, and who are constantly looking for ways of applying their skills«.<sup>35</sup> Another question looms: How can an enterprising population be assured and who is the initiating actor? Both questions regarding *how* and *who* are answered by Serra with his last common accident. What makes a people and their society prosper is »effective government – which [...] is the controlling, superior cause of all the other accidents, for it can organize, introduce, cause, improve, and preserve them.«<sup>36</sup> It is in that sentence that Serra shows us not to think about good government as an imaginary individual, but as a proactive institutional arrangement that assures prosperity through practical policy for citizens. It is government that can marshal resources and invest in infrastructure. It is government that has the capacity to invest in education so that people can get ahead in life. It is government that provides the guideposts around the free market, by investing in material (roads etc.) and social infrastructure (skilled labor). It is government that encourages, and can even mandate, that profits are reinvested in the community instead of going overseas.<sup>37</sup> Long before John Locke, Serra writes about protecting people from cheating by government; long before Adam Smith, Serra writes about the wealth of nations.<sup>38</sup> The state and its government should advance the public good, and its governors should not satisfy only their personal desires. Serra, with his ideas about the importance of education and of government initiative, fits in well with those of his contemporaries such as Johan Althusius, Hugo Grotius, Giovanni Botero, and Jean Bodin.<sup>39</sup> He foreshadows ideas about an interventionist government that emerge in the course of the seventeenth and eighteenth centuries, and that become concrete policies in the twentieth that go well beyond the traditional regalian functions of defense, police, justice, and taxation.



## Expanding upon Serra While Not Knowing His Work: Von Seckendorff, De la Mare, Von Wolff, and Smith

What Serra hinted at, a government that invests in infrastructure and people, becomes more fully realized over the next two centuries through ideas about a truly activist government. That is to say, it was initially a type of activism fueled by the elites who espoused enlightened absolutism, where citizens were assumed to be the beneficiaries of good government as defined and managed by monarchs, albeit those inspired by Enlightenment principles, rather than participating in good government directly, as in a democracy. This means that only some of Serra's ideas were touched upon by Cameralist scholars in the seventeenth to nineteenth centuries, and it was not until the twentieth century that Serra's ideas about the position and role of government in society and economy become reality in the welfare state.

This is not the place to provide details about the emergence of the administrative and welfare state, so only a few authors shall be mentioned. The German administrator Ludvig Veit Von Seckendorff (1626–1692) wrote in his »Teutscher Fürstenstaat« (1656) about a concept of government that invests in a well-employed population, supports compulsory elementary education, protects internal freedom of industry and trade, and, as a consequence, eliminates the medieval craft guilds. This is what, indeed, happened in the slipstream of the Atlantic Revolutions. Von Seckendorff also believed that tax revenue should be based on the excise, thus leaving those with higher incomes free to reinvest profits in their businesses.<sup>40</sup>

Like Von Seckendorff, his contemporary Nicolas Delamare (1639–1723), a career administrator who worked for King Louis XIV, among others, but also wrote about the role of the state for the general welfare of society in his »Traité de la Police«, which was published in four volumes between 1705 and 1738.<sup>41</sup>

It was in the eighteenth century that the German philosopher and Cameralist Christiaan von Wolff (1679–1754) observed that the state »should bring to its inhabitants well-being, happiness, »Glückseligkeit«,

or – using the Aristotelian notion – *eudaimonia*.<sup>42</sup> The eudaimonic or welfare state lies at the heart of the body of administrative thought known as Cameralism that started with Von Seckendorff and came to full bloom in the eighteenth century. Von Wolff published his main work, »Politics or State Science«, in Latin in 1721. He wrote in the zeitgeist of his time, firmly connecting notions about the Law of Nature to ideas about desirable actions in and of the enlightened state. The rational deliberations of governors will lead to law, justice, and duty, but only, so writes Von Wolff, when based in the Law of Nature: »Do what makes you and your state more perfect, and refrain from what makes you and your state more imperfect.«<sup>43</sup> What makes a state perfect is an extensive web of laws and regulations that assures justice and safety, advances the economy, supports education, and cares for those who are unable to support themselves.<sup>44</sup> In Von Wolff's view, it is in people's nature to do right/good and avoid wrong/evil, and he thus implicitly challenges the Christian dogma of original sin.<sup>45</sup> His outlook on the position and role of the state is quite secular. Also, he firmly believes that as fundamentally social creatures, people understand that individual happiness actually depends upon that of the community. The same thought was expressed by Alexis de Tocqueville more than a century later:

*Americans [...] are pleased to explain almost all the action of their life with the aid of self-interest well understood; they complacently show how the enlightened love of themselves constantly brings them to aid each other and disposes them willingly to sacrifice a part of their time and their wealth to the good of the state.*<sup>46</sup>

In the works of Von Wolff and De Tocqueville, a careful balancing act is visible between the interests and needs of individuals and their families on the one hand, and that of the social contract between families that is embodied in the state on the other. According to Von Wolff, a state should not enter the private sphere too much, as its authority is limited to developing policies that advance the common good. The same balancing act between individual/family and society/government is visible in Adam Smith's »The Theory of Moral Sentiments« (1759) and »The Wealth of Nations« (1776). In the first book,

he describes human beings as self-interested but also as having a natural sympathy toward others. Society survives when there are rules that prevent people from harming one another.<sup>47</sup> In the second book, he warns against the potential of rent-seeking behavior by individual corporations or businesses in the event that there are no government regulations to restrain such behavior. The free market can only exist by the grace of government regulation; without the latter there are only »particular tribes of manufacturers« or »tribes of monopoly« that »like an overgrown standing army, they [...] become formidable to the government and upon many occasions intimidate the legislature«.<sup>48</sup> According to Smith, the duties of government are threefold: first to protect society from violence by other countries, second to protect society from injustice from within, and third to be the institutional arrangement that furthers commerce and education of youth and of people of all ages.<sup>49</sup>

There are other authors, such as Jean-Jacques Rousseau and Nicolas, Marquis de Condorcet, who write about progress in society on the basis of an egalitarian spirit, but the authors cited above specifically consider the relation between people as individuals and people as a community with a government administration. In the contract between community and government, the latter becomes a »container«,<sup>50</sup> a vessel through which the communal interests are pursued. We have seen how this started at the local level in the Middle Ages, and how this came to encompass thought about practical policy for society in the course of the seventeenth and eighteenth centuries. Antonio Serra's thoughts straddle those periods.

## Serra Today: Welfare State, Thirty Glorious Years, Washington Consensus, What's Next?

Antonio Serra is one among many authors in the past seven to eight centuries who believed that the position and role of government in society should not be determined by being the property of a privileged individual, but should be more like a »container«<sup>51</sup> that looks after collective interests as well as an enabler that

provides the institutional arena within which individual interests can be assured and pursued. How can we »pitch« Antonio Serra's contribution to economics and the role of government? This question can be answered in at least two ways, and, admittedly, both answers are merely interpretations of his work because he was not particularly detailed about the position and role of government beyond what is mentioned in this article. On the one hand, Serra's »Breve Trattato« can be read as a precursor of twentieth century neoliberal economic thought, which is represented by the work of Ludwig von Mises and Friedrich Hayek who both believe it is important that state/government and economy are as separate as possible. In that tradition, the common good is defined by quasi-natural processes, by Adam Smith's invisible hand – think »trickle-down« economics – and by a government that places as few obstacles in the way of economic development as possible. However, it can also be read as an early example of thinking in terms of the welfare state and thus as a forerunner of nineteenth century Prussian ideas about a Social Kingdom<sup>52</sup> and of Lorenz von Stein's (1815–1890) notion of social movement where the state alone has the ability to solve social problems and class conflict.<sup>53</sup> Only the reader can decide which interpretation is best; it is my belief that the second interpretation is a better fit.

In the previous sections, a bird's-eye view was provided of the development of these ideas, starting at the local level in the high Middle Ages and extending to upper-local levels in the early modern period. As argued elsewhere, the time of the Atlantic Revolutions concludes a period of slow, yet profound change in thought about the position and role of government in society and establishes a very different relation between people and their government. At least in terms of political theory, people are no longer subjects serving government. They become citizens served by government. The American and French Revolutions established a historically unprecedented institutional arrangement for governing with, among other things, the separation of politics and administration – for example, elected versus appointed – the separation of church and state, the separation of public and private sectors, and the introduction of written constitutions.<sup>54</sup> It is upon that legal-institutional basis that governments find the ability and creativity to respond to the myriad

challenges of rapid industrialization, urbanization, and population growth from the second half of the nineteenth century on. People turn as citizens to government for help with issues they can no longer solve on the basis of their self-governing capacities.

