

**The Life and Works of Domenico Mario Nuti, 1937-2020:
An Appreciation¹**

Saul Estrin*

London School of Economics

Milica Uvalic

University of Perugia

01/03/21

*Corresponding author. Department of Management, LSE, Houghton St, London WC2A2AE, UK.
Email: s.estrin@lse.ac.uk

¹ The authors were closely associated with Mario Nuti during his research life, as students, collaborators, colleagues, and friends. In writing this memorial article, we have benefitted from exchanges with William Bartlett, Renzo Daviddi, Derek Jones, Susan Senior Nello, Jan Svejnar, and K. Vela Velupillai.

Introducing the life and work of Mario Nuti

It is challenging to provide an encompassing portrait of Mario Nuti's life and works: he was an exceptional man, who made significant intellectual contributions across a wide range of fields, as well as inspiring generations of students, colleagues and the profession in general, for more than fifty years. A brilliant debater and controversialist, he was equally at home in economic theory and in giving policy advice, and over the decades he had made significant contributions to many branches of the discipline. In this memorial article, we try to give a flavour of the man and his work, hopefully reminding the *conoscenti* of Mario's perceptive and original work, while introducing a new generation of scholars to his distinctive take on the field of economics.

1. A Life in Brief

Mario was born on 16th August 1937 in Arezzo (Tuscany). He grew up in the nearby medieval Tuscan village and completed his studies at the Liceo Classico Petrarca in Arezzo with distinction in 1955. Thereafter Mario studied Law at the University of Rome, where he graduated in 1961 with a dissertation in economics on 'Problems and models of economic growth' under the supervision of Luigi Spaventa. He then took up a post in the Bank of Italy. While Mario was a student in Rome, he met Danilo Dolci, a practitioner of self-help and non-violent action, whose 'white strike' project in Sicily that brought unemployed workers to build roads as volunteers, made a lasting impression on him. Indeed, Mario soon took a research post with the Inter-Ministerial Committee for the Development of Southern Italy and drawing on the 'growth poles' approach of Albert Hirschman, Gunnar Myrdal and Francois Perroux, he made field visits to that region to identify suitable locations for industrial infrastructure.

After graduating, Mario went to Warsaw with a scholarship of the Polish Academy of Sciences, as he 'wanted to see socialism and central planning in action' (Nuti, 1992a). While in Poland (1962-63), he learnt Polish and was taught by Oskar Lange and Michal Kalecki, who were lasting intellectual influences. This period of his life undoubtedly left important traces on his future academic orientation and interests. Indeed, despite numerous inefficiencies and problems, on balance Mario was impressed by Poland: '... there were expectations of early improvements and of further progress towards a better, market-oriented model of socialism' (Nuti, 1992a).

Having gained his diploma from the Central School of Planning and Statistics in 1963, Mario was admitted to King's College, Cambridge, on the recommendation of Kalecki, to work towards a PhD. He obtained his PhD in Economics from Cambridge University in 1970, with a thesis on 'Problems of investment planning in socialist economies' under the supervision of Nicholas Kaldor and later Maurice Dobb. Mario remained at Cambridge University as a Fellow of King's College and Lecturer in the Faculty of Economics until 1979, where he gave lectures on socialist economic systems. From 1979 to 1982, Mario was Professor of Political Economy and Director of the Centre for Russian and East European Studies at the University of Birmingham, where he worked with Bob Davies, Phil Hanson and Julian Cooper, among others. In 1982 he left the UK to return to Italy, having been appointed Professor of Economics at the European University Institute (EUI) in Florence, where he stayed until 1990.

It was there, at the Badia Fiesolana, that Mario pursued his interests on comparative economics further. He set up a Working Group on comparative economic systems where PhD students - including Sheila Chapman, Renzo Daviddi, Sheila Marnie, Milica Uvalic, later Daniel Vaughan-Whitehead and Virginie Pérotin - were able to discuss their work both with western experts on socialist economies - Jozef van Brabant, Wlodzimierz Brus, Gregory Grossman, Kazimierz Laski,

Marie Lavigne - and academics from Eastern Europe, including Tamas Bauer, Janos Kornai, Wojciech Maciejewski, some of which, like Vladimir Dlouhy and Grzegorz Kolodko, were to become key ministers in post-communist governments. Mario's project on Italian cooperatives brought to the EUI in 1984 Saul Estrin, Derek Jones, Steve Smith, Jan Svejnar, that together with Will Bartlett (EUI Research Fellow) and Milica Uvalic (Attaché de recherche) produced a literature survey and bibliography on the labour-managed firm (Bartlett and Uvalic, 1986) and a study on Italian cooperatives (Bartlett et al., 1992). Mario's project on profit-sharing in 1988 in addition involved, directly or indirectly, Michael Ellman, Felix FitzRoy, Paul Grouet and others, leading to the publication of a report on the Promotion of Employee Participation in Profits and Enterprise Results (PEPPER, an acronym coined by Mario; see Uvalic, 1991). Milica Uvalic's PhD in 1988 on investment in Yugoslavia (Uvalic, 1992) was the first doctoral thesis in Economics to receive 'special mention', facilitating her entry into Italian academia. Renzo Daviddi's successful career at the European Commission, that started with Mario in the early 1990s, brought him to the highest official positions, from where he worked for many years on the process of EU – Western Balkan integration.

