

AUGUSTO GRAZIANI
(1933 – 2014)

AUGUSTO GRAZIANI, one of Italy's most renowned economists in the latter half of the 20th century, was a scholar of economic theory and policy who for five decades was committed to furthering debate over the country's economic and financial situation through keen analysis and insightful ideas. Unfortunately, late in life, poor health kept him from his work and he died in his native Naples on January 5, 2014. Graziani was born in Naples on May 4, 1933 to a family of prominent academics: his father, Alessandro, was a jurist and professor of commercial law at the University of Naples and his grandfather Augusto was an economist and professor of political economy at the same institution.

In 1955 he earned a law degree from the University of Naples with a thesis on political economy, the discipline in which he gained a teaching qualification in 1957. Between 1956 and 1959 he furthered his studies abroad. In 1956-57, on a Stringher scholarship from the Bank of Italy, he performed research at the London School of Economics under Lionel Robbins. As a Rockefeller Foundation fellow in 1958-59, he researched at Harvard University and the Massachusetts Institute of Technology, working with Wassily Leontief at Harvard and with Paul Rosenstein Rodan at MIT. His education and his relationships with scholars of his generation are described in an autobiographical profile (see A. Graziani, "Augusto Graziani [born in 1933]," in P. Arestis, M. Sawyer [eds.], *A Biographical Dictionary of Dissenting Economists*, Edward Elgar, Aldershot, 1992, pp. 215-223) and a conversation (see A. Graziani, "Il Mezzogiorno, il mercato, il conflitto," in *Meridiana*, 16, 1993, pp. 201-232).

Graziani began his academic career as a lecturer of political economy in the Faculty of Economics of the University of Catania, where he obtained a professorship in 1962. He then transferred to the Istituto Universitario Navale in Naples. In 1965 he was appointed to the chair of political economy at the Faculty of Economics of the University of Naples Federico II, where from 1973 to 1989 he was also editor-in-chief of the journal *Studi Economici*. In his role directing the journal he helped launch the academic careers of several young scholars (see D. Fausto [ed.], "I settant'anni di *Studi Economici*. Storia di una rivista," in *Studi Economici*, year LXVII, supplement to no. 108, 2012, pp. 11-119). In 1989 he was recruited for the chair of political economy at the Faculty of Economics of La Sapienza University in Rome, where he remained until he retired from teaching. During his academic years, he was a visiting professor at several universities abroad: Birmingham, UK (1969), Michigan – Ann Arbor (1971), Dijon (1983), and Paris III – La Nouvelle Sorbonne (1989-1990). He also lectured at the Collège de France in 1984 and at Paris III – La Nouvelle Sorbonne in 2003.

Beyond his teaching activities, Graziani had numerous other engagements. He worked with Manlio Rossi-Doria at the Centro di Specializzazione e Ricerche Economico-Agrarie per il Mezzogiorno as director of the Economics division. At this research center at the University of Naples he taught and organized studies on the theory and policy of economic development until the mid-1980s, fostering the publication of some important volumes of essays (see L. Costabile, "Il Centro di Specializzazione e Ricerche Economico-Agrarie per il Mezzogiorno e la 'Scuola di Portici,'" in G. Garofalo, A. Graziani [eds.], *La formazione degli economisti in Italia (1950-1975)*, Il Mulino, Bologna, 2004, pp. 269-309). Graziani's involvement with various forums dedicated to discussing the problems of the Italian economy, with a special interest in Southern Italy, began in the mid-1950s as a contributor to the journal *Nord e Sud*, where from 1956 to 1973 he published several articles on the development of the South in the context of the Italian economy. In the late '50s and early '60s he was a

member of the Associazione per lo Sviluppo Industriale del Mezzogiorno (Svimez), founding the Centro per gli Studi sullo Sviluppo Economico del Mezzogiorno together with some of Italy's leading economists.

