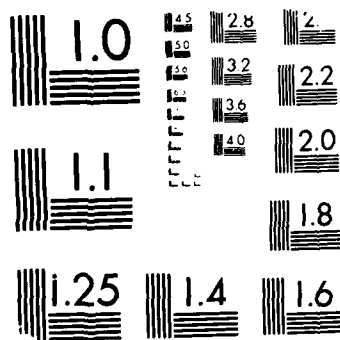


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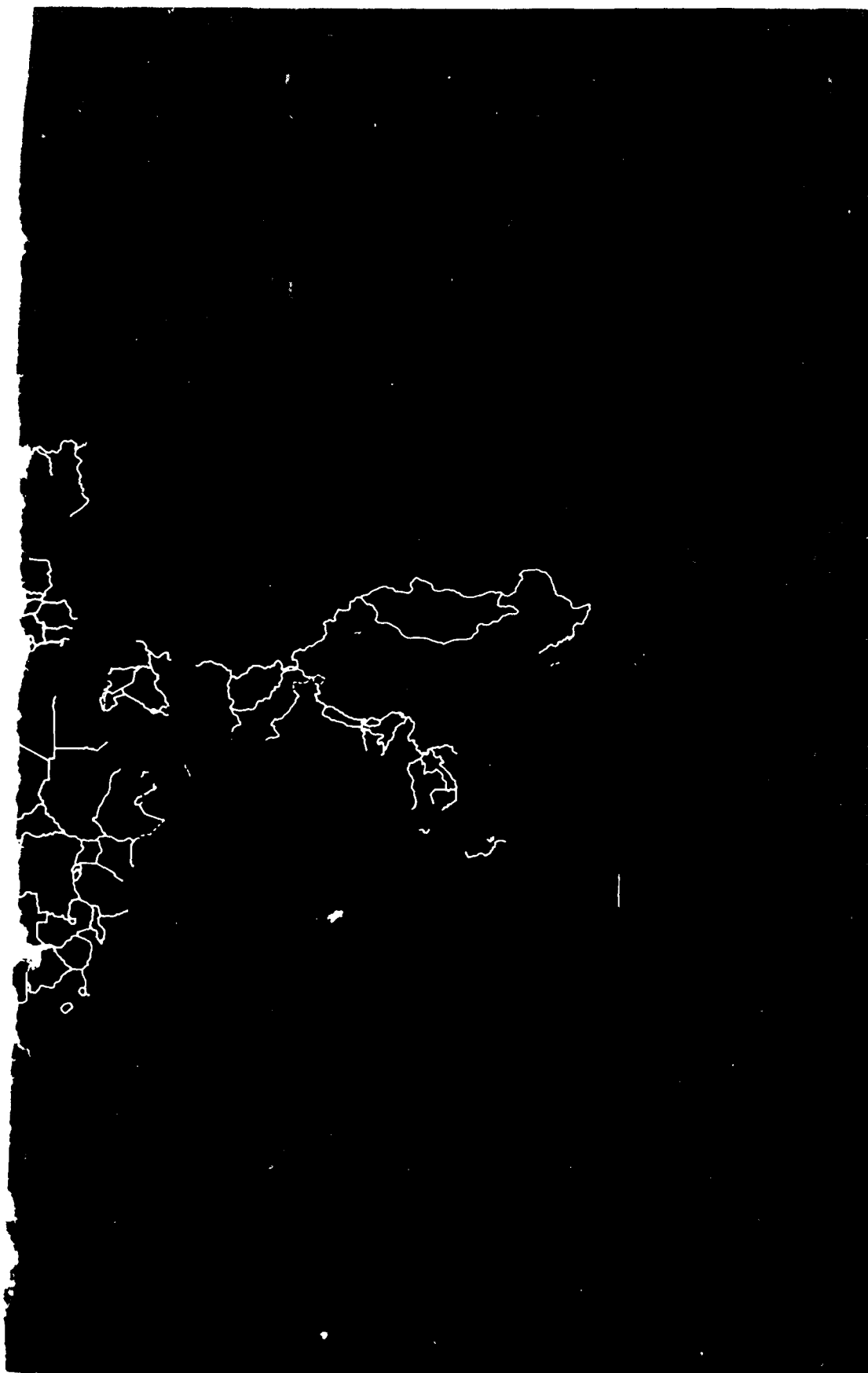
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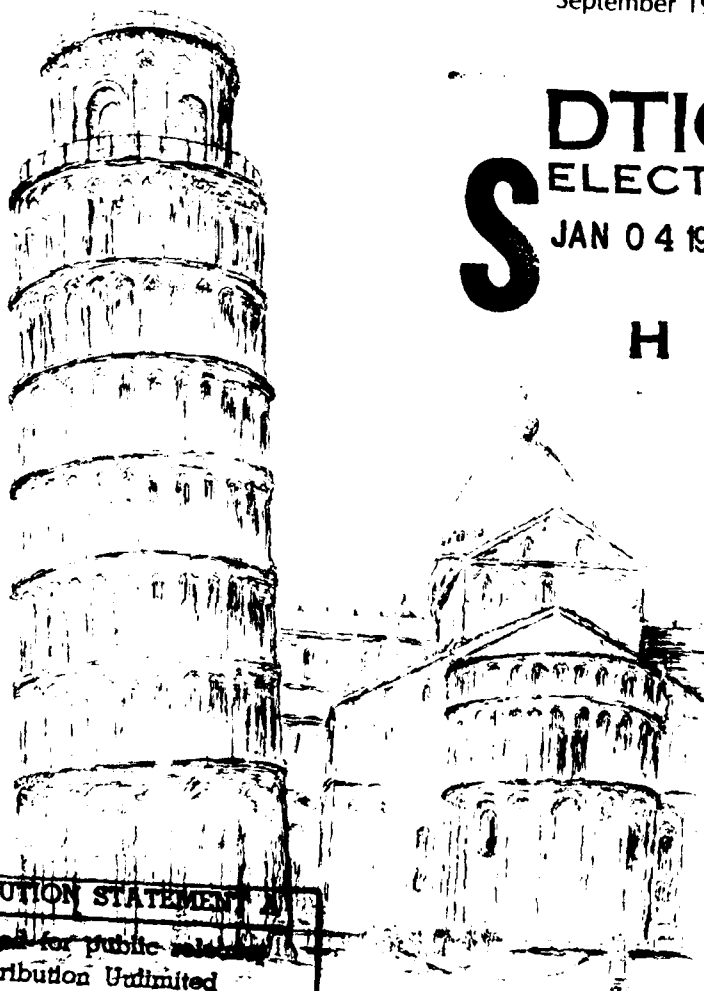
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Foreword

This volume is one of a continuing series of books prepared by Foreign Area Studies, The American University, under the Country Studies/Area Handbook Program. The last page of this book provides a listing of other published studies. Each book in the series deals with a particular foreign country, describing and analyzing its economic, national security, political, and social systems and institutions and examining the interrelationships of those systems and institutions and the ways that they are shaped by cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic insight and understanding of the society under observation, striving for a dynamic rather than a static portrayal of it. The study focuses on historical antecedents and on the cultural, political, and socioeconomic characteristics that *contribute* to cohesion and cleavage within the society. Particular attention is given to the origins and traditions of the people who make up the society, their dominant beliefs and values, their community of interests and the issues on which they are divided, the nature and extent of their involvement with the national institutions, and their attitudes toward each other and toward the social system and political order within which they live.

The contents of the book represent the views, opinions, and findings of Foreign Area Studies and should not be construed as an official Department of the Army position, policy, or decision, unless so designated by other official documentation. The authors have sought to adhere to accepted standards of scholarly objectivity. Such corrections, additions, and suggestions for factual or other changes that readers may have will be welcomed for use in future new editions.

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Preface

In December 1985 the Italian government of Prime Minister Bettino Craxi was leading the country's longest serving administration in the post-World War II years. This was no mean accomplishment in that the country had had on average a new government once every ten and one-half months until August 1983, when Craxi was sworn in at the head of a five-party coalition cabinet—Italy's forty-fourth and the first to be led by a Socialist after the war. This was only the third time Italy had a premier who was not from the perennially dominant, centrist Christian Democratic Party. As the year 1986 dawned, the political scene was relatively stable but was by no means free of tensions. The foremost of the problems facing the Craxi administration was economic, punctuated by chronic inflation and unemployment and by rising public deficits.

The purpose of this volume, which replaces the 1977 edition of the *Area Handbook for Italy*, is to present an objective, concise, and yet comprehensive picture of the salient historical, social, economic, political, and national security aspects of contemporary Italy. Sources of information include scholarly journals and monographs, official reports of governmental and international organizations, foreign and domestic newspapers and periodicals, and interviews with individuals who have special competence on Italian affairs. Brief comments on some of the more useful, readily accessible, English-language sources appear at the end of each chapter. Full references to these and other sources used by the authors are listed in the Bibliography. The dictionary used was *Webster's Ninth New Collegiate Dictionary*.