Those years at the EUI were formative and inspiring for many. Mario's topical projects facilitated encounters and close professional contacts that have been maintained until today. Mario's initiatives at the EUI also inspired new projects that have frequently built on his own work (e.g. Uvalic, Espa and Lorentzen, 1993). It is through the research of many of the above-mentioned scholars that Mario's work and ideas have for several decades been transmitted to younger generations.

After the revolutionary events in Eastern Europe in 1989, Mario was invited to Brussels in 1990 as Economic Adviser to the European Commission, DG II on central eastern Europe, where he stayed until 1993. Then he returned to the University of Rome *La Sapienza*, where he was Professor of Comparative Economic Systems at the Faculty of Economics from 1993 until 2010, when he officially retired (thereafter an Emeritus Professor). He also remained an Honorary Senior Research Fellow of the Centre for Russian and East-European Studies, University of Birmingham.

In the meantime, Mario Nuti was also Visiting Professor at the London Business School (LBS) during 1993-2005, where he worked closely with Saul Estrin. Mario had taught Saul at Cambridge, introducing him to Meade's labour management theory which he applied in his PhD to the case of Yugoslavia (Estrin, 1983). Saul had moved from LSE to LBS in 1991 to head a Centre on CIS and Middle Europe. Together, they ran a seminar for many years about transition economics, which became one of the main nodes in London for the analysis of the transition process. They also helped to run a course in which LBS MBA students went to transition countries to advise firms about how to raise their productivity and sell their goods to new (Western) markets.

2. Introducing his Work

Many academics, especially in continental Europe, will know of Mario Nuti, a man whose contributions to economics spanned more than half a century. Nevertheless, Mario is fairly difficult to classify as an economist, not least because in order to get to the heart of complex ideas he played the part of an iconoclast. However, if one has to choose a single label, perhaps he is best seen in a line of major Cambridge post-Keynesians that included Nicholas Kaldor and Joan Robinson. His was always a powerful intellectual voice for a more radical theoretical and policy framework. At Cambridge in his time, there was a lively debate between the followers of neoclassical economics and those in the Keynesian, Marxian and Ricardian traditions.

A major issue then was the measurement of capital and the use of aggregate production functions. Mario contributed to the critique of traditional capital theory with an article (1970a) that developed a ‘flow-input flow-output’ model, inspired by Kalecki’s investment criteria. The approach was labelled ‘neo-Austrian’ by John Hicks in an article published in the following issue of the *Economic Journal*. Mario made other important contributions to capital theory (1969, 1973, 1974, 1975, 1977).

Mario went on to develop a significant *oeuvre* across a wide range of economics (see Estrin, Kolodko and Uvalic, 2007a), but in this paper we focus on four main areas. The first concerns models of socialism, including the Soviet centrally planned economies and their post-socialist transition to market economy. His interest in this topic no doubt was strongly influenced by his early days in Warsaw at the Polish Academy of Sciences.

But he was also deeply concerned with the appropriate balance between markets and government intervention at a theoretical level in capitalist, socialist and transition economies, and unlike many theorists was put in a position to implement his ideas in practice. Thus, after the fall of the Berlin Wall, the European Commission lacked the expertise to deal with the momentous changes this event heralded. In December 1989 Mario was invited to come to Brussels as an advisor to DG-II (Economic and Monetary Affairs, as it then was called), with responsibility for relations with transition economies. His engagement with policy went even deeper when in 1994 Grzegorz Kolodko was appointed First Deputy Premier and Minister of Finance of Poland. Mario was appointed economic advisor under Kolodko from 1994 to January 1997; Marek Belka until September 1997; and again, Kolodko in 2001-02, during the final stage of Poland’s successful accession negotiations with the European Union.

Mario had long been interested in utopias and alternative ways of organising the economy, being stimulated by the work of James Meade (1972) to prepare a remarkable set of lectures to Cambridge undergraduates, including Saul Estrin, in 1974. This interest was further stimulated by the crisis of East European socialism in the 1980s, leading to a search for alternative models based on the principles of equality and solidarity. The glories of Florence and the EUI gave Mario the opportunity to indulge this passion by leading long term projects on workers’ participation in Europe and East-West trade and financial relations, as mentioned earlier.

Finally, Mario’s work has never been far from the core issues of contemporary macro-economics, most notably in recent years regarding economic integration processes in Europe and the global economy. In his years as professor at *La Sapienza* University in Rome, combined with his Visiting Chair at LBS, Mario focused on wide-ranging issues, from the Eurozone and austerity to exchange rate policy and globalization.

3. Models of Socialism

Mario wrote numerous papers about socialism (e.g. Nuti, 1979; 1981; 1986; 1987a; 1989), including his highly influential Penguin reader with Alec Nove, *Socialist Economics* (1972), which influenced generations of students. Socialism remained a central topic in one of his last works, his remarkable 90-pages essay on *The Rise and Fall of Socialism* (Nuti, 2018a). No doubt as a consequence of his early legal training but also his analytical mind, Mario always favoured clear definitions and careful categorisation. He defined socialism around public ownership of the means of production and macro-economic planning, but naturally, there was always also a political element: rule by a Communist/Socialist Party. The topics addressed revealed his deep Keynesian (and Kaleckian) influences, focusing on under-investment, trade cycles and slow growth in socialist economies.