Graziani was a member of prestigious academies: Accademia Nazionale dei Lincei, Accademia Pontaniana di Napoli, Società Nazionale di Scienze Lettere ed Arti di Napoli, and Accademia delle Scienze di Torino. He was president of the Società Italiana degli Economisti from 1998 to 2001. He was consulting editor of the *Journal of Economic Literature* and advisory board member of *Économie Appliquée*, *The European Journal of the History of Economic Thought*, *Il Pensiero Economico Italiano*, and *Studi Economici*. He was also on the advisory boards of various cultural institutions: Institute des Sciences Mathématiques et Économiques Appliquées (ISMEA), Istituto della Enciclopedia Italiana, Fondazione Gramsci, Centro di Studi di Politica Economica (CESPE), and Istituto Meridionale di Storia e Scienze Sociali (IMES). He served on the boards of directors of Svimez (1965-1971) and the Banco di Napoli (1995-1998). In 2000 he joined the board of directors of the Istituto Banco di Napoli – Fondazione. In the realm of politics, he served as a left-wing member of the Italian Senate from 1993 to '94.

Graziani's writings were published in books and journals both in Italy and abroad. During his lifetime, three volumes of essays were published in his honor: R. Arena, N. Salvadori (eds.), *Money, Credit and the Role of the State. Essays in Honour of Augusto Graziani*, Ashgate, Aldershot, 2004; G. Fontana, R. Realfonzo (eds.), *The Monetary Theory of Production. Tradition and Perspectives*, Palgrave Macmillan, Basingstoke, 2005; and M. Messori, D.P. Silipo (eds.), *Il modello di sviluppo dell'economia italiana quarant'anni dopo. Scritti in onore di Augusto Graziani*, Egea, Milan, 2012. R. Bellofiore's tribute article "A Heterodox Structural Keynesian: Honouring Augusto Graziani" was published in the *Review of Keynesian Economics* (vol. 1, issue 4, 2013, pp. 425-430).

After Graziani's death, the Accademia Nazionale dei Lincei, in a joint initiative with the journal *Studi Economici* of the University of Naples Federico II, hosted a conference on his work on December 3, 2014 and presented a bibliography of his writings (see "Atti dei Convegni Lincei 216," *L'opera scientifica di Augusto Graziani*, Bardi Edizioni, Rome, 2016). The articles submitted to the conference were published in English in *Studi Economici*, year LXIX, no. 112, 2014 ("The Scientific Work of Augusto Graziani"). To mark the 70th anniversary of Svimez, a collection of essays with their bibliography was published as A. Graziani, *Mercato, struttura, conflitto. Scritti su economia italiana e Mezzogiorno*, selected by A. Giannola, Il Mulino, Bologna, 2020. Antonio Pedone wrote a detailed review of this volume for *Rivista Economica del Mezzogiorno* (year XXXIV, no. 3, 2020, pp. 591-602).

As a researcher, Graziani began with theoretical works. His degree thesis, *La teoria della produzione capitalistica*, examined the problems introduced to production theory by the use of indirect production processes and durable manufacturing tools. His research in this field continued during his studies at the London School of Economics, and his essay "Capitale, progresso economico e instabilità" (in *Giornale degli Economisti e Annali di Economia*, year XVI, no. 7-8, 1957, pp. 422-457) probed further into the cycle time of production. Graziani took this theme to the macroeconomic level in his book *Sviluppo economico e produttività del capitale* (Jovene, Naples, 1957), which examines the relationships between capital productivity and accumulation. His macroeconomic development writings continued with the paper "Teorie e modelli di sviluppo economico" (in *Giornale degli Economisti e Annali di Economia*, year XVIII, no. 1-2, 1959, pp. 38-69), a critical analysis of the principal models of macroeconomic development.