Again, it is local governments that take the lead in mitigating the worst consequences of urbanization and industrialization through regulations for better housing, fewer working hours, limiting child labor, construction of public utilities (gas, water, electricity), construction of sewer systems, creation of sanitation departments, public health initiatives, and so on. In fact, it is at the local level that the modern study of public administration originates. At both sides of the Atlantic Ocean, it is local administrators who call for the need for educating the next generation of local civil servants and develop a curriculum for it.<sup>55</sup> And how could it have been otherwise? The impact of economic, social, political, cultural, technological, and so forth, developments are first felt and witnessed at the local level. From the early twentieth century on, that local experience could form the foundation of a welfare state driven by practical policies for all in the territorial state. This came to full expression in the three decades following the Second World War, a period that the French demographer Jean Fourastié labeled as «*Les Trente Glorieuses*».<sup>56</sup> This was the first time in history that income inequalities declined significantly and a strong middle class emerged. This is an understanding of «*the glorious thirty*» that emphasizes economic growth.<sup>57</sup>

At the same, however, one cannot assume that the three decades after WWII were glorious in all respects. The universalist welfare state was also one where eugenics had been practiced during the prewar decades,<sup>58</sup> where migrants and asylum seekers since the 1990s increasingly face assimilationist policies instead of multicultural policies, and where gender equality is still not fully realized. Also, it has proven to be a period of substantive environmental degradation.

Some 50 years later, it appears that the time of decreasing income inequalities have passed, with the increased emphasis since the 1970s and 1980s on neoliberal economics that, especially in Anglo-American countries, emphasize individual liberty, contracting-out, and privatization, deregulation, and

free market. This was also a recipe peddled in the 1990s by what is known as the Washington Consensus, where the World Bank, the International Monetary Fund, and the American Treasury Department advised developing countries to open their markets and focus on tax reform, fiscal discipline, trade liberalization, deregulation, and privatization of state enterprises. What thinkers like Serra and Smith warned about actually happened: the capture of the public sector by private interests, and the privatization of profit and the socialization of risk. Have the neoliberal economics served the populations of democratic-developed and of lesser-developed countries, or have they served those with economic and political power? Given that income inequality has increased pretty much everywhere<sup>59</sup> and that the austerity politics of cutting taxes and public budgets has only deepened economic depression<sup>60</sup> suggests otherwise.

Based on a few hundred years of thriving local government, Antonio Serra pondered what lessons could be learned from the past, contrasted the Neapolitan and Venetian present, and contemplated a future where local experience could be extended to include all those in a sovereign jurisdiction. Some might think that this is reading too much into what Serra actually wrote, but he does hint at elements of public institutional arrangements that are expanded upon in the writing of scholars in the seventeenth and eighteenth centuries who thought about the position and role of government. These ideas became the lived reality in the course of the nineteenth and twentieth centuries. In the past 40 years, it appears that to varying degrees democratic political systems have retreated somewhat from this benevolent, inclusive welfare state, so the question becomes: is this permanent, or what's next?

History is never a linear process from a current to an improved situation. Rather it is a waxing and waning of trends influenced by the intricate interplay of individual and institutional agents. The neoliberal economics and neoconservative politics have put a strain on the human nature of sociality, collaboration, sharing, and reciprocity, and this is most clear in the Western democratic political systems that have absorbed political, religious, and economic refugees from other parts of the world. In these countries nativist sentiments have emerged and have been exploited



and manipulated for personal gain by right-wing parties. Powerful individuals seek to bend and control institutional arrangements in the hope of serving their own drive for and toward power. At the same time, it is the institutional arrangements that actually may prove to be the guardian of sociality. In his study about the impact of immigration upon the welfare state and social identity, Crepaz notes that especially the social-democratic regimes have proven to be quite resilient to the influence of nativist sentiments; corporatist-conservative regimes less so, and neoliberal regimes least so. At the same time, though, the Nordic social democracies did practice eugenics. Crepaz observes that the universal welfare system found in northwestern European countries builds trust among people of different backgrounds and overrides, but not obliterates, the in-group/out-group thinking emphasized by those espousing nativist sentiments. Social trust is molded by the institutional arrangement of the universal welfare state.<sup>61</sup>