Mario sought to categorise the various models of socialism, from Soviet planning through market socialism of Hungary to the self-managing socialism of Tito's Yugoslavia. In later work, he also considered the so-called 'third way' of market socialism and Scandinavian socialism. He regarded the latter as a capitalist system improved by embodying socialist features, namely egalitarianism through progressive taxation and redistributive policies, a large nationalised sector, widespread social insurance and attempts to control macro-economy through central direction. He summarised the system as 'Collectivisation not of private property but of private risk' (Nuti, 1981). He was not so kind to the Soviet variant of socialism, which he described as 'Rugged ... the bestselling type of socialism' (Nuti, 1981). In this system, the key features were that the economy was organised like a single giant firm, while central planning was undertaken in physical terms with money being passive and prices playing only an accounting role. He viewed the distribution of income under this form of socialism as being according to work, but with a Lange concept of 'perfect computation' replacing perfect competition as the idealisation of the system. He felt that the Soviet system had major achievements in its early years, but after that 'drawbacks grown in scope and intensity' (Nuti, 1981) had led the system to regress since the mid-50s.

Nuti was more intrigued by the Yugoslav and Hungarian reform variants, though not entirely convinced by either. He described Yugoslav socialism as an 'ingenious and peculiar system'. In reviewing Branko Horvat's 1969 book on Yugoslavia, Mario asks: 'Is Yugoslavia a socialist country? Whatever the answer, it is not to be found in this book' (Nuti, 1970b). He considered that at its heart was a market economy with free enterprise and without central planning, combined with the means of production being socially owned by cooperative enterprises rather than private individuals (see also Estrin, 1983; Uvalic, 1992). Firms had to pay a small (or no) capital charge, but had a duty to maintain its value, while workers controlled these social assets through organs of self-management. Mario regarded it as 'micro-socialism', a capitalist environment embodying all socialist principles at the micro-level of enterprises. He was also critical of the Hungarian model, in which central planning was limited to macro-economic aggregates and markets were left to determine prices, wages and outputs at the micro-level. His critique echoed Maurice Dobb (1969) in arguing that 'no clear cut logically defined frontier line can be drawn between the province of centralised and decentralised decisions' (Nuti, 1981).

Mario never directly addressed the question of why socialism everywhere collapsed in his writings, though he did offer important insights about the key elements that contributed to its fall and in the mid-1980s, he toyed with a computer model that identified the conditions under which the communist system would collapse. In addition to the protracted economic and political crisis, he stressed the key role played by Gorbachev's Perestroika and Poland's trade-union movement *Solidarnost*. He regarded it as important that none of the reform systems had traction in their own right; when the Soviet Union withdrew and then fell, they all fell too. Even Yugoslav self-managed market socialism disappeared at the same time as systems based on the unreformed model of central planning (see Estrin and Uvalic, 2008). His explanation thus relates more to politics than economics. The socialist systems were largely unable to reform themselves further and the party was unwilling to give up its monopoly of power, even when this might have helped the long run survival of the system. Moreover, the reformed systems were developed as ways to run socialism better, but that did not mean that they necessarily represented a superior economic system to capitalism. He considered that market socialism has not failed: it was never fully designed or even imagined, let alone implemented (see Nuti, 1991a, 1992b).

Indeed, Mario believed that the collapse of the Soviet Union did not necessarily invalidate the socialist model: it merely highlighted the failings of one (unattractive) variant of it. As explained in

his recent essay, Soviet socialism suffered greatly from an original sin: the belief that economic laws would not operate at all in the socialist economy (Rosa Luxemburg, Bukharin, Hilferding and other leftist thinkers) (Nuti, 2018a). He utterly rejected Fukuyama's view therefore that the fall of the Berlin Wall in 1989 spelt 'the end of history'. This point is fundamental because, if socialism has failed leaving no valid alternative to capitalism, intellectuals are left with no systemic way to frame an economic agenda about how to build a better world. Mario's work also gives us a basis to think about alternative models of the socialist economy, not tarred with the authoritarian brush of today's Russia or China.

In this research stream, Mario was always a realist: he was not interested in socialism as a Utopia, but in socialism as we know it: 'realised socialism'. The search for a plausible model of realisable socialism/social democracy was central in his very last paper, which he never finished. In a draft version presented at the EACES conference in Warsaw in September 2018, he stressed that the proposed new socialism ought not replicate Soviet, Chinese or Yugoslav models, but be within a social democratic market economy. The new socialism would differ from existing capitalism only in institutions and policies; but these involve fundamental differences in the range and intensity of economic policy instruments used, which would thereby form a distinctive new system (Nuti, 2018b).

4. The role of markets and the transition from socialism to capitalism

Mario used economic theory to question the interpretation of general equilibrium models as explaining how market economies reach equilibrium automatically. To quote, 'I believe the neoclassical picture of the capitalist economy is fantasy because markets are both incomplete (where are the future markets for manufactured goods, or the contingent commodity markets?) and, most importantly, sequential. Hence resource allocation is ruled by price (and quantity) expectations as much as by actual spot prices, and therefore from [the] Arrow-Debreu [model] we instantly fall into a Keynesian world of expectations – whether self-fulfilling or false – of underemployment equilibria and economic fluctuations' (Nuti, 1992a).

This analysis of the market economic system led him, like Keynes before him, always to question the appropriateness of a non-interventionist policy stance; he did so from the 'free market' policies of Ronald Reagan and Margaret Thatcher in the 1980s through to seeking to balance budgets in a recession and austerity policies, particularly after 2008. However, his academic opposition to such policies was not based on their deleterious consequences (though he was very concerned about rising inequality), but rather because the economic theories upon which such policies were based were inappropriate. When he became advisor of the Polish government in 1994, he contributed to the amelioration of the previous 'shock therapy' implemented by Leszek Balcerowicz, in favour of a more interventionist approach (see Nuti and Kolodko, 1997; Kolodko, 2000).