Graziani was consistently focused on the central role of production in the development of the capitalist system. In his textbooks, where he wrote on price theory, he examined neoclassical economics in great depth and took a critical view in a number of significant points. His perspective on neoclassical theory led him to develop an innovative interpretation of the economic system, which became a distinctive characteristic of his output. While he admired the rigorous conceptual structure of neoclassical theory (on which he based his earliest writings), he soon departed from it, rejecting consumer choice and technology as exogenous variables and money as neutral.

Graziani's interest in economic development extended to his writings on cost-benefit analysis. Based on his research at Harvard University he published the essay "I criteri di investimento nei paesi sottosviluppati: in margine ad una recente polemica" (in *Economia Internazionale*, vol. XIV, no. 4, 1961, pp. 591-615), which he reworked and expanded into the book *La teoria delle scelte negli investimenti pubblici* (Jovene, Naples, 1961).

The most important work of theory from Graziani's first decade of writings is the volume *Equilibrio generale ed equilibrio macroeconomico* (Edizioni Scientifiche Italiane, Naples, 1965), in which he defended the logical consistency of Walras and Pareto's general equilibrium theory but demonstrated its insufficiency when extended to dynamic problems. He favored testing the role of the fixed coefficients hypothesis in the Walrasian model and finding room for investment functions in Walras' theory of capital accumulation.

Graziani was tireless in his study of structural change, the basis for his interest in dynamic analysis. The topic of equilibrium was critical to his work: he believed that a state of complete equilibrium had little to do with the market economy and was inconsistent with the typical characteristics of the growth economy. Any development process could only take place outside the equilibrium, as confirmed by Italy's economic growth in the first two decades after World War Two, when the rates of change of production and productivity differed widely from one sector to another.

Graziani's interest in the logical consistency of Walras and Pareto's general equilibrium theory is also evident in two papers, "Equilibrio generale ed accumulazione di capitale nel sistema paretiano" (in *Cahiers Vilfredo Pareto*, 5, 1965, pp. 75-88) and "Alcune recenti critiche alla teoria walrasiana dell'accumulazione" (with B. Trezza) (in *Giornale degli Economisti e Annali di Economia*, year XXVIII, no. 3-4, 1969, pp. 238-266), in which he examines, respectively, the indeterminacy of general economic equilibrium with regard to capital accumulation and the problem of the validity of economic meaning in the Walrasian model of capital accumulation.

Graziani's earliest works in applied economics address the accumulation and development of the Italian economy, but they are not without theoretical analysis. His two essays "Il rapporto capitale-prodotto nell'economia italiana: 1861-1957" (in *Rassegna Economica*, year XXII, no. 4, 1958, pp. 686-716) and "Il rapporto capitale prodotto nell'economia italiana: aspetti teorici e risultati statistici" (in *Giornale degli Economisti e Annali di Economia*, year XX, no. 3-4, 1961, pp. 211-244) relate to his research on macroeconomic models. His book *Reddito nazionale, moneta e consumi nell'economia italiana. Saggi* (Morano, Naples, 1961) is more closely connected to his work on long-term economic development.

In his role debating the Italian economy, Graziani focused on its development, regional disparities, and international competitiveness. His point of view, expressed in many publications, is summarized in the introductions to the three editions of the anthology *L'economia italiana* (Il Mulino, Bologna, 1972, 1979, 1989). In both the introductions and the texts he interprets the development of the Italian economy in the post-war

period and the country's economic policy decisions. The introductions, revised and expanded, constitute the volume *Lo sviluppo dell'economia italiana. Dalla ricostruzione alla moneta europea* (Bollati Boringhieri, Torino, 1998 [1st ed.], 2000 [2nd ed.]).

Graziani contributed to Italy's major daily newspapers with commentary on the economic issues of the day. His most significant articles, published from 1980 to 1996, are collected in *I conti senza l'oste. Quindici anni di economia italiana* (Bollati Boringhieri, Torino, 1997). Between 1988 and 2002, his view of the Italian economy in the framework of international events was printed in the annual *Dove va l'economia italiana?*, which gathered the opinions and predictions of the economists who attended the forum organized by the Centro Culturale Saint-Vincent.