The contemporary place-names used in this study are generally those approved by the United States Board on Geographical Names, as specified in the official gazetteer issued in 1956. Because many Italian cities are better known in the West by conventional names, they are given in conventional form; but the place-names, including administrative regions and provinces, are presented in the Italian form (see table B, Preface). Measurements are given in the metric system; a conversion table is provided to assist those who are unfamil-

iar with metric indicators (see table 1, Appendix A). Appendix A provides other tabular material on economic and security matters. A glossary is also included, together with a chronology of important historical events (see table A, Preface).

Table A. Chronology of Important Events

Date	Event
ca. 900 B.C.	Etruscans first appear in Italy, establishing dominance in Etruria, north of Tiber River
ca. 760 B.C.	Greek colonization begins in southern Italy and Sicily
753 B.C.	Traditional date for the founding of Rome
509 B.C.	Traditional date for the founding of Roman Republic
390 B.C.	The sack of Rome by the Gauls
ca. 400–200 B.C.	Expansion of Roman domination throughout Italian peninsula and into North Africa
ca. 100 B.C.	Social unrest undermines republic; Julius Caesar extends Roman conquests into Britain and northern Europe
A.D. 47	Establishment of Roman Empire
ca. 50 A.D.	
ca. 100 A.D.	Greatest extent of Roman Empire, reaching from Britain to Euphrates River
315	Emperor Constantine establishes Christianity as official religion
ca. 300–400	Roman Empire divided between the East (the Byzantine Empire) and the West
a. 400–500	Barbarian invasions; establishment of Lombard Kingdom
800	Holy Roman Empire established, placing Italy under nominal control of German monarch
ca. 1000–1100	Church reforms establish supremacy of pope; conflicts between Pope Gregory VII and Holy Roman Emperor, Henry IV, lay groundwork for later claims to papal temporal power
ca. 1100–1400	Municipalities become independent city-states, or communes, developing individual cultures and political systems. Battle for control of peninsula between papal supporters (Guelphs) and emperor's supporters (Ghibellines)
ca. 1400–1500	Plague, economic depression, peasant rebellions, urban civil wars, and intercommunal wars
ca. 1250–ca. 1375	Pre-Renaissance period: revival of classicism and development of humanism
ca. 1375–ca. 1520	Renaissance period produces flowering of art and literature
1494–1531	European powers battle over control of Italian peninsula; Charles V of Habsburgs wins control over most of territory
1527	Rome sacked by Charles V's troops
ca. 1520–ca. 1600	Mannerist period
ca. 1600–ca. 1750	Baroque period

Table A. Chronology of Important Events—Cont.

Date	Event
ca. 1600–1800	Renewed fighting by European powers over control of Italy; Austrian dominance in north; Bourbon dominance in south
ca. 1760–ca. 1870	Romantic period
1797–1814	Napoleon Bonaparte invades Italy and establishes unified Italian Kingdom under French control
1815	Restoration of pre-Napoleonic monarchies
1820s	Growth of secret societies dedicated to Italian unification and independence; rebellions against foreign domination
1831	Abortive revolts in northern Italy and papal states; Giuseppe Mazzini creates new revolutionary organization, Young Italy, to lead fight for unification
1848–49	Revolutionary movements break out in Sicily, Milan, and other locations; Charles Albert of Piedmont promulgates liberal constitution; Piedmont declares war on Austria in First War of Independence
1859–60	Second War of Independence; Garibaldi and his army invade Sicily and Naples
1861	Kingdom of Italy established with Victor Emmanuel II as king and Turin as capital
1861–76	The right dominates the political scene; social upheavals throughout the south
1870	Rome incorporated into Kingdom of Italy, destroying the papal states and prompting the pope to prohibit, on pain of excommunication, Catholic participation in the new state
1876–87	The left comes to power and achieves limited social reforms: compulsory education and extension of the franchise
1878	Victor Emmanuel II dies; succeeded by King Humbert
1882	Triple Alliance signed with Austria-Hungary and Germany
1887–90	Invasion of Ethiopia; establishment of Italian protectorate; creation of Eritrea as Italian colony
1896	Disastrous defeat of Italian forces at Adowa; Ethiopia declared independent
1887–1900	Parliamentary system undermined by social unrest and the widening power of the monarchy and the prime minister
1892	Establishment of Italian Socialist Party
1900	King Humbert II assassinated by anarchist; succeeded by Victor Emmanuel III

Table A. Chronology of Important Events—Cont.

Date	Event
1900-14	The Giolittian Era (named for Prime Minister Giovanni Giolitti), marked by limited social reforms, emergence of Catholic political participation, and further weakening of political parties and parliamentary system
1911-12	The Libyan War against Turkey over control of Libya
1914	Outbreak of World War I provokes bitter debate within Italy over participation
1915-18	Italy at war against the Central Powers (Germany and Austria-Hungary), its former allies
1919	Formation of Italian Popular Party, the first Catholic political party; formation of the first Fasci di Combattimento (fascist paramilitary groups) by Benito Mussolini; Gabriel D'Annunzio seizes Fiume; official lifting of papal prohibition against Catholic participation in politics
1921	Formation of Italian Communist Party
1922-43	Fascist regime under Mussolini, imposing harsh authoritarian rule severely restricting personal and political liberties
1929	Lateran Pacts establishing relations between Catholic church and Italian state signed
1935	Invasion of Ethiopia
1939	Outbreak of World War II; Italy remains neutral
1940	Italy joins war on the side of the Axis powers
1943-44	Invasion by Allied forces; Mussolini dismissed by cabinet, succeeded by Marshal Pietro Badoglio; surrender of Italians to Allies; German forces occupy north; emergence of Italian resistance; capture of Rome
1945-46	Mussolini captured and executed; abdication of King Victor Emmanuel III; end of monarchy and establishment of Italian Republic; formation of government of national unity joining Christian Democrats, Socialists, and Communists
1947	Communist and Socialist parties ejected from government
1948	New republican Constitution goes into effect; first parliamentary election produces major Christian Democratic victory; Marshall Plan inaugurated
1949	Formation of North Atlantic Treaty Organization
1952	Italy joins European Coal and Steel Community
1956-59	Socialists and Communists diverge; Communists announce program of the "Italian path to socialism"
1959-63	"Opening to the left" emerges
1968-69	Eruption of student and labor unrest; emergence of terrorist violence

Table A. Chronology of Important Events—Cont.

Date	Event
1970	Beginning of economic slowdown; establishment of regular regional governments
1973	Communists propose the "historic compromise"; oil embargo produces dramatic increase in petroleum prices; beginning of double-digit inflation
1974	Referendum upholds recently established divorce procedure
1975	Socialists withdraw from center-left coalition; substantial Communist gains in regional and local elections produce important increase in leftist governments below national level
1976	Communists repeat gains in parliamentary elections; Christian Democrats form government dependent on Communist abstention; Communists receive several important parliamentary posts
1978	Communists and Socialists become part of majority supporting the government
1978	Aldo Moro kidnapped and killed by Red Brigade terrorists
1979	Communists withdraw from parliamentary majority, bringing down government; Communist vote declines in parliamentary elections for first time
1980	Socialists join the government, recreating the center-left coalition
1983	Bettino Craxi, a Socialist, forms government, the first in postwar history led by a non-Christian Democrat

Table B. Conventional English Usage for Selected Italian Place-Names

Italian Spelling	Conventional English Spelling	Conventional English Spelling	Italian Spelling
Alpi Dolomitiche	Dolomite Alps	Apulia	Puglia
Basilicata	Lucania	Brenner Pass	Passo del Brennero
Cervino	Matterhorn	Dolomite Alps	Alpi Dolomitiche
Colle del Gran	Great St. Bernard	Florence	Firenze
San Bernardo	Pass	Genoa	Genova
Colle del Piccolo	Little St. Bernard	Great St. Bernard	Colle del Gran
San Bernardo	Pass	Pass	San Bernardo
Firenze	Florence	Italy	Italia
Genova	Genoa	Latium	Lazio
Italia	Italy	Leghorn	Livorno
Lazio	Latium	Lombardy	Lombardia
Livorno	Leghorn	Little St. Bernard	Colle del Piccolo
Lombardia	Lombardy	Pass	San Bernardo
Milano	Milan	Lucania	Basilicata
Monte Bianco	Mont Blanc	Matterhorn	Cervino
Napoli	Naples	Milan	Milano
Padova	Padua	Monte Blanc	Monte Bianco
Passo del	Brenner	Naples	Napoli
Brennero	Pass	Padua	Padova
Piemonte	Piedmont	Piedmont	Piemonte
Puglia	Apulia	Rome	Roma
Roma	Rome	Sardinia	Sardegna
Sardegna	Sardinia	Sicily	Sicilia
Sicilia	Sicily	Syracuse	Siracusa
Siracusa	Syracuse	Tiber	Tevere
Tevere	Tiber	Trent	Trento
Torino	Turin	Turin	Torino
Toscana	Tuscany	Tuscany	Toscana
Trento	Trent	Vatican	Vaticano
Vaticano	Vatican	Venetia	Veneto
Veneto	Venetia	Venice	Venezia
Venezia	Venice	Vesuvius	Vesuvio
Vesuvio	Vesuvius		

Country Profile



Country

Formal Name: Italian Republic.

Short Form: Italy.

Term for Citizens: Italian(s); adjectival form, Italian.

Capital: Rome.

Flag: Three vertical stripes of green, white, and red.