Perhaps this author gives Antonio Serra too much credit, but Serra is not thinking only about economic issues. His attention to the position and role of government in society makes him someone who had a vision for a better future based on his own experiences in Southern Italy and comparing that to the economy and society in north-Italian city-states in his past and present. Writing in prison, his personal life may have felt to be at rock-bottom, but he found hope in thinking about a better future. Ending on a personal note, in the past ten years or so, the number of students who are cynical and/or concerned about the future, has increased quite a bit. This is certainly the case in the United States, where I teach, and is possibly less so in European countries. But, in all Western countries, millennials and gen-Xers experience the consequences of income inequality, and it appears that the pendulum of history is slowly but surely swinging back to some version of a less individualistic, less market-driven, less prostituting-principles-for political-power behavior. With Serra, and with so many thinkers before and after him, we can reflect and learn from the past and apply what we have learned as we project into the future.

- 1 The term »political economy« was coined by knight and entrepreneur Antoine de Montchrestien in his »Traicté de l'economie politique« (1615). As mentioned in Joseph A. Schumpeter: *History of Economic Analysis*, New York 1987 [1954]. Elizabeth Boode Schumpeter (ed.); with new introduction by Mark Perlman, p. 163; see also André Tiran: Antoine de Monchrestien and Antonio Serra. Two founders of political economy, in: *History of Economic Thought and Policy*, 13/1 (2017), pp. 89–100.
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- 39 Luca Addante: The Republic of Wealth and Liberty: The Politics of Antonio Serra, in: Patalano / Reinert (eds.): *Antonio Serra and the Economics of Good Government*, pp. 143–165, at p. 157; Giovanni Zamalda: The Cost of Empires: Antonio Serra and the Debate on Causes and Solutions of Economic Crises in the Viceroyalty of

- Naples in the 17<sup>th</sup> Century, in: Patalano / Reinert (eds.): Antonio Serra and the Economics of Good Government, pp. 38–62, at p. 53.
- 40 Schumpeter: History, p. 164. This last element of Von Seckendorff's ideas is reminiscent of the American neoconservative notion of «trickle-down» economics.
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- 44 The same sentiment was expressed by Hubert Humphrey when dedicating a building in Washington, D.C., 1977, named after himself: »The moral test of government is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the aged; and those in the shadows of life, the sick, the needy, and the handicapped.«
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- 46 Alexis De Tocqueville: Democracy in America, edited by Harvey C. Mansfield / Delba Winthrop, Chicago 2000, p. 502.
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- 54 Raadschelders: The Three Ages, pp. 66–71.
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- 60 Paul Krugman: Arguing with Zombies. Economics, Politics, and the Fight for a Better Future, New York 2020; Joseph E. Stiglitz: The Euro. How a Common Currency Threatens the Future of Europe, New York 2016; Joseph E. Stiglitz: The Price of Inequality. How Today's Divided Society Endangers Our Future, New York 2013.
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## About the Author

Dr. Jos Raadschelders does research in and teaches about public administration theories, history of government, comparative government and civil service systems. He received his doctorate in the social sciences from the University of Leiden (1990). He currently serves as the associate dean of faculty in the John Glenn College of Public Affairs at The Ohio State University, and has been a faculty member since 2011. He served as managing editor of *Public Administration Review* (2006-2011) and is a fellow of the National Academy of Public Administration (NAPA).

## Abstract

Antonio Serra is one of the first authors to write that society and economy will benefit from a diversified economy, an physical infrastructure for better connectivity between people (for trade), investing in an educated citizenry, and good government. To him government is the prime institutional arrangement that has the ability to lift people up. In this article his ideas are discussed and shown how they foreshadowed the thoughts of colleagues in France, Germany, and Italy in the 17<sup>th</sup> and 18<sup>th</sup> centuries. His thoughts also envision what is called a welfare state.