As a leading *connoisseur* of socialist economic systems, Mario was in a good position to make major contributions to many theoretical and policy areas of the transition to market economy after 1989. Already in February 1990, he argued in favour of substantial Western aid to Central Eastern Europe not on the grounds of international solidarity, but because of 'enlightened self-interest', recalling how the Marshall Plan rested squarely on the conviction that European economic recovery was essential to the long-term interests of the United States (Nuti, 1990a). In the absence of blueprints at that time, his innovative ideas on how to implement radical reforms of the socialist economy were valuable in defining the main objectives, speed, and sequencing of economic reforms (Nuti, 1991a); suggesting desirable macroeconomic stabilization and exchange rate policies (Nuti, 1993b); or explaining the specific supply inertia behind the deep recession of the early 1990s

(Nuti, 1993a). He considered the advantages and disadvantages of different privatization methods in a number of papers (1990, 1991b, 1994), arguing in favour of a multi-track approach. He warned that mass privatization ‘as a method for implementing *instant, irreversible, politically self-supporting, large scale capitalism*’ may not be a superior privatization method, whose costs and benefits have to be assessed with respect to government preferences (Nuti, 1994). Mario also made important contributions on inflation, trade, convertibility and exchange regimes in Central and Eastern Europe (e.g. Nuti, 1996).

Mario analysed many other specific issues of the transition and influenced the direction of economic reforms in various countries, particularly Poland. When Poland was considering the feasibility and desirability of introducing a flat tax in the mid-1990s, he convincingly wrote that ‘a flat tax is for a flat Earth’, pushing tax reforms in a different direction (Nuti, 2018c). He analysed the disappointing economic performance of Russia after 1992, that led to the deep financial and economic crisis in 1997 (Nuti, 1999). Mario also warned against euro-isation of the Central East European countries at an early stage, pointing to the benefits, but also substantial costs, of Eurozone membership (Nuti, 2000).

Mario was among the first to emphasize some of the flaws of the transition, which were openly recognized only later. These included the high social costs of transition, including the persistence of unemployment, the rise of inequality and of poverty; these phenomena were particularly serious because they meant a drastic reversal of earlier conditions of full employment, greater equality and low poverty incidence (Nuti, 2007). He also emphasized the disastrous consequences of hyper-liberal policies, particularly excessively restrictive monetary and fiscal policies, for growth and development, and the neglect of the role of the state in creating and supporting institutions of a market economy (Nuti, 2013). Mario also reflected on counter-factual alternatives, namely what might have happened if different policies regarding the targets, speed, sequencing, specific instruments and policy parameters had been applied, instead of those adopted after 1989, with special reference to Russia (Nuti, 2009a).

5. Employee Participation

Mario had a profound interest in industrial and economic democracy, alternative forms of enterprise that could assure workers participation in decision-making and in enterprise results, regarding them preferable to the standard wage-employment contract. His work was inspired by the practice of workers’ cooperatives, profit-sharing and co-determination in western market economies and the self-management experience in Yugoslavia. He was also interested in the experiences of employee ownership in western market economies (e.g. Thatcher’s ‘property-owning democracy’ or Employee Stock Ownership Plans - ESOPs) as well as in workers’ share-ownership in many east European countries as a result of privatizations in the 1990s.

Mario’s research interest in participatory forms of enterprise did not preclude his open criticism of some of the most influential models. Mario considered Martin Weitzman’s Share Economy (1985), that proposed giving workers a share in profits in addition to a fixed wage and leading to full employment resilient to deflationary shocks, ‘a Catch 22’ based on ‘claims and overclaims’, offering arguments why the model was not grounded on realistic assumptions (Nuti, 1987b). Similarly, although Mario was a great admirer of James Meade’s work (1972), he questioned the assumptions of Meade’s capital-labour partnership due to the violation of the principle of equal pay for equal work (Nuti, 1992b). Through his critical analysis of existing models Mario tried to elaborate his own, that would offer more viable participatory solutions. As mentioned earlier, his interest in economic democracy led him to initiate a project on Italian workers’ cooperatives in 1984, and some years later, a major European Commission-financed project on the Promotion of

Employee Participation in Profits and Enterprise Results (PEPPER) that led to the publication of the first PEPPER Report (Uvalic, 1991) and to the adoption of a Recommendation on PEPPER by the Council of the European Union in 1992, that invited member states to consider introducing such participatory forms. The work on economic democracy at the EUI inspired many other research projects, including Italian, French and European producer cooperatives (e.g. Jones and Svejnar, 1985; Estrin, Jones, Svejnar, 1987; Fakhfakh, Pérotin, Gago, 2012) and employee ownership in Central Eastern Europe (e.g. FitzRoy et al., 1998; Uvalic and Vaughan-Whitehead, eds. 1997).