Geography

Size and Location: Approximately 301,278 square kilometers (including Sicily and Sardinia). Continental area reaches to Alps, and elongated boot-shaped peninsula juts into Mediterranean Sea from south-central Europe and, with Sicily, almost reaches North Africa. Land borders with France, Switzerland, Austria, Yugoslavia.

Topography: Three-quarters hilly and mountainous. Alps across north from France to Yugoslavia. Apennines from Alps to southern tip of peninsula. One major lowland—North Italian Plain—most important area of both agricultural and industrial production; generally coincident with Po Valley. Minor lowlands in coastal regions.

Climate: Central and southern regions, except high mountain area, have typical Mediterranean climate—mild winters and hot, dry summers. Alpine regions have cold winters; precipitation distributed evenly throughout year; some peaks snow-covered all year. Some areas have strong seasonal winds.

Society

Population: Estimated 57 million in July 1984. About 70 percent urban in 1982; Rome, Milan, Naples, and Torino each had over 1 million inhabitants. Annual growth rate from 1970 to 1982 averaged 0.4 percent. Although numbers of emigrants approximated numbers of returning migrants, 1.2 million Italians remained in Federal Republic of Germany (West Germany), France, and Switzerland.

Education: Free and compulsory from age six to 14. Literacy estimated at 93 to 97 percent in 1984.

Language and Ethnic Groups: Standard Italian spoken all over country, but regional dialects also prevalent. Special regions officially recognize languages other than standard Italian. Ethnic minorities and non-Italian speakers found primarily in border regions: Slovenes in Friuli-Venezia Giulia; German speakers in Trentino-Alto Adige; French speakers in Val d'Aosta.

Religion: 97.5 percent of population estimated to be Roman Catholic.

Socioeconomic Diversity: Historic social and economic division between regions, especially north and south, persists despite massive development program for south. Five of 20 regions classified as "special" in recognition of their cultural/linguistic and geographical distinctiveness and granted some autonomy.

Health: National Health Service providing free care by physicians and public hospitals for all Italians and resident foreigners began January 1980. New unit was local public health district.

Mass Communications: State-controlled Italian Radio-Television operates along with growing number of private television and radio stations. Over 70 daily newspapers, many operating with government subsidies. Milan and Rome leading press centers. Free speech and free press fully assured in practice.

Economy

General Character: Private enterprise with state participation in major industrial and service areas. Lagging economic development of southern half in country—Mezzogiorno—focus of current regional planning.

Gross Domestic Product (GDP): Approximately US\$352.8 billion in 1983; GDP per capita US\$6,208.

Agriculture: Contributed 5.7 percent to GDP and employed 12.2 percent of work force in 1983. Major crops cereal grains, fruits and vegetables, and tree crops such as wine grapes and olive oil. Chronic trade deficit in agriculture items; 20 to 40 percent of meats, dairy products, and seed oils imported.

Industry: Contributed 39.1 percent to GDP and employed 35.6 percent of work force in 1983. Strong engineering and transportation equipment industries in addition to important textiles, food processing, metallurgical, and chemical industries. Since early 1970s decentralization of production through subcontracting to small-scale industry a feature of Italian manufacturing.

Services: Contributed 55.2 percent to GDP and employed 55.2 percent of work force in 1983. Public administration accounted for 14.7 percent of GDP and 17.4 percent of total employment. Since end of 1970s labor-intensive service activities such as distribution, lodging, and food service have shown sharp employment increases. Small local shops dominate distributive sector.

Unemployment: Upward trend since 1974; 1984 unemployment rate 10.4 percent. Higher than average unemployment rates among youth and women and in Mezzogiorno.

Budget: Since early 1970s growth of government revenue has not kept pace with expenditure, whose increase owing largely to expansion of social security, welfare programs. In mid-1980s public expenditure difficult to control; in 1984, public sector deficit at 16.7 percent of GDP serious economic problem.

Currency: Italian lira (pl., lire—see Glossary).

Foreign Trade: Exports approximately US\$72.7 billion, imports US\$78.3 billion in 1983. In 1984 leading export sectors: metal mechanical industry; textiles, clothing, leather goods, and furs; metallurgy; and chemicals. Leading import items: minerals and fuels; agricultural products; metal mechanical goods (excluding transportation equipment); and chemicals. Trade predominantly with other West European countries; West Germany, France, and United States most important trading partners.

Roads: 297,000 kilometers of roads in 1983 included 6,000 kilometers of superhighways. Road system handles more passengers and freight than railroads.

Railroads: About 20,000 kilometers of track, of which 80 percent state-controlled. Over 50 percent of lines electrified, only 28 percent multiple-tracked. System connects with rail lines of neighboring countries through Alpine passes.

Civil Aviation: Nineteen international airports served by Alitalia, national airline, and several foreign carriers. Domestic air service important in linking distant cities.

Water Transport: Inland waterways in Po Valley of little significance; coastal shipping with over 200 ports major aspect of transportation network. Genoa and Naples on west coast, Palermo in Sicily, and Venice and Trieste on Adriatic Sea are among largest and busiest ports. Some specialized ports for products such as steel and oil rival traditional commercial ports; include Taranto and Porto Torres.

Government and Politics

Government: Republican Constitution of 1948 provides for parliamentary democracy and unitary system. Bicameral parliament elects president of republic, the head of state. Chief executive authority invested in cabinet and prime minister acceptable to majority of legislature. Constitutional validity of laws and impeachment of top-level officials under jurisdiction of independent Constitutional Court.

Politics: Two major political subcultures stemming from Catholicism and socialism reflected in dominance of Christian Democratic Party, which has formed governments, alone or in coalition, since World War II, and of Italian Communist Party. Chamber of Deputies elected in 1983 was 33 percent Christian Democrat, 30 percent Communist. Italian Socialist Party, third largest party, had 11 percent.

Administrative Divisions: Twenty regions, 95 provinces, and 8,081 communes. Tradition of local self-rule strong as cities, towns, and villages are run by locally elected communal officials.

Justice: Legal system, based on Roman law, consists of ordinary and administrative courts. Judiciary independent. Highest ordinary court is Court of Cassation.

Major International Membership: United Nations and specialized agencies. Strong supporter of North Atlantic Treaty Organization, European Communities, and Organisation for Economic Co-operation and Development. Also active in Western European Union.

National Security

Armed Forces: Total personnel on active duty, 375,100; total reserves, 799,000. Component services: army, 260,000; navy, 44,500; air force, 70,600; Carabinieri, 90,000.

Major Tactical Units: In 1985 army had one armored division, three mechanized divisions, two independent mechanized brigades, four independent motorized brigades, five Alpine brigades, one airborne brigade, two amphibious battalions, one missile brigade, four aviation wings. Navy had 10 submarines; two aircraft carriers; four cruisers; four destroyers; 15 frigates; 22 inshore, coastal, and ocean minesweepers; and variety of smaller patrol vessels. Air force had six fighter and ground-attack squadrons, four light-attack and reconnaissance squadrons, six interceptor squadrons, two reconnaissance squadrons, three transport squadrons, six training squadrons, eight surface-to-air missile groups. Carabinieri has one mechanized brigade.

Military Equipment: Mostly United States or Italian origin. Some local manufacture of equipment under licensing agreements.

Military Budget: Expenditures represented 5 percent of total government budget; 2.7 percent of GDP for 1984.

Police: Carabinieri staffed by 90,000 men; State Police, 68,000 in all cities and towns; Customs Police, 48,000, act as frontier guard. All police under civilian control during peacetime but under military control in time of war.



Figure 1. Administrative Divisions, 1985

Introduction

IN LATE 1985 ITALY'S unusually long period of political calm was broken by a coalition crisis of the kind that had become familiar to the Italians in post-World War II years. In October Prime Minister Bettino Craxi handed his resignation to President Francesco Cossiga in the wake of intracoalition differences stemming from the hijacking of an Italian cruise liner, the *Achille Lauro*. The resignation was tentatively accepted, pending the formation of a new government that would have been the country's forty-fifth since 1945. Through deft political maneuvers on Craxi's part and through accommodation among the parties concerned, however, the differences were ironed out three weeks later, and Craxi reconstituted his old government. As expected, the president formally rejected the resignation and, exercising his constitutional duties, ordered a parliamentary vote of confidence on the "new" government, which turned out to be identical to the old one. Craxi had no problem winning that confidence, and his coalition government, which had been originally installed in August 1983, was still in power as the year 1986 dawned. This government became the longest serving administration in the postwar era, during which time the country witnessed a new government on the average of every ten and one-half months. Such frequent shifts in leadership at the top would seem overwhelming were it not for the fact that the political system as a whole had been relatively stable. The broadly based, centrist Christian Democratic Party (Partito Democrazia Cristiana—DC) provided essential leadership continuity by controlling the central state institutions as well as the powers of patronage throughout the national domain.

The Italian Republic descends from the first unified Italian state of modern times—the Kingdom of Italy—which was established in 1861, out of a patchwork of rival kingdoms, principalities, duchies, and papal states. By the mid-1920s, although the king still reigned, it was Benito Mussolini who ruled, and the kingdom had become a fascist dictatorship. Neither Mussolini nor his dictatorship survived World War II, and in a plebiscite held in June 1946 the monarchy was voted out and the republic voted in (see fig. 1).

