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DOMENICO DA EMPOLI: A “SPORE” OF ITALIAN PUBLIC FINANCE AND PUBLIC CHOICE

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1. Introduction

My reflections on Domenico da Empoli (1941-2016) are an exercise in intellectual history and the sociology of knowledge. My focus is on Domenico’s role as a facilitator and transmitter of ideas through colleagues, intellectual entrepreneurship, and his journal to develop new areas for applied work in the tradition of Di Viti de Marco and Italian Public Finance theorists.

2. Domenico – A reciprocal “spore” of both Public Choice and Public Finance

An appropriate metaphor to describe Domenico is that of a “spore” of Italian public finance theory which took root in Public Choice and many public sector topics. The biological definition of spore is “a reproductive cell capable of developing into a new entity.” I use the metaphor of spores in my papers on the connection between the Chicago school of economics and the Virginia school of political economy, and in George Stigler’s connection to the Virginia school.

Domenico was an “eclectic” spore, having picked up many attributes from his connections to the Chicago and Virginia schools to promote in his work and develop his journal which started in 1983.

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The arguments about spores were developed in my papers on the connections between the Chicago school of economics (and George Stigler), and the Virginia school of political economy (Brady 2007; Forte and Brady 2020). During the 1960s the UVA - Chicago circuit was popular among Italian economists. At that time many were funded by the Bank of Italy and chose to locate at UVA as most beneficial to their research. The group was loosely known as the Bank of Italy Fellows. It included Antonio Martino (1942-2022), Italo Magnani (1942-2019), Giorgio Canarella, and others. Many also had funding for yearlong visits for study at Chicago. They knew Francesco Forte (1929-2022) and were acquainted with Buchanan during his time as NATO fellows in 1955-56. Buchanan returned to set up the Thomas Jefferson Center in 1957 which became the focal point for the development of core foundations of the Virginia School of Political Economy.

Domenico's contribution in this endeavor may be viewed through the lens of a recursive definition in that he sought to fill in blanks and connect dots. In so doing he expanded the nature and direction of the debate and discourse. UVA economics (later Chicago) professor Ronald H. Coase (Nobel 1991) viewed knowledge as a process of completing and assembling building blocks. The knowledge process may be viewed as solving such recursive definitions. Domenico implemented this approach through his leadership of the Law of the Sea Conference, his teaching, and in his journal through his editing and the selection of papers.

Domenico's formal relationship with the Virginia school began in 1965 with a visit to its founder James M. Buchanan (1919-2013; Nobel 1986) and Francesco Forte (1929-2022) in Charlottesville. The visit with Buchanan was followed by Domenico's visits to Professor Charles Goetz (b. 1939) then at the University of Illinois (later at UVA). In 1966 Domenico studied economics for a period at the University of Chicago where many of whom (Stigler, Coase, Becker) were later recipients of the Nobel Prize in Economic Science. Domenico was amazed that such high-level faculty treated students with respect and interacted with them.

Domenico made numerous visits to Charlottesville, Blacksburg and Fairfax where the three epochs of the Virginia school were born. Domenico was intimately involved in all three epochs. The first epoch (1957-68) was in Charlottesville where Buchanan and Chicago colleague G. Warren Nutter founded the Thomas Jefferson Center and Tullock joined the group. The first epoch lasted 11 years (1957 - 1968 and was punctuated by the move to the second physical location to VA Tech which became the second Epoch. During this period (I was a graduate student 1972-75 and taught one year after completing my Ph.D.), the Public Choice Center emerged from the Thomas Jefferson Center, the journal named *Public Choice* grew in prominence and the faculty expanded greatly. The third Epoch was precipitated by the move to George Mason University in 1983 and is characterized by the international recognition of Buchanan's Nobel in 1986. During all three Epochs Domenico was a constant visitor and participant in the growth of the Virginia school. As a highly valued insider, Domenico often stayed at the home of Betty Tillman Ross who served as Buchanan's secretary and editorial assistant from 1962

until her passing just one year after Buchanan's death. "Mother" Betty was a central figure in all three epochs of the Virginia school. She made all visitors, especially Domenico feel welcome and "at home" when in the Public Choice Center in Blacksburg or Buchanan House at GMU. Due to his Law of the Sea meetings in Washington, DC, Domenico was a frequent visitor to Washington, DC. Additionally, his son Stefano studied at George Mason University. Domenico had a part in all three epochs and was proud that Stefano had chosen GMU.