With the start of transition in Eastern Europe, Mario raised his voice against simplistic generalizations regarding the negative implications of diffused employee ownership. In countries that had to privatise entire economies, but lacked domestic capital and major interest of foreign investors, privatizations had often led to the sale of shares at privileged conditions (or free distribution) to employed workers, so insiders often became the dominant shareholders ‘by default’. Although Mario was well aware of the drawbacks of the insider-controlled firm, he formulated the conditions under which the expected adverse effects would be avoided, something that came to be known as ‘employeeism’ (Nuti, 1995). In order to assess whether there would be unique incentive problems in an insider owned firm, we need to compare worker’s short-term interests as a wage-earner with his longer-term interests as a shareholder. Inefficiencies would arise only if employees as shareholders had a lower share in company equity than they had in labour supply as workers. Mario also correctly anticipated that enterprises in which insiders held a controlling interest would probably be institutionally unstable, as many employee-owned firms in the region did not survive or ended in the hands of outsiders. Mario made an important contribution to an Experts Policy Report on employee ownership in Central and Eastern Europe sponsored by the Budapest office of the International Labour Organization (see FitzRoy et al, 1998).

Mario considered that any form of employee participation in enterprise results encourages higher labour productivity, not so much via greater individual effort (given that the employee only gains a fraction of the extra product due to his/her greater effort), but through the greater intelligence and cooperation with which any given effort is exercised and through mutual employee monitoring. Employee ownership, he wrote, creates a sense of identity with the company, improves channels of communications and the chances of avoiding and resolving conflicts. To quote, ‘Unlike other forms of participation in results, like profit-sharing, the voting power attached to shareholding gives employees a pro-rata decisional power in company affairs. The dividends and capital gains attached to share ownership give a broader and permanent basis to participation in results, unlike the uncertain periodical revision of profit-sharing parameters at labour contract renewals. *Thus, employee ownership transforms dependent labourers into part-capitalists/entrepreneurs*’ (Nuti, 2009b).

6. Economic Integration and Globalisation

As an attentive observer of political and economic events in Italy, the European Union and the global economy, Mario was deeply concerned about the challenges posed by increasing integration and globalization and by the unregulated nature of many global processes. He observed, in 2009, that globalization is equally as spectacular in its progress as in its incompleteness, in addition to being distorted and unfair (Nuti, 2009c).

In his view, globalization was incomplete because of the maintenance of many forms, often intense, of protectionism and the proliferation of free trade agreements. It was also distorted, unfair, or asymmetric, for it favoured the international mobility of capital rather than labour; it financed global imbalances instead of investment and growth in poorer countries; it caused turbulences, crises and contagion; and it promoted trade opening to the industrial exports of advanced countries

that protect their domestic markets against the agricultural and labour-intensive exports of poorer countries (Nutti, 2009c). He therefore viewed it as essential to create and strengthen redistribution agencies at all levels - of nations, commercial blocks, the global economy. Failure to govern globalization and to correct its impact on poverty, inequality, and redistribution, would breed increasing opposition to its further progress. In more recent papers, Mario notes that the revival of demand for socialism derives precisely from the multiple challenges of globalisation, including mass migrations, digitalisation, robotics and Artificial Intelligence, climate change, environmental pollution (Nutti, 2017).

Additional challenges are faced regionally by the member states of the European Union and especially the Eurozone, given the disintegration trends resulting from their dysfunctional construction. Due to what he termed ‘seismic faults’ in the European Union – including Brexit, austerity policies, tiny EU budget, premature introduction of the Euro, migrations, tax competition, tolerance of illiberal regimes, divergence of welfare policies - its institutions and policies are equivalent to ‘tectonic plates sliding over each other and colliding’ (Nutti, 2017). Mario particularly condemned the persistence of austerity policies, demonstrating that fiscal consolidation can actually increase, instead of decreasing, the public debt/GDP ratio. He believed there were remedies, in line with the original European design - such as a common asylum acceptance regime to reduce the migration crisis, or excluding public investment from the permitted public deficit, that would loosen austerity; but he was also aware that these remedies may ‘clash with the hyper-liberal design that has gradually perverted European policies, as well as with conflicts of interest between states, ideologies, welfare regimes, classes, bureaucracies, memories and expectations’ (Nutti, 2017). Mario’s frequent reflections on pressing macroeconomic issues in the European Union, particularly the Eurozone, were clearly motivated by the difficulties Italy has had in recovering after the global economic crisis and especially the 2011 sovereign debt crisis.

Mario’s public intellectual engagements in many policy areas, frequently going beyond economics, were deeply motivated by broader socio-economic and political considerations. As part of the international economics team of the European Forum for Democracy and Solidarity,² together with John Eatwell, Michael Ellman, Mats Karlsson and Judith Shapiro, Mario co-authored three books on Central and Eastern Europe (on transition, EU enlargement and social policy; see Eatwell et al, 1995, 1997, 2000), all translated into several East European languages.

His continuous intellectual engagement and active participation in ongoing political debates is best illustrated by a glance at his blog ‘[Transition](#)’, which includes some 120 commentaries between 2009 and 2018. The topics range over the numerous economic problems prominent after the 2007-08 crisis as well as a variety of political and social issues—from the debacle of European social democracy and the spectre of populism haunting Europe, to the pros and cons of alternative pension reforms, basic income and Karl Marx’s legacy recalled on the occasion of the bicentenary of his birth.

7. Domenico Mario Nutti

Mario Nutti had many students, collaborators, colleagues, close friends. On the occasion of his 70th birthday, a *Festschrift* was prepared by his colleagues to honour his work, with contributions, in addition to the editors, by M. de Cecco, L. Csaba, S. Commander, P. Desai, J. Eatwell, M. Ellman, M. Keren and G. Ofer, V. Popov, S. Godoy and J. Stiglitz, J. Prasnikar and J. Svejnar, and V. Tanzi

² The European Forum on Democracy and Solidarity was founded in 1993 as an independent Foundation, on the initiative of the western European Social Democratic parties.