A new constitution, promulgated on New Year's Day 1948, established a parliamentary republic consisting of three branches under a head of state known as the Italian president of the republic, who would be elected by parliament for a term of seven years. The president has a range of ceremonial powers usually exercised by a constitutional monarch, but in addition wields significant discretionary power in the selection of a prime minister and in the acceptance or rejection of a prime minister's resignation. The executive branch is headed by the prime minister and the prime minister's cabinet. The bicameral parliament is constituted on the basis of proportional representation. The judiciary is divided into ordinary courts for civil and criminal cases and administrative courts for handling affairs between citizens and the various levels of government.

Italy is a unitary state, all power emanating from the center, which delegates authority to the regions, provinces, and communes. At the basic level are communes, which have a long tradition of strong local autonomy. Feelings of loyalty to a commune or regional pride tend to take precedence over a broader loyalty to the state. All subnational levels are served by centrally appointed officials, as well as by locally elected bodies. A commune may be a tiny rural village and its surrounding territory, or a small town and its environs, or a major city such as Rome or Milan.

Italy is a state ruled by political parties, which control the formal institutions of government. From the first parliamentary elections held after the promulgation of the Constitution, all but two governments have been led by the DC. During the late 1940s and 1950s the DC ruled alone or in coalition with various right-of-center parties. As the center-right coalitions continually encountered difficulties in maintaining the confidence of parliament through the early 1960s, the leaders of the DC began to consider what was termed an opening to the left, a policy that reached fruition in 1963 with the formation of a coalition that included the leftist Italian Socialist Party (Partito Socialista Italiano—PSI).

The center-left formula continued as the basis for government until the early 1970s, when economic setbacks and growing social tensions led to strained relations between the DC and the PSI. In 1976 the PSI withdrew its support, causing the government to fall and eventually leading to the parliamentary elections held in June 1976. The DC barely maintained its plurality, winning 39 percent of the vote against 34

percent by the Italian Communist Party (Partito Comunista Italiano—PCI), the second major political grouping in the nation. After the narrow victory, the DC formed a minority government, without inviting the PCI to participate as a coalition partner. The Communists, however, did obtain the presidency of the Chamber of Deputies (the lower house of parliament) and several chairmanships of parliamentary committees. When the DC government presented its program to the legislature, the PCI abstained from the vote of confidence to avoid bringing down the new government before it even took office.

The PCI's popularity was derived in part from the moderation of its radical posture beginning in the late 1960s. In 1973 Enrico Berlinguer, the PCI leader, proclaimed a new party strategy, commonly dubbed as "historic compromise." This strategy was aimed at an alliance between the Communists and other democratic parties, including the anticommunist Christian Democrats. The Communists declared their willingness to accept various policies that the DC had used to consolidate its power bases in the postwar era. Chief among these policies were Italian membership in the North Atlantic Treaty Organization (NATO), some form of West European integration, and maintenance of a mixed economy. Moreover the PCI under Berlinguer had become the leading advocate of so-called Eurocommunism, a philosophy or movement that stressed independence for national communist parties to pursue their own brand of socialism free from external interference.

Some critics referred to Eurocommunism as a sham or a smoke-screen designed to hide the true nature of the PCI. They argued that the Communists would act reasonably or cooperate as long as such action furthered their true goal of a complete takeover, after which Italy would become a one-party state in the mold of other communist-ruled countries. Whatever the truth, the PCI's assertion was that its participation in the government was vital to the resolution of Italy's social and economic problems, but as of January 1986 the Communists, though representing one-third of the electorate, remained excluded from any role in the ruling coalition. The PCI was occasionally consulted, however, on the economic program proposed by the government, if only because the party controlled a powerful trade union confederation.

The 57 million Italians, the second largest population in Western Europe, are as diverse in their social and cultural

life as they are in their politics. Italy is truly a country of many contrasts in customs and dialects, as evidenced in the people's strong attachment to their villages and to their local heritage. The contrasts are manifest also in the socioeconomic divisions not only between rural and urban areas but also between the poor south and the relatively prosperous north.

Ethnic differences do not have any significant impact on the lives of the people because the small clusters of minorities do not present any problem for the political or cultural integration of the people. The Austrian-Italian Tyroleans in Trentino-Alto Adige agitated once for greater autonomy, but they seldom have constituted a threat to national unity; they have their own political party and regularly send elected deputies to parliament. Other minorities include Slovene-Italians, Greek-Italians, and Albanian-Italians.

Religion has been one of the main integrating forces in the country. Roman Catholicism was the established religion of Italy from 1929 to 1984, and virtually all Italians are Roman Catholics, but their religiosity varies considerably as a result of growing secularizing tendencies in recent decades. Probably the most symptomatic of these tendencies was a new concordat signed between the Italian government and the Vatican in February 1984. Under this accord, which superseded a pact on church-state relations signed in 1929, Catholicism was disestablished as the state religion; religious instruction in public schools (previously compulsory) became optional; church annulments of marriages required confirmation by secular courts; and the Italian government would phase out subsidies for priests' salaries by 1990 (see Religion, ch. 2).

Social changes have been considerable in the postwar era, influenced as they were by education, industrialization, and modern communication and transportation. Despite problems of inadequate facilities and limited funding, educational progress has been substantial, and many Italians were able to face new challenges and broaden horizons in their perceptions of the world outside their villages. At the same time, industrialization opened new opportunities to many impoverished Italians, who flocked to cities for jobs away from their traditional pursuits—unproductive agriculture. By 1983 the labor force employed in agriculture dwindled to 12.1 percent from 40.8 percent in 1950. But not all the rural migrants ended up in the industrial sector; there were not enough jobs, and not many migrants had the necessary skills needed in

the factories. The industrial work force was 35.8 percent in 1983, a small increase from 31.8 percent in 1950. Those who were not absorbed by industries came to swell the ranks of the service sector, accounting for 52.1 percent in 1983 as compared with 27.4 percent in 1950.

Industrialization hastened the pace of urbanization, thereby reinforcing the traditional pattern of the rural poor's turning to internal migration and external emigration to escape the crushing poverty of their home areas. But many cities, northern as well as southern, were slow to accommodate large numbers of these migrants, who soon emerged as the potentially explosive source of political destabilization. Increasingly the center-right coalitions led by the Christian Democrats faced the problem of escalating demands for housing, schools, and other social services. Politically the grass-roots protests multiplied, and the restive industrial working class in the cities, especially in the north, turned to the opposition left-wing parties and militant trade unions for political assertiveness. In 1963 the Christian Democrats found it expedient to enter for the first time into a coalition with the Socialists.

Rural depopulation and urbanization have had another far-reaching sociopolitical consequence: the weakening of the traditional bond between wealthy, mostly landowning, local notables and the peasants. Until the 1950s it was these notables as patrons who controlled all important resources—land, economy, positions of political power, and channels of communication to the outside world. Patrons helped their peasant-clients obtain jobs or loans and helped them handle problems that required authoritative intervention, in return for which clients gave their patrons loyalty and public support. Since the 1960s, however, political parties and their local functionaries have become the principal power brokers, exercising patronage through the control and expansion of state spending. The extensive patronage networks continue to affect the lives of many Italians. Individual success often hinges to a great degree on business, social, and political connections established and nurtured through these networks.

Although the country has become more industrialized and more urbanized, with the usual consequence of weakening family and community ties, the family nonetheless continues to be the most important social unit. Self-identity as well as the honor and social position of the individual are defined in terms of family unity. No other social grouping seems to

engender the same kind of loyalty as does the family. When close relationships do exist outside individual families—such as between patron and client or between friends—they are often phrased in terms of kinship bonds. A patron is often asked to become godfather to a client's child, and a friend is referred to as cousin.

Italians are not only conscious of their cultural heritage, which certainly must rank among the world's greatest, but also take intense pride in their modern art, literature, and design, all of which they regard as among the most innovative in the world. Italian literature is widely read abroad in translation, Italian sculpture has earned a respected place in the plastic arts, and Italian architecture—continuing a centuries-old tradition of excellence—is recognized as a pacesetter in functional design. Italy's film industry remains one of the world's most prolific, and the cinema is one of the country's most popular forms of mass entertainment. Serious literature since 1945 has been marked by its preoccupation with the wartime experience and with the political and social evolution of the postwar era. Along with contemporary film and theater, literature has been profoundly politicized. Cultural activities are promoted and encouraged by the state as well as by private enterprises, and there is extensive government patronage of the performing arts.

In 1985 Italy was the sixth largest economic power in the noncommunist world, but on a per capita income basis it ranked seventeenth among the most industrialized 24 nations represented in the Organisation for Economic Co-operation and Development. The country was known for its engineering prowess and its multinational corporations, such as Fiat, Olivetti, and Pirelli. The northwest industrial triangle of Genoa, Milan, and Turin—the center of the more technologically advanced industries—was one of the most prosperous regions in Western Europe. In some respects, however, the economy remains relatively underdeveloped, especially in the southern half of the peninsula, called the Mezzogiorno, where, despite massive infusion of public funds since the 1950s, economic development lagged behind the northern half. Moreover a sizable portion of the work force in the country was still engaged in low-productivity agriculture and in small-scale, family-run enterprises depending on marginal labor.