3. Continuing relationship with the Virginia school of political economy 1965 – 2016

Domenico saw great value in the insights of the Virginia school of political economy. The Virginia story is in large part the story of how graduates of the University of Chicago developed a new paradigm in a new location. Their work was characterized by a deep and abiding respect for the intellectual tradition of economics at the University of Chicago and through their achievements reflected well on their *alma mater*. The development of the Virginia school began with James Buchanan's arrival at the University of Virginia in 1955-56. The core of the Thomas Jefferson Center which was first Buchanan and fellow Chicagoan G. Warren Nutter (1923-1979) to be followed by Gordon Tullock (1922-2014). Also a Chicago graduate Daniel Rutledge Vining (1908-1999) had joined the UVA faculty in the 1940s.

4. Domenico was a formal man

My telephone conversations with Domenico always began with, "Hello, it is Domenico." I first met Domenico in 1990 while he was a high official within an important United Nations agency involving the Law of the Sea negotiations. My dissertation chair at Virginia Tech was Professor Charles J. Goetz, who had known Domenico from his NATO post-doctoral fellowship days at Pavia, and reconnected when Domenico visited the University of Illinois in 1965. Following in James Buchanan's footsteps, Goetz was also a NATO fellow at Pavia. There he met Italo Magnani and others in the Italian tradition of public finance.

Domenico was widely traveled, insightful, energetic, and an excellent editor. I was fortunate to have him edit and publish several of my own papers in the *JPFPC*. He was dapper in his dress, wearing navy blue suits and top coats with dark ties and white shirts. Although somewhat subdued in demeanor, he was clever with his words and deep in his thoughts. Nevertheless, as a spore he was an interloper of the truest kind, endeavoring to connect the dots in arguments and encourage discussants and writers to be expansive in their writing. Owing to first mover advantage, the nature of those in the academy has often appeared guarded and careful in revealing ideas prematurely. However, Domenico was the

exception who sought to connect people and their ideas by spreading rather than withholding ideas.

Domenico's academic training was in the law, with emphasis on the Italian School of Public Finance. His applied work covered a broad range of topics including natural resources and environmental concerns. Domenico participated in Juergen Backhaus' fiscal sociology conferences in Erfurt, Germany. Backhaus felt strongly that the contributions of Domenico's father, Attilio da Empoli, had not received the recognition they deserved. He published a book on Attilio's contributions in fiscal sociology. Domenico also sought to build upon his dad's work in applied fiscal sociology and public finance in an article relating to his work with the Law of the Sea Conference. In "Patenting Genetic Marine Resources: A Private Or A Public Choice?," Domenico did not favor patenting microorganisms living in the deep-sea which was supported by many pharmaceutical companies at the time. He presented this paper at the European Public Choice meetings in 2008. The Law of the Sea negotiations had much pressure to prevent privatization of deep sea mineral resources, by making the seabed minerals the property of developing countries. This did not occur for various reasons. In such contentious matters Domenico was known to be impartial and willing to consider well-argued positions.

5. Highly regarded by fellow economists

Domenico was well known and highly regarded in the economics profession and environmental policy arena. This recognition was made official by the Nobel Committee's invitation for Domenico to nominate candidates for the Nobel prize in 1991. He chose Tullock then at the University of Arizona. Domenico asked that I help draft the nomination since I had recently completed a book on Tullock's unpublished papers which clearly showed his development of such path breaking work as rent seeking, constitutional political economy, demand revealing, and cognitive dissonance. The book was a joint effort with Robert D. Tollison (GMU) to provide a detailed inventory of Tullock's archives at the Hoover Institution at Stanford. The work clearly showed that the mainstream economic journals of the day had chosen to reject Tullock's work as "nontraditional" and "so obvious it was not a contribution." Domenico did not buy those arguments and recognized Tullock's unique work as major contributions in economics — in short a prize by the Nobel Committee would reflect well on the Nobel Committee.