The growth years of the Italian economy, followed by the sudden standstill in 1963 and the difficult recovery that ensued, were the subject of an essay series and the book *Lo sviluppo di un'economia aperta* (Edizioni Scientifiche Italiane, Naples, 1969).

In Graziani's opinion, the crisis of 1963 showed that Italy was the only industrialized country without an economic stabilization policy ("Le keynésien malgré lui," in *Nord e Sud*, year XIII, August 1966, pp. 17-47). A flexible, efficient stabilization policy, he wrote, requires structural reforms that are neither simple nor immediate ("Un decennio di attesa," in *Nord e Sud*, year XVII, January 1970, pp. 9-27). Conjunctural policy, meaning stability without compromising long-term objectives, takes a variety of carefully coordinated tools ("Politica dei redditi e politica della congiuntura," in *Giornale degli Economisti e Annali di Economia*, year XXIX, no. 5-6, 1970, pp. 283-305). Graziani disagreed with Italy's short-term stabilization policy, based fundamentally on a deflationary monetary policy, which was harmful to jobs and investment. He was in favor of a short-term stabilization policy aimed at incentivizing long-term development and mitigating many of the "dualisms" of the Italian economy (between North and South, dynamic and stagnant industries, sectors exposed and not exposed to international competition, large and small businesses, public and private consumption). To that end, he argued for a huge program of public investments—not just in public works—including business investment by state-owned companies.

His book *Lo sviluppo di un'economia aperta* is in large part an analysis of the development of the Italian economy in the 1950s and early '60s, using a theoretical model he presents in the initial chapters. The model, contrary to the neoclassical approach, emphasizes that the competitiveness of an economy does not depend on its production inputs and comparative advantages but on the choice to enter the international market, which requires a degree of competitiveness made possible only by appropriate technologies. This results in a dualistic structure of the economy, with one side enjoying advanced technologies, high labor productivity, and high wages, while the rest of the workforce finds jobs where the reverse mechanism operates and where goods and services are not sold abroad. The model is based on a development strategy driven by exports, with both positive and negative effects.

Lo sviluppo di un'economia aperta offers a rigorous analysis of the most intense phases of development of the Italian economy, while also influencing Graziani's later studies. It was mostly from writing this original work that he began to consider the dynamic of development differently from the static approach of growth. The economic dynamic plays out with persistent discontinuities, which do not restore equilibriums but feed diverse processes with significant dualistic aspects. The many characteristics of a dualistic economy stem from the conceptual diversity that distinguishes development from growth. The goal, therefore, is to

theorize the dualistic effects of export-driven development, by way of structural interventions that make it possible to operate in the open markets.

In *Lo sviluppo di un'economia aperta* Graziani also gives a detailed dissent from Vera Lutz's approach, which he had addressed in an earlier article ("Non bastano le opere pubbliche," in *Nord e Sud*, year VIII, January 1961, pp. 8-21). For a summary of the debate, see A. Graziani, "La teoria macroeconomica di Vera Lutz," in *Moneta e Credito*, vol. XXXVI, 1st quarter 1983, pp. 3-29 (reprinted with the addition of three appendices in Ente per gli Studi Monetari Bancari e Finanziari "Luigi Einaudi," *Moneta, dualismo e pianificazione nel pensiero di Vera C. Lutz*, Il Mulino, Bologna, 1984, pp. 113-156).

In 1975 ("Aspetti strutturali dell'economia italiana nell'ultimo decennio," in A. Graziani [ed.], *Crisi e ristrutturazione nell'economia italiana*, Giulio Einaudi Editore, Torino, 1975, pp. 5-73), Graziani updated his analysis of the Italian economy from his 1969 work *Lo sviluppo di un'economia aperta*. After the "Hot Autumn" of 1969, the end of the Bretton Woods monetary system in 1971, and the energy crisis, Graziani turned his focus to conflicts in the Italian economy, which was still tied up in an attempt to overcome its dual nature through development. He argued that the years from 1963 to 1973 were not a decade of reforms, but of productive restructuring. On one side were the efforts of businesses to improve their production structure and reduce wage pressure, and on the other, the efforts of workers to defend their income. The distribution conflict was therefore magnified, while reforms and the debate over planning were unable to solve these serious economic and social problems. Stagnant investments and the impossibility of resorting to income policy led to inflation. The reinforcement in 1975 of the wage indexing system caused an increase in public expenditure for company restructuring.