Italy has a mixed economy, the state holding a controlling interest in a substantial segment of the economy, especially in heavy industry. The economy is often described as

dualistic because of persistent structural imbalances and considerable disparity in development between urban and rural, modern and traditional, and north and south. There are wide variations in living standards, per capita income, regional development, and public services. In terms of sectoral share of the gross domestic product in 1983, the service sector contributed 55.2 percent; industry 39.1 percent; and agriculture 5.7 percent. Economic statistics, however, as in some other countries, may not accurately reflect the state of the economy because of the so-called "submerged economy." This refers to an unofficial economic sector run by the self-employed as much for tax evasion as for a social safety net in times of economic hardships. The size of this sector was estimated, as of the mid-1980s, to equal 10 to 30 percent of the national wealth.

Italy achieved very rapid industrial development in the first 20 years after World War II, experiencing one of the strongest growth patterns from 1959 to 1963. Then came a stop-and-go pattern through the mid-1980s. The uneven course reflected the existing worldwide conditions, to which Italy, as a major trading nation though poorly endowed, was particularly vulnerable; but more significant, the unevenness reflected the course of internal dynamics. A rapid rise in wages and associated social welfare costs demanded by militant trade unions cut into industrial profits and capital investment, creating inflationary pressures. Controlling inflation became increasingly difficult after the mid-1970s, when Italy adopted a system of indexing wage hikes to the cost of living, called *scala mobile* (literally, escalator). The perennially shaky coalition governments chose not to tamper with wage indexation, so as not to provoke or antagonize powerful trade unions.

When Craxi's five-party coalition government took over in August 1983, his immediate and foremost goal was to reduce inflation from the August level of 15 percent to 10 percent in 1984 and then to 7 percent in 1985. Other objectives called for the creation of more jobs, overall improvement in the economy, fight against organized crime, improvement in the administration of justice, and reform in state institutions. In 1984 the government moved decisively to modify the wage indexation system as part of its anti-inflationary program, to fight against tax evasion, and to lower the high level of public spending. By November 1984 inflation was brought down to 8.7 percent; this was the first time

since 1973 that inflation was held below 9 percent. On the negative side, unemployment stayed at 10.4 percent, and there was no indication that public spending or the private sector deficit could be significantly reduced in the near future. In 1985 inflation remained at the 1984 level, despite the government's success in imposing a 4-percent cut in automatic wage indexing. This success came in the face of all-out opposition from the PCI-affiliated trade union confederation, which had refused to fall in line with other noncommunist confederations agreeing to support the government's anti-inflationary package.

In foreign affairs Italy has maintained a strong Western orientation since 1945, as manifest in its entry into NATO and the European Communities and in its close mutually beneficial relationship with the United States. At the same time, in an effort to establish its own international and independent identity, Italy has stressed its role as mediator between East and West and between industrialized and developing nations. The latter aspect has led Italy to pursue special interests in the Mediterranean area, especially the Middle East. Since the advent of the Craxi government, however, Italy's sympathy has seemed to lie more with the Arab countries than with Israel.

Strategically located, Italy plays a crucial role in the defense of Western Europe's southern flank and the Mediterranean region. The bulk of its armed forces is accordingly committed to NATO, one of whose major commands—Allied Forces Southern Europe—is headquartered in Naples, and there are subordinate air, naval, and naval striking and support forces headquarters in that city, as well as a subordinate ground forces headquarters in Verona. The United States Sixth Fleet uses Naples as its headquarters and major support facility. In 1985 the Craxi government continued to affirm Italy's 1979 decision to allow NATO to deploy some United States-made medium-range cruise and Pershing missiles on Italian soil.

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Rinn S. Shinn

Chapter 1. Historical Setting



Statue of David

ITALY'S HISTORY is that of a nation in the making. After the fall of the Roman Empire, the Italian peninsula was divided into a multitude of independent regions and municipalities, or communes, separated by geography and foreign occupation and distinctive in language, culture, and economic and political development. Patriotism usually implied loyalty to a town or region, not to a country, until the nineteenth century, when an intellectual movement called the Risorgimento gave life to the idea of a unified Italian nation.

The idea was embraced by an intellectual and political elite that was determined to transform the idea into a reality. The unification of Italy in 1861 and the establishment of a centralized parliamentary monarchy were engineered and carried out by this elite group with little popular support or participation. As a result, the Italian state neither sought nor gained the loyalty of the majority and became the sole possession of the narrow elite, who, either by guile or by simple omission, defined its own interests as the national interest. This historical fact helps to explain the survival of anomalies in Italian society, economy, and politics.

Italy was a centralized state created out of a divided nation in which the very idea of nationhood was only recently and unevenly implanted across the country. Since the political elite was recruited primarily from the northern industrial bourgeoisie and had little knowledge of the rest of the country, let alone interest, the economic diversity among the regions was ignored. The recognized spokesmen of the poorer regions, especially the south, were the conservative economic groups bent on preserving their own dominance and resistant to change. The poor masses were deprived of entry into the political class themselves and, more important, had few advocates within the elite. Thus, the policies that the rulers followed were inappropriate to the economic reality and inadequate to solve the very real problem of regional underdevelopment.

The chronic economic problems, partially a function of political causes, in turn, had the political effect of further alienating the masses from the state. The organization of the political system itself exacerbated these tendencies. The parliamentary system established in 1861 was founded on a political landscape without parties, the essential ingredient to parliamentary democracy. Well into the twentieth century political parties were based not on policy programs but on personalism and patronage, and they tended to be regionally rather than nationally based, reinforcing the existing centrifugal forces. The narrow constituency of politics contributed to a view of politics as being the relations within a small, unified class consisting of the aristocracy and the middle class.

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The fundamental unity of interests, especially economic, softened the differences in ideology, and there quickly evolved a homogenization of political perspectives that reached its highest expression in the concept of *transformismo*, the absorption of all parties and factions into a centrist coalition, consumed with the task of juggling the conflicting pressures of its constituent groups. The traditions of Italian politics value cooperation and stability and discourage confrontation, despite the rhetorical flourishes and the frequent allusion to ideological principles. Italian political history is more a matter of minor changes than of sudden shifts and reversals; electoral gains of only a percentage point are considered significant. Thus, Italian politics is characterized by the fundamental paradox of extremely unstable governments—the average life of postwar governments until 1983 was about nine months—in the midst of remarkable durable coalitions, headed for prolonged periods by a single personality.

Political life in Italy has historically taken on the nature of a polite contest for the prestige of power among gentlemen of fundamentally like minds; concrete policy programs have been virtually nonexistent. Even when the system was democratized in the late nineteenth and early twentieth centuries, allowing the "popular masses" the working class and the Roman Catholics—to participate in the political system, that participation was carefully circumscribed. Their leadership was gradually absorbed into the political class and separated from its mass base, and no effort was made to engage the masses.

To the extent that the masses voted on issues, they were almost exclusively local, rather than national, economic issues—local jobs, public works, and civil improvements—whereas the elite, divorced from the social and economic realities, historically focused on more abstract and dramatic—almost philosophical—issues of national honor and prestige. The concern with national honor led to a series of foreign policy adventures for which Italy, saddled with a perpetually uneven and relatively underdeveloped economy as well as a notoriously inefficient administrative system, was almost totally unequipped to pursue successfully, culminating in Benito Mussolini's disastrous entrance into World War II.

The period since World War II, true to Italy's past, has been marked by a gradual absorption of the republican regime's opponents into the Christian Democratic Party-led governing coalition. First to be absorbed were the extreme right-wing monarchists, fascists, and clericalists, who threatened to upset the system in the mid-1950s but by 1958 had largely faded from view. The left took longer to be absorbed; indeed, the process of absorption and coop-

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eration continued into the early 1980s. The ideological bifurcation of Italian politics in 1947 and the subsequent ostracism of the combined left—Communists and Socialists—was more a product of the international Cold War environment than domestic conditions. However, from the mid-1950s the Socialists began a process of moderation that by the early 1960s permitted the “opening to the left,” which brought the Socialists into the government and broadened the base of the political system to include a substantial portion of the population who had been alienated since 1947. In the early 1960s the Italian Communist Party shifted its strategy away from revolution to acceptance of democratic processes in a bid for inclusion. Its sincerity in this transformation remains a subject of controversy, and its possible inclusion in coalition rule has been a much more uneven and delicate affair, especially given its implications for international politics. Nevertheless, the overwhelming electoral dominance of the Christian Democrats and the Communists made it difficult for the political system to ignore the logic of a broadened government coalition. Thus, the inclusion of the Italian Communist Party remained the single most important unresolved political question into the 1980s.

The Ancient Period

By 2000 B.C. Italy was populated by a number of Indo-European tribes, each with its own language and culture. There was a disparity in the levels of civilization achieved by the early Italian cultures, which were usually intensely local in their expression. These tribal groups consolidated unsuccessfully in common defense against the intrusion of the Etruscans, who appeared in Italy about 900 B.C. The origin of the Etruscans, whose influence and civilization in Italy were not surpassed until the emergence of Latin Rome as an independent power, is a mystery that has confounded scholars for centuries. Archaeological evidence of their civilization, though plentiful, is subject to contradictory interpretations. Their language, whose alphabet was derived from Greek, had no known affinities with other languages and remains undecipherable. The explanation put forward by Herodotus that the Etruscans migrated from Asia Minor has remained a popular speculation.

