

E3 - GOVERNANCE

Brief considerations on the relationship between the enhancement of common goods and taxation: a possible conflict

In a mature stage of the development of the use of common goods, amongst them the phenomenon of urban gardens is an example, it is possible that citizens may become aware of the extent of the contribution they are making to the local administration of their city, replacing it to carry out a territorial care task.

The aspect of "substitute" is certainly not the only one, nor the most relevant, to be responsible for the interest of citizens to take care of a common good, as it is well known as the engine of this type of initiative is the will to sharing of experiences, of generating inclusion towards weak subjects of the society and of sense of belonging to a community.

However, the undeniable fact that well-organized citizens can replace the local administration, where this is missing, to intervene on the territory with care actions should not be underestimated. This could give rise to legitimate requests to reduce local taxes, in the place of a service given to the community.

The fact that the objectives, pursued through the regeneration activities, are of public and collective relevance, even if limited to a defined community, allows a combination of regeneration and taxation, since both pursue purposes of public interest. It can therefore be argued that the practice of subsidiary activities by active citizens, aimed at the regeneration of common goods, represents a form of contribution to public expenditure, an alternative to the payment of taxes.

In this case, it is possible to come into conflict with the local Administration, because, if it answered positively to the albeit legitimate request by those, who take care of a common good, and therefore agreed to have less revenue from local taxation, it would create a unscheduled and, above all, external rooted alteration in the income / expense balance sheet and different priorities for the allocation of the amounts available for services.

This scenario would be very critical because this alteration, albeit for temporary choices, of the pattern of the weights related to local public spending, could trigger conflicts between citizens, having different and contrasting interests. Furthermore, it would be very difficult to quantify the extent of the work done in this way and translate it in terms of lower taxation for those who do it.

It is therefore necessary to be ready to give support to the local administration, in case this phenomenon occurs, in explaining to the citizens engaged in urban gardens that this road is difficult to follow.

To overcome this obstacle, it is necessary to trigger a different perspective and that is to use the bottom-up approach, where the needs expressed by citizens in active participation actions are implemented by public administrations. There is therefore a form of participation in public spending choices, which also represents a deterrent against possible waste of money. This shared approach could also be used in the procedure that leads to the choice of the most appropriate tax relief for the activity that is intended to incentivize.

In other words, the procedure would start from the shared identification of the regeneration objectives that are intended to be achieved - and the expenditure necessary to achieve them - and then to establish which is the most suitable tax relief for the objective.

We would move from unilateral taxation, in which the choices are taken at a top level without considering the actual spending needs, to circular taxation that, starting from the prior identification of the expenditure, calibrates the facility on it.

This process clearly has a significant complexity, but it is worth starting to reflect on it and even to hypothesize future scenarios in this sense.

(Fiammetta Curcio)