Some years later, in the early 2000s, Graziani observed that all attempts at an active industrial policy had been abandoned: public industry had been dismantled, regardless of its efficiency; large industry had lost importance; and the entire industrial structure had diminished ("The Third Way: Italian Experiments," in P. Arestis, M. Sawyer [eds.], *The Economics of the Third Way. Experiences from Around the World*, Edward Elgar, Cheltenham, 2001, pp. 106-119).

From the outset of his research career, Graziani believed that the economic development of Southern Italy was crucial to the structural transformation of the Italian economy. One of his early works was a historical paper on the South during the years before Italian unification. The essay focused on the foreign trade of the Kingdom of the Two Sicilies, or rather, the continental part of the kingdom, as Sicily had its own tax and customs laws. It was printed first in the proceedings of the Accademia Pontaniana and later, in a revised version, in the *Archivio Economico dell'Unificazione Italiana* ("Il commercio estero del Regno delle due Sicilie dal 1838 al 1958," "La politica commerciale del Regno delle due Sicilie," "Il commercio estero del Regno delle due Sicilie nella sua composizione merceologica," "Le relazioni commerciali fra il Regno delle due Sicilie e gli altri Paesi Europei ed Extraeuropei," in *Atti dell'Accademia Pontaniana*, n.s., vol. VI, academic year 1956-57, Giannini, Naples, 1958, pp. 201-217, 219-238, 247-276, 277-292; "Il commercio estero del Regno delle due Sicilie dal 1832 al 1858," in *Archivio Economico dell'Unificazione Italiana*, series I, vol. X, fasc. I, Rome, 1960, pp. 1-89).

Graziani's early economic works on Southern Italy examined its industrial structure. Later, he also addressed social and political aspects. In his book *Sviluppo del Mezzogiorno e produttività delle risorse* (Edizioni Scientifiche Italiane, Naples, 1964), he estimated the productivity of resources invested in the southern economy from 1951 to 1961 and recognized the logic of the industrialization policy as an indispensable

complement to the traditional policy of public works, both to complete the internal market and as a means of modernization. In *Lo sviluppo di un'economia aperta*, he also analyzed the effects of opening to the market along the North-South corridor. A collection of papers written as part of a research group (A. Graziani, A. Del Monte, D. Piccolo, A. Giannola, L. Matrone, *Incentivi e investimenti industriali nel Mezzogiorno*, Franco Angeli, Milan, 1973) studies the role of incentives in launching new industries.

The essay "Il Mezzogiorno nel quadro dell'economia italiana" (in A. Graziani, E. Pugliese [eds.], *Investimenti e disoccupazione nel Mezzogiorno*, Il Mulino, Bologna, 1979, pp. 7-65) looked into the key characteristics of industrial development in the South: sector-specific investments in a limited number of large plants and in an open economy. This produced a contrast between zones of industrial development and depressed areas, where there was constant emigration and rising unemployment. Therefore, while not especially poor, the South maintained its characteristic of being a subsidized economy. In addition, it featured an especially large and influential bureaucracy, as the economy depended heavily on distributions of public funds (A. Graziani, "The Mezzogiorno in the Italian Economy," in *Cambridge Journal of Economics*, vol. 2, no. 4, 1978, pp. 355-372).