In the second millennium B.C. lines of trade extended from the Aegean islands into Italy, the depot for amber and copper brought from beyond the Alps. The first Greek colonies were established in southern Italy in the eighth century B.C. Politically and economically independent of their mother cities in Greece, the

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colonies in Magna Graecia (Greater Greece)—as Sicily, Calabria, Apulia, and Lucania were called in antiquity—remained an integral part of the Hellenic world. Some of the city-states of Magna Graecia, such as Syracuse or Sicily, were powerful and prosperous and played a part in the political life of Greece and the Aegean. The Greeks in Italy (known as Italiotes) manifested a tendency for warring among themselves and were challenged by the Phoenician colony of Carthage, which in its drive for hegemony in the western Mediterranean settled enclaves in Sicily and Sardinia in the sixth century B.C. and made allies of the Etruscans.

By the sixth century B.C. the Etruscans had expanded into neighboring territories throughout Latium and Campania, effectively blocking further Italiote expansion, and had crossed the Apennines and gone beyond the Po River into upper Italy. Their widespread use of writing and their highly developed technical skills in building and engineering helped to lead the rest of Italy out of the Iron Age. In addition to their own talents, the Etruscans were the conduit for influences from the Greeks, from early archaic times to the Hellenistic age, and introduced the city-state as a form of political organization to Italy. Like their Greek counterparts, however, the 12 city-states of Etruria, as the area settled by the Etruscans was called, were disunited and frequently engaged in internecine conflict, despite the existence of a formal religious league. By about 500 B.C. a hereditary Etruscan monarchy was overthrown, and the constituent city-states formed independent republics as the Etruscan power in Latium disappeared. They retained control of the area north of the Apennines until the invasion of the Gauls in the fourth century B.C. and by about 350 B.C. eclipsed the Etruscans in Latium.

Rome

The origins of Rome are the stuff of myth, not history. It is probable that in the seventh century B.C. the Etruscans took the fortified Palatine Hill, overlooking a crossing on the Tiber River, and amalgamated the tiny scattered hamlets of Latins, Sabines, and Etruscans into a city-state ruled by the Tarquin family, the Etruscan royal house. Legend relates that the city's founder and first king was Romulus, descendant of Aeneas of Troy, and that he gave his name to the city.

In about 500 B.C. the Romans overthrew the Etruscan monarchy and established a republic that lasted for four centuries. A patrician class controlled the government, but the plebians, the vast

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majority of the population, were allowed to participate in the election of the two consuls, one of whom had to be plebian after 367 B.C. The patricians proved to be remarkably flexible and able rulers who successfully retained effective control over the government despite a continual, if gradual, increase in the participation of the plebians. New institutions were created to deal with the political evolution, in which a large number of wealthy plebian families came to constitute the ruling elite. In this revolutionary process, the most powerful institution was the Senate, which by the third century B.C. dominated the political system. Thus, the Roman Republic shifted from its initial patrician aristocracy to a senatorial oligarchy and never achieved real democracy.

In the fourth century B.C. the Latin War marked the beginning of Rome's expansion through the gradual subjugation and assimilation of neighboring tribes—only temporarily halted by the sack of Rome by the Gauls in 390 B.C. (see table A, Preface). Contrary to later accounts, however, the expansion was not the result of a preconceived strategy. It developed haphazardly from commitments made to other Latin towns and from intervention into the political squabbles of the Greek cities, which took Rome step by step from conquest to conquest. As a result of its victories in the Punic Wars against Carthage (261–241 B.C., 218–201 B.C., and 149–146 B.C.), Rome acquired Spain, Sicily, Sardinia, Corsica, and the northern shores of Africa—and thus mastery of the western Mediterranean. From this point Rome dedicated itself to its historical destiny as a conquering power and ruler of the known world. There quickly followed the subjugation of the rest of Greece, the annexation of Macedonia, and the domination of Egypt after 168 B.C., forming the foundation of a vast empire that ultimately stretched from Britain to the Euphrates River at its height in the first century A.D.

The rapid conquests were not without cost, however. Traditional Roman society had been rather austere, conservative, and deeply religious. With expansion came a rush of wealth, resulting in inflation and corruption, which pervaded the whole society. The new provinces were governed by the Senate for the benefit of the senatorial oligarchy that bought up huge tracts of land, forming estates worked by slaves. The yeoman farmers who had been the backbone of the society and the economy were pushed off the land and driven into the city, where they languished in poverty or sank into slavery. By 131 B.C. popular riots had broken out demanding redistribution of the land, and a reform movement, led by the Gracchi brothers, tried to redirect the empire's benefits to the common people. These attempts at reforms were ended and the

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Gracchi murdered, but popular unrest, coupled with factional divisions within the senatorial oligarchy, erupted time and again into civil war. In the Social War (91–87 B.C.) the allied tribes successfully demanded the extension of Roman citizenship to most of Italy, but the diluted citizenship did not produce the hoped-for political power. The war, however, provided the background for a full-scale civil war, which broke out in 83 B.C., in which rival factions drew on the support of the oligarchy and the popular masses. The republic was doomed.

Military conquests continued to expand the empire and made military heroes the principal actors in Roman politics. The next 30 years saw a continual procession of military leaders fighting for control of the state. Julius Caesar, whose territorial acquisitions were substantial, pledged to restore the republic, but under his rule the state evolved toward a monarchical system. His nephew, Octavian, assumed power after Caesar's assassination and deftly concentrated all power in his hands. Assuming the name Caesar Augustus, he began the reign of the emperors in 31 B.C.

Augustus was an able leader who reorganized the administrative structure of the empire, which achieved its maximum extent under his rule. The Roman Empire gave its territories 200 years of peace (the Pax Romana) as well as a remarkably sophisticated transportation network, laws, political institutions, art, culture, and a language that formed the basis for a new European civilization.

Unfortunately, many of the succeeding emperors were less talented. Roman society itself had become corrupt, and the increasing weakness of the agrarian economy, a series of major plagues, the overextension of territory under Roman control, and the inability of the Roman army to handle its mission with limited resources left the empire vulnerable to provincial unrest and eventual invasion. By the third century A.D. it was in full retreat, although Italy remained secure from invasion for another century. The empire was divided for administrative purposes, and Rome lost its status as capital. Constantine I moved the center of the empire to Byzantium, renamed it Constantinople, and established Christianity as the state religion in 315. Finally, in 395 the empire was permanently divided between East, known as the Byzantine Empire, and West. Although remaining the symbol of Roman unity, Rome was an unproductive consumer of wealth too distant from the military frontiers to provide leadership.

Sacked by the Visigoths in 410, Rome was prey thereafter to attacks by marauding Germanic tribes. The imperial government encouraged the settlement of some of these tribes as allies on Italian land, however, and Germans increasingly made careers in the

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army and in the administration of the empire. In 476 the Goths deposed the last Western emperor. In 488 Theodoric, king of the Goths but also a Roman patrician, set out to restore Italy and rebuild Rome. Defending Italy with his Gothic army, he ruled it as a Roman official. In 526 Justinian, the eastern Roman (Byzantine) emperor, turned on the Goths and revived direct imperial control over Italy. Justinian introduced into Italy the *corpus juris civilis*, the compilation of Roman law, which was passed 500 years later from Italy to the rest of western Europe. In removing his Gothic allies, however, Justinian left Italy open to invasion by the Germanic Lombards, who, although few in number, established kingdoms throughout the peninsula in the sixth and seventh centuries. Other portions of Italy including Rome remained in Byzantine hands, but the creation of the Lombard kingdoms ended the political unity of Italy for the next 1,400 years.

The Middle Ages

Christianity, along with other Eastern mystical religions, was brought to the Greek-speaking Jewish communities of the cities and towns in Italy in the first century. These religions gained popularity as the traditional ethics and religions lost their relevance. During the third and fourth centuries, Christianity was by far the most popular of many religions. Some of the emperors believed that Christianity represented a fundamental challenge to their authority and periodically mounted brutal campaigns to stamp out its practice, most notably under Diocletian. Nevertheless, it continued to gain adherents. Constantine's conversion and recognition of Christianity as a legitimate religion, though perhaps a result of divine revelation, can also be seen as a clever attempt to transform a threat to the regime into one of its most effective bulwarks, providing the "moral cement" for a multicultural empire under increasing pressure from the "barbarians," who were alien to Greco-Roman culture. In 324 Constantine called on all his subjects to adopt Christianity and the following year convened the Council of Nicaea to define the religion. Thus in the fourth century the Christian church began its slow evolution as both an articulated religion and a political power. Into the sixth century, however, many Romans continued to cling to the old religions.

As the emperors abandoned Rome for Constantinople, a power vacuum developed in Italy that the church quickly filled. Temporal power over the city of Rome was passed to the bishop of Rome, known as the *pope*, and estates were given to him as payment for

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service as an imperial agent charged with checking the advance of the Lombard invaders. The bishops of Rome claimed direct succession from Saint Peter and, buttressed by both doctrinal legitimacy and the political power conferred by the emperors, the pope assumed a commanding position over other bishops in Italy. The papacy grew more independent of the distant imperial authority until the final extinction of Byzantine authority in northern Italy in the mid-eighth century.

