



The objectives of industry

Sixty years ago people used to think that the main purpose of enterprise was profit, but today that is no longer the case. Those in charge of work in the company must take care of the health and safety of employees and of any negative consequences that production might have for final users. The company also has responsibilities towards the population living in the area of the industrial settlement: the inhabitants may derive advantages, as well as material and moral damages, from proximity to the production plant.

Furthermore, production nowadays must be planned taking into consideration environmental sustainability and energy savings criteria. People have realized that through their work they can improve the world where they live, just as they can destroy it if they do not respect the natural system that governs it. **All this comes before profit.**

Over sixty years, the economic management of industries has changed several times: at the outset, the first industries were governed with a farming or artisanal mentality, and we have gradually moved to a more courageous system. First with bills of exchange and then with bank credit, access to credit was facilitated, so that companies of significant size were born out of modest initial investments, and industry began to take shape in Italy, too.

At the end of the Second World War Italian industry was fifty years behind the Germany. The explanation for this delay is simple: Germany had more natural resources, particularly coal, and more expert government, due to the unification of the country taking place quite a while before it did in Italy. Still, Italian industry kept growing until about thirty years ago, partly closing the gap with other European countries. There were times when Italy qualified among the eight major industrial powers in the world; then a number of mistakes, mainly political ones, arrested the progress of Italian industry. The failure to update economic policies, problems with enforcing compliance with current legislation, tax evasion, a politicized and delayed justice system, a lazy and arrogant bureaucracy, and general moral decay have increased the delays and indebtedness of the country and its institutions. Getting out of the current state of affairs and taking off again is not an easy matter.

The political world is struggling in an impossible situation, is aware of being a victim of its own mistakes, and is no longer trying to justify itself. The Italian people are now expressing themselves through protest votes.

For over thirty years the world of work has been moving away from politics and no longer expects any cooperation from it.

It is certainly not the ideal situation for a recovery of employment and of the economy, but we do need to try to achieve it: let's bring together people of good will, let's keep paying taxes, all of them, without regrets and protests, let's save what we can and let's push for a recovery. Let's hope that the +0.2% growth in the first quarter of 2014 is the sign of a trend reversal.

Problems call for caution, at such a delicate time the economic management of manufacturing businesses must be very careful and prudent: part of the profits must stay in the company, to be used to do research, modernize production, and constantly update the business. Despite the crisis, companies are required to pay employers and suppliers punctually, and set aside the funds necessary to deal with unexpected events. Bank loans should be used with caution: in a context of extreme competition, as we find in Europe and the world today, profits often do not cover the cost of credit.

We have just given a few examples of all the obligations and objectives that a production company must meet.



Of course, the question will arise: what is left for the shareholders? The answer is simple, what is left are the profits that the governing board decides to distribute as shares or cash. **Industry has a social function which it cannot shirk**, otherwise the entrepreneur risks his own capital and that of shareholders: it is one of the functions of money that is useful for the work itself, provided that priorities are respected. **Being an entrepreneur is a vocation rather than a quest for power or economic gratification.** A thriving company increases in value, and this is in itself a financial return, as well as a moral reward for the entrepreneur and all his employees - salaries and profits are the tangible and necessary reward for those who work.

In the last sixty years, awareness of different social issues has increased and, above all, is shared by so many. Nobody would argue otherwise even though, unfortunately, not everybody behaves in the same way. There are still tax evaders, thieves and organized crime, people who waste public money etc, etc, all conscious lawbreakers who, it appears, are now being called to account for their behaviour.

For things to change, Italians need to improve their social conduct: reforms and legislation must be modified, but Italy will not change if Italians don't change.

Each one of us must, bravely and consistently, set an example of professional honesty and dedication to work and to the family. A professional who charges fees that are unaffordable by most people is certainly not a good role model for his children, and the same could be said of an entrepreneur, or a public figure. **The accumulation of excessive wealth, through unjustified privilege or tax evasion, in a country where poverty is spreading, is immoral.** Wealth often does not bring happiness. **In addition to providing the necessities, people seek peace and happiness for their families.**

Augusto Cattani