(Estrin, Kolodko, Uvalic, 2007) that was presented at an international conference at *La Sapienza* University in Rome. Mario taught his students to be critical, rigorous, thorough, substantiating every sentence they wrote, where his own papers served as the best example to follow. He transmitted to his students the passion for research, as he was never satisfied with simple explanations. He was not always an easy interlocutor, especially regarding issues about which he had strong beliefs, but he would always find time to listen and he would encourage his students to prove their points by offering additional arguments. He had a sharp eye: in addition to the more substantive issues, he would notice every typo or comma out of place. His numerous papers were a great source of inspiration to his students and colleagues, from which they have learnt more than just economics. He was extremely generous with his time, his commitment to teaching and research, his care for students and younger colleagues.

Mario always stressed that no theoretical paradigm in economics should be accepted *a priori*, but its use should depend on the problem we are trying to solve. This was in line with his own approach. He once wrote: ‘I am not fond of labels; like all aggregates they destroy information and are potentially misleading. If pressed, I would choose a handful of them. I would call myself a keynesian-kaleckian-kaldorian-robinsonian when modeling the macroeconomics of the capitalist economy; a “left-wing monetarist” ... when modelling the macroeconomics of the socialist economy; a consumer of Marxian techniques when studying the dynamics of economic institutions and systems, but ready to turn them against Marx-inspired systems with a vengeance; a neo-classical in microeconomics, convinced of the importance of prices and a strong supporter – though very critical – of markets as homeostatic mechanisms, indispensable no matter how crude or imperfect. What approach is best depends on the question you ask (Oskar Lange); you choose a model as you would choose a map, according to the nature of your journey (Joan Robinson)’ (Nuti, 1992).

After his official retirement from Rome University in 2010, Mario’s pretty Tuscan farmhouse and its surrounding olive groves truly were a passion; the garden that he developed and planted close to the house almost rivalled his intellectual interests, particularly at the times when his children and grandchildren were there in *villeggiatura* - the long summer residence in the countryside devoted to walks, reading, trying to play croquet on the games field more usually given over to football, and conversation over eating (or perhaps just eating). Mario once wrote: ‘I used to reproach myself for not doing enough work, for I only regarded research as true work, but now I regret not having spent more time on a beach’ (Nuti, 1992a). Indeed, wherever he was, Mario was always surrounded by books, papers, notes, and he never stopped working, up to his very last days.

Mario has left behind much more than his valuable scientific contributions. He was an intellectual of a special kind, with a critical mind and great knowledge in many fields that extended far beyond economics. His contribution was not only in his writings and his lectures, fascinating though they are. Mario was perhaps at his most impressive in seminars, where he quickly cut through to the core of arguments to make deep and perceptive comments that led many presenters to rethink their assumptions, methods, and conclusions. Yet he always made his remarks politely, with charm and no small amount of humour.

He remained consistent in his views until his very last days. We will all greatly miss the power of his intellect as well as his kindness and concern.

References

- Bartlett, W., Cable, J., Estrin, S., Jones, D. C., and Smith, S. C. (1992). 'Labor-managed cooperatives and private firms in North Central Italy: an empirical comparison', *ILR Review*, 46 (1), 103-118.
- Bartlett, W. and M. Uvalic (1986). 'Labour-managed Firms, Employee Participation and Profit-sharing - Theoretical Perspectives and European Experience', Special Issue of *Management Bibliographies & Reviews*, vol. 12, no. 4, Bradford.
- Eatwell, J., M. Ellman, M. Karlsson, D. Mario Nuti, J. Shapiro (1995). *Transformation and Integration: Shaping the future of central eastern Europe*, IPPR, London; Slovenian Edition, *Iz Tranzicije v Evropsko Povezovanje*, Ljubljana 1996.
- Eatwell, J., M. Ellman, M. Karlsson, D. Mario Nuti, J. Shapiro (1997). *Not 'Just Another Accession' - Political economy of EU Enlargement to the East*, IPPR, London. [Bulgarian Edition](#), Friedrich Ebert Stiftung, Sofia 1998. Czech and Polish editions, 1999.
- Eatwell, J., M. Ellman, M. Karlsson, D. Mario Nuti, J. Shapiro (2000). *Soft Budgets, Hard Choices: the future of the welfare state in central eastern Europe*, IPPR, London 2000; also in Bulgarian (2001) and Estonian (2002) translations.
- Estrin, S. (1983). *Self-management: Economic theory and Yugoslav practice*. Cambridge: Cambridge University Press.
- Estrin, S. and M. Uvalic (2008). 'From Illyria towards Capitalism: Did Labor-Management Theory Teach Us Anything About Yugoslavia and Transition in its Successor States?' 50th Anniversary Essay, Special Issue of *Comparative Economic Studies*, 50, 663-696.
- Estrin, S., D. Jones and J. Svejnar (1987). The productivity effects of worker participation: Producer cooperatives in Western economies. *Journal of Comparative Economics*, 11 (1), 40-61.
- Estrin, S., G. W. Kolodko and M. Uvalic (2007a). 'Introduction: Domenico Mario Nuti', in S. Estrin, G. W. Kolodko and M. Uvalic (eds) (2007), *Transition and Beyond – Essays in Honor of Mario Nuti*, Palgrave Macmillan, pp. 1-13.
- Estrin, S., G. W. Kolodko and M. Uvalic (eds) (2007b). *Transition and Beyond – Essays in Honor of Mario Nuti*, Palgrave Macmillan.
- Fakhfakh, F., V. Pérotin, and Gago (2012). 'Productivity, capital, and labor in labor-managed and conventional firms: An investigation on French data', *ILR Review*, 65(4), 847-879.
- FitzRoy, F., D. Jones, M. Klinedinst, G. Lajtai, N. Mygind, D. M. Nuti, C. Rock, M. Uvalic and D. Vaughan-Whitehead (1998) *Employee Ownership in Privatization: Lessons from Central and Eastern Europe*, Experts' Policy Report, Budapest: ILO-CEET.
- Jones, D. C. and J. Svejnar (1985). 'Participation, Profit Sharing, Worker Ownership and Efficiency in Italian Producer Cooperatives', *Economica*, 52, pp. 449-465, November.
- Kolodko, G. W. (2000). *From shock to therapy: The political economy of postsocialist transformation*. OUP Oxford.
- Meade, J. E. (1972). 'The theory of labour-managed firms and of profit sharing'. *The Economic Journal*, 82 (325), 402-428.