The territorial aggrandizement of Rome was pursued intermittently by the popes, beginning with an ingenious eighth-century forgery of a document that appeared to give the pope "the city of Rome, and all the provinces, places, and cities of Italy and the western regions." This "donation of Constantine" was skillfully used by Pope Stephen in negotiations with Pippin, king of the Franks, over the latter's coronation. In exchange for a papal blessing, Pippin promised to drive the Lombards out of Rome and restore to the papacy those lands promised by Constantine. This "donation of Pippin," finally achieved in 756, established the basis of what became the papal states.

The Lombards were besieged on all sides in the eighth century but managed to hold onto power over much of Italy until Charlemagne (Charles the Great), son of Pippin, succeeded in decisively defeating them in 774. In 800 Charlemagne was crowned emperor of the Franks and the Lombards, thus reuniting most of the lands of the Roman Empire and adding new territories to create what was to become known as the Holy Roman Empire (HRE). The practical effect on Italy of the reestablishment of the western empire under a Germanic king was to link Italy's political future to the emerging states of northern Europe rather than to the Byzantine Empire.

The HRE, which stood for 1,000 years, inaugurated an era of ambiguous relations between the emperors and the popes. By tradition, emperors of the HRE were elected by German princes and traveled to Rome for their coronations, leaving unclear who was subordinate to whom and laying the foundation for later conflicts over temporal power in Italy. The HRE never succeeded in establishing its authority beyond the northern Germanic territories of its extensive domains, and its weak and ineffective administrative structure led to increasing localization of power and the gradual disintegration of imperial rule in the Italian provinces. Rome was therefore open to civil strife and intermittent foreign occupation. The situation had reached a low point in the tenth century as civil strife racked Rome, and the papacy became the pawn of rival Roman aristocratic factions. Contending factions often elected sev-

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eral popes at once. Not only the status of the pope but the very unity of the church itself was under siege.

The Papacy

In the eleventh century a reform movement, led by Hildebrand the monk (who later became Pope Gregory VII), reestablished doctrinal rigor and restored the pope's primacy. A number of internal reforms, including the enforcement of celibacy and the end of simony (the selling of church offices), were designed to purge the clergy of careerists. That effort met with considerable resistance. More successful was the movement's attempt to establish the papacy's political independence and temporal power. The election of the pope, and ultimately all ecclesiastical appointments, was transferred from the emperor of the HRE to the cardinals and bishops of the Roman territory. In turn, the bishops effectively achieved temporal rule over their cities.

Emperor Henry IV bitterly opposed these moves as a direct attack on his authority. Gregory used his powers as *pope to force* Henry to accept these changes, declaring him excommunicated and deposed, releasing all his subjects from their oath of allegiance. Threatened with rebellion by his subjects, Henry went to Canossa in 1077 in abject submission to appeal to the pope for absolution. Henry ultimately avenged himself by exiling Gregory and appointing his successor, but Gregory's fundamental goal of establishing ecclesiastical independence was achieved, allowing his successors to build on that foundation to create an independent political power as well.

Meanwhile, Byzantine control of the southern half of the peninsula, left intact even after the establishment of the HRE, weakened and was finally ended in the eleventh century when landless Norman knights, used by the Greeks as mercenaries, seized the southern provinces and staked out their individual claims. In 1053 Robert Guiscard united the Norman territories, creating a centralized feudal kingdom in which all land tenure was granted by the king, to whom all his subjects owed their primary allegiance. At first resisted by the papacy, Guiscard's claim to a portion of the Byzantine Empire was legitimized by the pope, who accepted the Normans as his vassals. The pope then used them to defend the papal states against its enemies. In 1130 the Normans added Sicily to their domains (see fig. 2).

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Medieval Communes

Towns, although diminished in size and activity, had survived from antiquity in northern and central Italy. Although nominally subjects of the Holy Roman Emperor, they won greater autonomy in the eleventh century during the conflict between pope and emperor and by the beginning of the twelfth century had become virtually self-governing communes.

Greater political freedom in the communes coincided with improved security in the countryside and on the land and sea trade routes. Italian nobles and townsmen, the first in Europe to understand the use of money and to master business procedures, invested a slowly accumulated surplus of wealth in increasing agricultural output. Surplus food production made it possible to create the marketplaces around which industry and commerce grew. Northern Italy was medieval Europe's first industrial center, and Italy's commercial revolution laid the basis for the development of capitalism.

The life of the communes engendered the fierce local patriotism and competitiveness that fueled incessant warfare among them. Strong class feeling and intense family rivalries also bedeviled the communes with political and social turmoil. Having secured recognition of their autonomy within their walls, the communes forced the submission of the landed nobility and annexed the surrounding countryside. Many of the old nobility retained their influence but only by joining the guilds and entering the full life of the communes on the same basis as the merchants and manufacturers. Attempts by the guilds—on which representation in communal governments was based—to regulate economic life varied in effectiveness, but tension existed between corporations and individuals, which was the basis of much of the social discontent within the communes that spilled over into their political life.

Political institutions developed differently in each commune, but patterns common to each are discernible. Oligarchies composed of merchant families dominated political life through the more important guilds. The members of the unrepresented lesser guilds struggled to win recognition and a voice in common affairs. The internal politics of the communes was so turbulent that foreigners—anyone from outside the commune—were frequently employed to serve as chief executives (*podestàs*) of the commune to arbitrate among the factions.

Urged on by Italian nobles to curb the radicalism of the communes, the emperor, Frederick (called Barbarossa in Italy) of Hohenstaufen, insisted on their membership in a federation under imperial supervision. Warring parties vied for power in the com-

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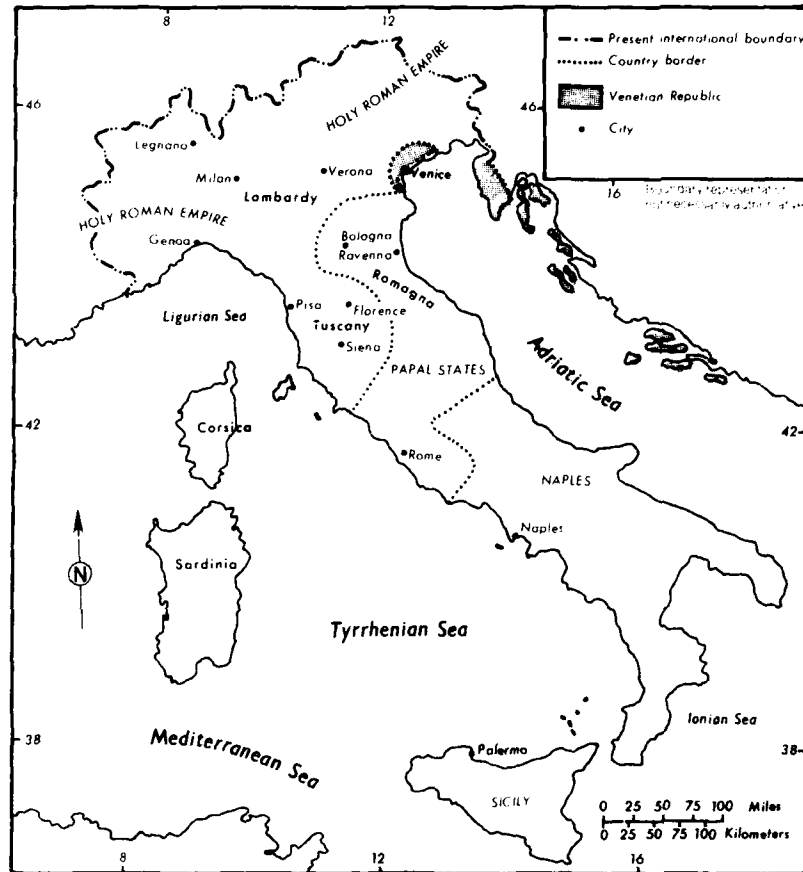


Figure 2. Twelfth-Century Italy

munes, defining themselves in terms of their views on Frederick's scheme for an imperial federation and the struggle between the emperor and the communes for control. The Ghibellines favored federalism and an imperial presence in Italy. The Guelphs, who stood for particularism (the independence of the communes and the primacy of local interests), looked to the pope as their nominal leader, not as an alternative to the emperor but as the steadiest representative of resistance to imperial claims to overlordship in Italy. Putting aside their rivalries, the communes of Lombardy united for their collective security under the pope, and at Legnano in 1176 the Lombard League defeated the emperor's forces and won Frederick's grudging confirmation of their liberties.

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But the question of their independence was not settled. Emperor Frederick II (1199–1250), Frederick's grandson, inherited the crowns of Naples and Sicily through his Norman mother, allowing the Hohenstaufens to outflank the papal states. Called *Stupor Mundi* (Wonder of the World) Frederick II considered himself an Italian prince and kept a brilliant, polyglot court at Palermo, from which he tried to make the empire a union of three kingdoms: Germany, north and central Italy, and the Two Sicilies (made up of southern Italy and Sicily). His attempts were opposed by the pope, however, and his fight to subdue the communes of Lombardy and Tuscany came to nothing. In the effort he exhausted the resources of the southern kingdom, which his heirs were unable to hold. Naples and Sicily passed under papal patronage to the French House of Anjou, a move intended to counter imperial influence in Italy. Angevin claims in the south were in time contested by the kings of Aragon, and the seed was planted for the centuries-long competition between France and Spain for control of Italy.