But Domenico, a very cautious man, began to fear that my "insider" knowledge about Tullock's work and editorship of *Public Choice* might be viewed suspiciously by the Nobel Prize committee as too detailed – and perhaps prompted (or even written) by Tullock himself. Nevertheless, Domenico submitted the nomination in which I played a minor role. Indeed, it is a paper in which I have great pride – although not signed as a co-author, it enabled me to work closely with Domenico and do my small part to raise Tullock's visibility within the profession. He and I talked about this paper many times over the years.

6. Domenico the book collector

Domenico had grown up in an academic environment. Although he had only his first seven years with his dad, an important economist Attilio da Empoli who died when Domenico was a small child. Like such scholars as Francesco Forte, Deidre McCloskey, Domenico grew up around scholars and books. It is not surprising that Domenico spent a lot of time searching for books in Washington, DC and Chicago. On a visit to my home, Domenico was taken with my first edition of Destutt Tracy's *A treatise on political economy*. It was one of his favorites.

7. Domenico's success as a "spore"

Chicago spores ended up at UCLA, Virginia, and other schools. They were cohesive although often disagreeing, but characterized by a deep and abiding respect for the intellectual tradition of economics at the University of Chicago and through their achievements reflected well on their *alma mater*. Domenico's importance in economics goes far beyond his published writing. His gentle guidance is found through scholars and the ideas he made available through his journal, as well as his insightful work in the Law of the Seas negotiations. My discussion of the sociology of knowledge explains the transmission of ideas to individuals in economics and other sciences, but Domenico used his journal as an instrument to foster his goals.

As an editor Domenico was much like Aaron Director, Ronald Coase, and Gordon Tullock as editors of *The Journal of Law & Economics* and *Public Choice* respectively, Domenico instilled an appreciation of the importance of history of thought by encouraging work in long neglected areas of economics and new interdisciplinary applications of economics for which he saw connections, e.g., fiscal federalism, environment and natural resources.

8. What's in a name: *Economia delle scelte pubbliche* (1983) vs *Journal of Public Finance and Public Choice* (1998)

In 1983 Domenico was founding editor of *Economia delle scelte pubbliche*. In 1998 the name was changed to the *Journal of Public Finance and Public Choice* to reflect both the broader perspective of the journal and the greater understanding of the editor. By 1998 Domenico had become "enlightened" by his experience with international organizations and bureaucracy in academia and government. In addition to academia he had worked at the highest levels of many countries. He found the "benevolent despot" model which dominated Italian thinking about the public sector inadequate to explain the operation of

government. Being a very intelligent man, Domenico recognized that human behavior was economically motivated --- and this was true whether people made choices in their private market capacity or as bureaucrats in their employment in non-market organizations such as the law of the sea conference which was intended to be a codification of existing commercial law of the ocean commons. At this point Domenico may be viewed as having three broad objectives: 1) seek a major overhaul in the way the public perceives the mechanics of public sector institutions; 2) expand consideration of reforms where market forces can operate; 3) extend the key elements of Italian public finance theory toward the foundations set in motion by Antonio de Viti de Marco (1888). It was fitting that he initiated the first volume of the journal with “The Public Choice Perspective”. It should be noted that Buchanan’s 1960 article had sought to promote awareness among Anglo-Saxon scholars of the Italian tradition that Domenico da Empoli sought to carry forward in establishing the *JPFPC*.

9. Post-scriptum festschrift

Domenico exemplified the best qualities of an academic entrepreneur, scholar and public servant. He was objective and detailed in his research and slow to reach conclusions. He was unwavering in his beliefs, “cautiously” realistic about implementation, and deliberately low key in their delivery. He nurtured his students and readers to be realistic about public sector limitations and their assumptions about the “benevolent despot.” To Domenico, government was a non-market alternative to markets and only viable under specific circumstances. May he Rest in Peace.

References

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Appendix – Domenico's work with the Law of the Seas Conference

In 1979 Domenico joined the Italian delegation to the Third United Nations Conference on the Law of the Sea. This was nominally to codify the existing body of laws (national and international) which governed the global commons of marine resources. Domenico was a major participant in the proceedings of the Preparatory Commission for the International Seabed Authority and the International Tribunal for the Law of the Sea. In 1995 he was elected to the International Seabed Authority Finance Committee and re-elected in 2001. He chaired the Committee for many years and had a major influence on its work.