- Nove, A. and Nuti, D. Mario (1972, 1974, 1977). *Socialist Economics: Selected Readings*. Penguin books.
- Nuti, D. Mario (1969). 'The degree of monopoly in the Kaldor-Mirrlees growth model', *Review of Economic Studies*, 35 (2), 257-260.
- Nuti, D. Mario (1970a). 'Capitalism, socialism and steady growth', *The Economic Journal*, 80, 32-57.
- Nuti, D. Mario (1970b). 'Review of "An Essay on Yugoslav Society by B. Horvat, New York: International Arts and Sciences Press, 1969"', *The Economic Journal*, 80, 934-936.
- Nuti, D. Mario (1973). 'On the truncation of production flows', *Kyklos*, 26 (3), 485-496.
- Nuti, D. Mario (1974). 'On the rates of return on investment', *Kyklos*, 27 (2), 345-369.
- Nuti, D. Mario (1975). 'The wage-interest frontier', *Zeitschrift für Nationaleconomie*, 35 (Heft 1-2), 177-186.
- Nuti, D. Mario (1977). 'Price and composition effects and the pseudo-Production Function', *Revue d'Economie Politique*, 2 (March-April), 232-243.
- Nuti, D. Mario (1979). 'The contradictions of socialist economies. A Marxian interpretation', in R. Miliband and J. Saville (eds.) *The Socialist Register 1979* (London: The Merlin Press), 228-73.
- Nuti, D. Mario (1981). 'Socialism on earth' (Inaugural lecture), *Cambridge Journal of Economics*, 5 (4).
- Nuti, D. Mario (1986). 'Michal Kalecki's contributions to the theory and practice of socialist planning', *Cambridge Journal of Economics*, 10, 333-353.
- Nuti, D. Mario (1987a). 'Cycles in socialist economies', in J. Eatwell, M. Milgate and P. Newman (eds.) *The New Palgrave: A Dictionary of Economic Theory and Doctrine*, Vol. I, London: Macmillan, 744-746.
- Nuti, D. Mario (1987b). 'Profit-sharing and employment: claims and overclaims', *Industrial Relations*, 26 (1), Berkeley, 18-29.
- Nuti, D. Mario (1989). 'Feasible financial innovation under market socialism' in C. Kessides, T. King, D. Mario Nuti and K. Sokil (eds.) *Financial Reform in Socialist Economies* (Washington DC: EDI-World Bank), 85-105.
- Nuti, D. Mario (1990a). 'The case for Western aid to Central Eastern Europe', EUI Conference paper.
- Nuti, D. Mario (1990b). 'Privatisation of Socialist Economies: General Issues', in *Privatization in Eastern Europe*, Vienna, Friedrich Ebert Stiftung and Renner Institut, 1992, Proceedings of the Conference 'Privatization: How to Use This Instrument for Economic Reform in Eastern Europe', Vienna, 17-18 November 1990, pp. 21-35.
- Nuti, D. Mario (1991a). 'Stabilization and reform sequencing in the reform of Central Eastern Europe', in S. Commander (ed.) *Managing inflation in socialist economies in transition*, EDI Seminar Series, World Bank, Washington DC, 1991, pp. 155-174.