In the latter half of the 1980s, Graziani argued that during the four decades of extraordinary intervention, the South did integrate—though incompletely—into the European economy. But the area continued to suffer from the lack and inefficiency of public services, as well as unemployment, the inadequate formation of production capacity, and the unequal distribution of income ("Mezzogiorno oggi," in *Meridiana*, 1, 1987, pp. 201-218). On the eve of the new millennium, he emphasized that any intervention in the area based on reducing the cost of labor would have obvious limits, as companies would only transfer their least productive units to the South, thereby accentuating the division of labor ("L'economia del Mezzogiorno nel contesto internazionale," in M. De Benedictis, F. De Filippis [eds.], *Manlio Rossi-Doria e le trasformazioni del Mezzogiorno d'Italia*, Pietro Lacaita Editore, Manduria-Bari-Rome, 1999, pp. 149-167). In a subsequent essay ("Mezzogiorno: investimenti produttivi e risorse umane," in M.R. Carillo, A. Zazzaro [eds.], *Istituzioni, capitale umano e sviluppo del Mezzogiorno*, Edizioni Scientifiche Italiane, Naples, 2001, pp. 23-31), he noted that the theory of wage flexibility moved within the same analytical sphere as emigration to areas with higher labor productivity, depriving the southern regions of their most productive workers.

Graziani's view of policies toward Southern Italy were constant over time, focusing on the accumulation mechanism which can only result from external aid and indispensable public intervention. From the '80s onward especially, this approach put Graziani in contrast with the prevailing wisdom, which favored privatization and deregulation for Italy's economic development. The conventional touchstone became the so-called model of self-propelled growth, which on the strength of pervasive localism, settled into the new economic planning policy. Graziani, however, maintained that what the South needed was a revised, corrected version of the policy followed during the initial decades of the extraordinary intervention. Emblematic in this regard is his debate with Giacomo Becattini, the leading proponent of the district model (see A. Graziani, "Il Paese senza ciminiere. Dibattito sul Mezzogiorno," in *Il Manifesto*, February 25, 1998). The end of the extraordinary intervention strengthened the convictions of those who trusted in self-propelling forces for southern development. But Graziani countered arguments involving economies external to the business and internal to the district, which lent apparent efficacy to the district model, with the effects of competitive devaluation. In his opinion, the failure of self-propelling and district policies proved that they were the logical

negation of an economic policy designed to unify the country. With the dwindling of intervention for the South, Graziani was concerned not only with reduced funding for the area but also with its use primarily as welfare, given the growing resistance to an industrial development policy because of the dominance of social groups disinterested in the South's progress on the road to development.

Starting in the late 1970s, most of Graziani's theoretical writings concerned the monetary sector, where with monetary circuit theory he developed an altogether original, heterodox position. The fundamental concept is that in a monetary economy, the power of producers depends on privileged access to bank loans and the financial markets. The credit mechanism is the key factor for the accumulation of capital. The reasoning is fully laid out in Graziani's book *The Monetary Theory of Production* (Cambridge University Press, Cambridge, 2003). Many scholars believe that his monetary circuit theory is one of the most important contributions in this field (see A. Graziani, "The Theory of the Monetary Circuit," in G.K. Ingham [ed.], *Concepts of Money. Interdisciplinary Perspectives from Economics, Sociology and Political Science*, Edward Elgar, Cheltenham, 2005, pp. 386-415).

Graziani's approach to monetary theory led to a number of heterodox conclusions. One of his key points concerned the distribution of income among macroagents, which is not associated with the productivity of production factors but with bank credit, institutional aspects, and bargaining power. Access to monetary credit, which may limit output and investment, determines the composition of output and the allocation of workers among sectors, as well as the distribution of income. The role of money in circuit theory upends traditional theory, by implying the achievement of an unqualified equilibrium. Graziani's efforts to characterize capitalism as a monetary production economy drew primarily on Marx, Schumpeter, Wicksell, and Keynes.