- Nuti, D. Mario (1991b). '[Privatisation of socialist economies: general issues and the Polish case](#)', in: Hans Blommestein and Michael Marrese (eds), *Transformation of Planned Economies: Property Rights Reform and Macroeconomic Stability*, OECD, Paris, 1991, pp. 51-67. [Reprinted](#) in Thomas Clarke and Christos Pitelis (eds), *The political Economy of Privatisation*, Routledge, London 1993, pp. 373-390.
- Nuti, D. Mario (1992a). 'Domenico Mario Nuti' in P. Arestis and M. C. Sawyer (eds.) (1992). *A Biographical Dictionary of Dissenting Economists* (London: Elgar Publishing), pp. 401-409.
- Nuti, D. Mario (1992b). 'Market socialism: the model that might have been but never was', in A. Aslund (ed) (1992). *Market socialism or the restoration of capitalism?*, Cambridge, CUP, pp. 17-31; also in Italian ('Il socialismo di mercato. Il modello che avrebbe potuto esserci, ma che non c'è mai stato'), in A. Chilosi (1992). *L'economia del periodo di transizione. Dal socialismo di tipo sovietico all'economia di mercato*, Bologna, Il Mulino, pp. 143-156.
- Nuti, D. Mario (1992c). 'On Traditional cooperatives and James Meade's Labor-Capital Discriminating Partnerships', in Derek Jones and Jan Svejnar (eds.) *Advances in the Economic Analysis of Participatory and Labor-Managed Firms*, Vol. 4, Greenwich and London: JAI Press, pp. 1-26.
- Nuti, D. Mario (1993a). 'Economic inertia in the transitional economies of central eastern Europe', in M. Uvalic, E. Espa and J. Lorentzen (eds.) *Impediments to the Transition in Eastern Europe*, European Policy Studies, No. 1, Florence: European University Institute, pp. 25-49.
- Nuti, D. Mario (1993b). 'Lessons from stabilization and reform in central and eastern Europe', in L. Somogyi (ed.) *The political economy of the transition process in Eastern Europe*, Aldershot and Brookfield: Edward Elgar, 40-66.
- Nuti, D. Mario (1994). 'Mass privatization: Costs and benefits of instant capitalism', London Business School, CIS-Middle Europe Centre, Discussion Paper Series, no. 9; also in R. Daviddi (ed.) (1995). *Property rights and privatization*, EIPA, Maastricht 1995, pp. 103-132.
- Nuti, D. Mario (1995). 'Employeeism: corporate governance and employee share ownership in transition economies', Conference paper, in M. I. Blejer and M. Skreb (eds) (1997). *Macroeconomic Stabilization in Transition Economies*, CUP, Cambridge, pp. 126-154.
- Nuti, D. Mario (1996). 'Inflation, interest and exchange rates in the transition', *Economics of Transition*, vol. 4 (1), 137-158.
- Nuti, D. Mario (1999). 'Russia: The financial meltdown of August 1998'. Conference paper, Université de Paris, Sorbone, 23-24 Sept.
- Nuti, D. Mario (2000), 'The costs and benefits of euro-isation in central-eastern Europe before or instead of EMU membership', in Mario I. Blejer and Marko Skreb, Proceedings of the 6-th Dubrovnik Economic Conference, June 2000; Discussion Paper n. 8, CNEM-LBS, September 2000; and [Working Paper no. 340, The William Davidson Institute](#), University of Michigan Business School, October 2000.
- Nuti, D. Mario (2007). 'Managing transition economies', in Stephen White, Judy Batt and Paul Lewis (eds), (2007), *Developments in Central and East European Politics*, no. 4, Chapter 15, Palgrave/Duke UP.

- Nuti, D. Mario (2009a). 'A counter-factual alternative for Russia's post-socialist transition', Conference paper, International Conference on *The Great Transformation: 1989-2029*, Warsaw, April.
- Nuti, D. Mario (2009b). 'Detroit: Employee Ownership and Control', Blog 'Transition', 1 May.
- Nuti, D. Mario (2009c). 'Globalization Today: Incomplete, Distorted and Unfair', in P. Della Posta, M. Uvalic and A. Verdun (eds.) (2009), *Globalization, Development and Integration. A European Perspective*, Palgrave Macmillan, pp. 326-329.
- Nuti, D. Mario (2013). 'Did we go about transition in the right way?', in P. Hare and G. Turley (eds) (2013), *Handbook of the Economics and Political Economy of Transition*, Routledge, Routledge International Handbooks, pp. 46-58.
- Nuti, D. Mario (2017), 'Seismic faults in the European Union', Blog 'Transition', 8 January.
- Nuti, D. Mario (2018a). 'The Rise and Fall of Socialism', Dialogue Of Civilisations Research Institute Special Report, Berlin, https://doc-research.org/2018/05/rise_and_fall_of_socialism/
- Nuti, D. Mario (2018b). 'The rise, fall and future of socialism', Keynote lecture delivered at the conference of the European Association for Comparative Economic Systems, Warsaw, 6-8 September 2018.
- Nuti, D. Mario (2018c). 'A flat tax is for a flat Earth', Blog 'Transition', Feb. 28.
- Nuti, D. Mario, Blog 'Transition', <http://dmarionuti.blogspot.com>
- Nuti, D. Mario and G. W. Kolodko (1997). 'The Polish Alternative. Old Myths, Hard Facts and New Strategies in the Successful Polish Transformation', *UNU/WIDER Research for Action Series*, No. 33.
- Uvalic, Milica (1991), *The PEPPER Report: Promotion of Employee Participation in Profits and Enterprise Results*, Supplement No. 3/91 to *Social Europe*, Luxembourg, Office for Official Publications of the European Communities.
- Uvalic, Milica (1992). *Investment and property rights in Yugoslavia: the long transition to a market economy*. Cambridge: Cambridge University Press.
- Uvalic, Milica, Efsio Espa and Jochen Lorentzen (eds) (1993). *Impediments to the Transition in Eastern Europe*, European Policy Studies no. 1, Florence: European University Institute.
- Uvalic, M. and D. Vaughan-Whitehead (eds) (1997). *Privatization Surprises in Transition Economies - Employee Ownership in Central and Eastern Europe*, Budapest, International Labour Office & Cheltenham, Edward Elgar. *Reprinted edition*: April 1999.
- Weitzman, M. L. (1985). 'The simple macroeconomics of profit sharing'. *The American Economic Review*, 75 (5), 937-953.