After Italy entered the European Monetary System (EMS) in 1981, and failed to move into the wide fluctuation band in 1987, the currency crisis of 1992 was the outcome of ballooning internal debt and launched a phase in which the management of monetary and financial policy was essential for governing the economy. For Graziani, the subsequent devaluation and fluctuation of the lira supported the hypothesis that if Italy wanted to pursue a development policy driven by exports, it had to be able to deal with the challenging demands of the labor market. Essentially, business owners are pushed to reduce the cost of labor through restructuring. The balance of payments deficit leads the monetary authorities to adopt a policy of high interest rates in order to cause compensatory capital movements. These processes result in deindustrialization. In Graziani's view, Italy's experience in the EMS proved that it is a difficult task to conduct monetary policy independently of exchange rate policy ("The Independence of Central Banks: The Case of Italy," in P. Arestis, M.C. Sawyer [eds.], *The Political Economy of Central Banking*, Edward Elgar, Cheltenham, 1998, pp. 169-179).

Graziani was one of the first economists to criticize Europe's pursuit of monetary unification, by showing that the institutional structure of the single currency aggravates austerity through a policy of reduced global demand and raises the risk of deflationary effects. Because the traditional instrument of devaluation is no longer available, countries with higher than average inflation suffer a balance of payments deficit and are forced into reducing global demand. Entry into the monetary union reinforces the viewpoint of those who are confident in the market, entrusting the management of the economy to strict EU rules. The restrictions placed on government budgets, however, reduce economic growth and cause both public and private investment to stagnate. The countries in the monetary union find themselves without any freedom of action over exchange rates and monetary policy, and the balance of international accounts, as in the gold standard, is dependent on

price and wage flexibility (see A. Graziani, "The Euro: An Italian Perspective," in *International Review of Applied Economics*, vol. 16, no. 1, 2002, pp. 95-105).

In many of Graziani's writings, he links economic theory to the history of economic thought, by highlighting the analytical aspects of existing models. He believed that this history, approached with a critical, undogmatic eye, was important for studying core theories of the past with a view to understanding problems as they were seen by earlier authors. An important example of this is his essay "M. Fanno's Production Cycles, Credit Cycles, and Industrial Fluctuations: An Introduction" (in *Structural Change and Economic Dynamics*, vol. 4, no. 2, 1993, pp. 393-402), where he examines Fanno's contribution in the context of orthodox monetary theory, a line of thinking that begins with Wicksell, continues with Keynes, and ends with the post-Keynesian school. Graziani also explored the writings of other economists: Minsky, Tugan-Baranovskij, Tobin, Hayek, Del Vecchio, Demaria, and Broggia.

Over the course of fifty years, a combination of economic theory and policy underpinned the work of Graziani, who had an undeniable talent for applying economic analysis to real-world policy issues. During the most significant stages of his career, the economy of Southern Italy was his constant focal point. He took no theory as the absolute truth and never ceased to be a dissenting economist, critical of how most academics approached their work by following the canons of conventional theory. This heterodoxy made Graziani a truly original thinker. His vision developed within the neoclassical orthodoxy, but was broadly tempered by Keynesian economics. The originality of his work lies in his insistence on examining reality without trying to force it into abstract schema, which may be suggestive but lack real-world perspective.

With no faith in the self-regulating power of the market, Graziani favored government intervention in the economy even when the authorities responsible for economic policy proved to be increasingly in the market's thrall, seeing it as an exclusive model of efficiency and thus causing public services to decline along with general collective action in support of individual initiative. But his legacy is that of an intellectual with broad interests in public policy, driven by a sense of ethics and civic-mindedness. The constant that runs through his work is the close relationship between scientific analysis and political engagement.

Graziani had a distinctive personality, shaped by his vast wealth of knowledge. He stayed true to the path of a critical economist with solid analytical foundations who examined problems with penetrating logic and great insight. In his rigorous, meticulous approach to complex economic and social problems, he showed integrity of judgment, clarity of expression, and a brilliantly intuitive mind.

Domenicantonio Fausto ©