The obstinate struggle of the papacy to exclude the empire from supremacy in Italy had succeeded, but the success was purchased at a heavy price. Italy was more divided than ever, and the papacy's own power had grown steadily weaker. The pope's support for France's effort to recover Sicily from the House of Aragon not only proved unsuccessful but strengthened the French presence in Italy. After a quarrel with Philip IV, the papacy was temporarily transferred to Avignon in 1304. The "Babylonian Captivity" ended only in 1377. The papacy's submission to the French monarchy and the decadence of the papal court in Avignon damaged the pope's status as spiritual head of the universal church.

The Fourteenth Century: Crisis and Transition

The fourteenth century was a time of war, famine, plague, and social unrest, contrasting sharply with the relative stability of the previous century. At the beginning of the century the population, estimated at between 7 and 9 million, was heavily concentrated in towns, especially in the north and central areas, placing impossible pressure on agriculture and on the land. Agriculture was still largely subsistence, and primitive techniques, particularly indiscriminate deforestation, led to periodic floods and long-term exhaustion of the land. The population, already strained by the economic problems, proved particularly vulnerable to the ravages of the plague. At San Gimignano the successive plagues claimed perhaps two-thirds of the population and at Florence almost three-quarters; in

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other urban areas, losing half the population was common. Many rural areas were hit equally hard, and the deaths, compounded by widespread desertion of poorer lands, especially in the south, reduced entire regions that had once been inhabited and cultivated into malarial swamps.

The economic dislocation of the fourteenth century brought with it growing social upheavals, with many outbreaks of peasant rebellions and artisan revolts. The upper classes, too, reacted to the new insecurity. In the south the feudal nobility resorted to anarchy to protest its growing impoverishment. In the rest of Italy the merchant classes banded together to preserve their wealth and restore order. From this point the merchant class became an aristocracy, and most city-states were transformed into lordships (seignories). The intense, disruptive activity of the political factions encouraged a demand for the consolidation of constitutional authority in the communes to a single ruler, above party, who could restore order. Having popular support, these despots suffered no limitation on their authority. Almost immediately each city began a process of expansion. As they jockeyed with each other for territory, continual wars shattered the political equilibrium, producing a new caste of warriors, the *condottieri* (gentlemen of war), who formed roving mercenary armies. Between 1350 and 1450 Italy was engaged in an almost uninterrupted series of internal wars. Ultimately, however, the wars diminished as towns became absorbed by a few of the larger, wealthier, commercial cities. A new Italy divided into regions or city-states was created, and a new balance of power emerged (see fig. 3).

The courts of the dynasties that ruled the Italian city-states—such as the Visconti of Milan, the Gonzagas of Mantua, the d'Este of Ferrara, and the Scaligeri of Verona—ranked in their time as the equal in magnificence of those of the royal houses of Europe. Often men of intelligence and usually of refined tastes, the seigniors attracted to the courts the genius of Italy—the scholars, poets, and artists who created the atmosphere in which a great epoch in civilization, the Renaissance, flourished.

The Renaissance

The Renaissance was an intellectual and cultural revolution without precedent, ending the isolation of the Middle Ages and bringing about a new era for Europe. Its roots were in the intellectual ferment that first arose in the mid-thirteenth century. The commercial revolution had produced vast sums of money in the

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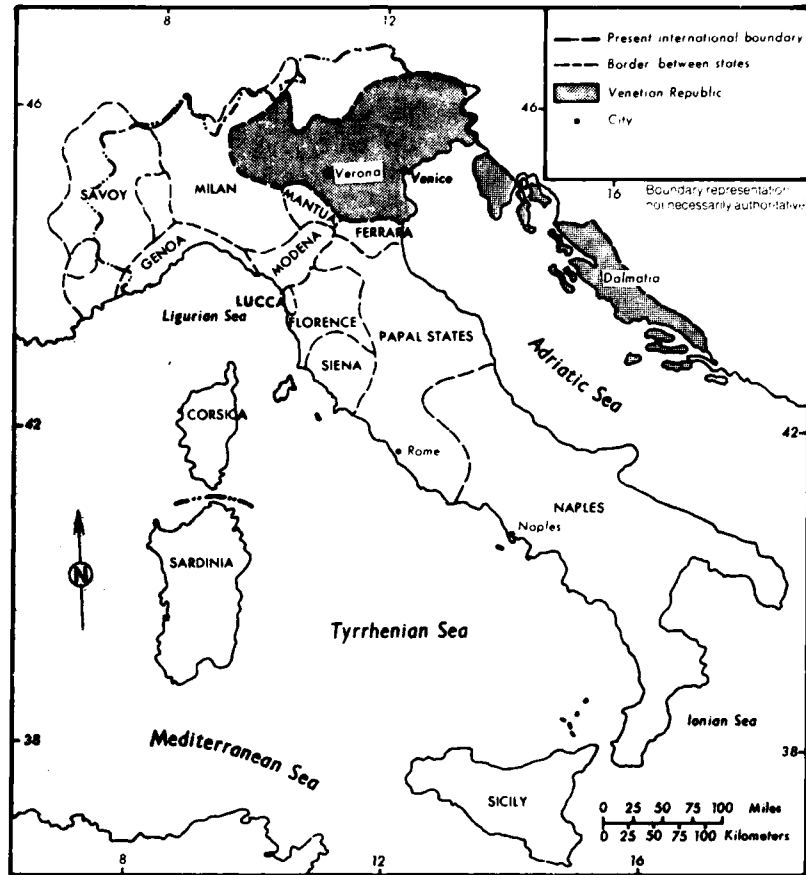


Figure 3. Fifteenth-Century Italy

hands of Italian merchants and bankers. As they became the new aristocracy, they competed with each other in extravagance in their personal lives, producing an unprecedented private demand for art. By the mid-fifteenth century, guilds and municipal governments were also commissioning works, continually broadening the number of people involved in the cultural process, though still restricting it to perhaps 10 percent of the population. Scholarship, which had hitherto been confined almost exclusively to monasteries and narrowly defined in terms of religious orthodoxy and obedience to the

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church hierarchy, was freed from these strictures and began to develop its own ethos of meticulous research and objectivity.

In what may be called a pre-Renaissance period (approximately 1250–1375), classical Rome and its philosophy, political thought, literature, art, and architecture were reexamined with new interest. Gradually a new intellectual movement, humanism, took shape, expanding its audience during the early Renaissance (approximately 1375–1480) and reaching its apogee in the High Renaissance (approximately 1480–1520). It was an intensely scholarly movement, restricted to an elite who numbered perhaps 600 scholars, artists, writers, and architects between 1420 and 1540. But its goal was not to make scholars out of gentlemen; rather, its goal was to put scholarship at the service of contemporary experience. Humanism did not challenge the place of God or religion in society but gave that religion a more human face, opening up the imagination to explore the more mundane facets of life and breaking the hold of artistic conservatism that had hemmed in the culture. Experimentation with more naturalistic and expressive forms in sculpture, painting, literature, music, and architecture created a new, more individualistic art, consciously emulating the great works of antiquity. The works of Michelangelo Buonarroti, Leonardo da Vinci, and Raphael, to name only a few, are still considered some of the greatest artistic achievements in history.

These new ideas spread throughout Europe and formed the basis for later cultural developments, not only in art but also in science. Aside from the magnificent art of the period, perhaps humanism's major historical contribution was the creation of the scientific method, which laid the groundwork for the scientific revolution of the seventeenth century and beyond. The Renaissance reestablished Italy as a cultural capital and also reinvigorated the idea of Italian nationalism, reminding a fractured people of their past glories and of their modern talents. The seed of Italian unity was planted during the Renaissance, although it would take another four centuries to flourish.

The Renaissance was overwhelmingly a cultural, rather than a political, phenomenon. Political institutions varied widely across the peninsula. In the south was a monarchy, in the center the papal states, and in the north a collection of independent territories with varying degrees of rule by oligarchies based on wealth. Although a great many independent communes continued to exist (even if only psychologically), the political history of Renaissance Italy is dominated by the interaction of the five major Italian city-states: Venice (also called the Venetian Republic), Milan, Florence, the papal states, and—simply by enduring as a powerful if grossly

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inefficient locus of authority—Naples, which had drawn many of the smaller states within the orbit of their influence. These states, all fully sovereign by the end of the fourteenth century, took on the characteristics of full-fledged nation-states and devised systems of alliances within which they acted out the balance-of-power diplomacy that the great kingdoms of Europe practiced.

The Italian League, a loose alliance agreed to in 1455 at the pope's prompting, was designed to keep the peace among the Italian city-states and to prevent foreign intervention in Italian affairs. Florence's influential balancing role and a succession of particularly able statesmen-popes contributed to the success of the league, which endured for 40 years and coincided with the period of the finest cultural and intellectual achievements of the Renaissance.

Centuries of Foreign Domination

Florence was the linchpin of the Italian alliance system. After the collapse of the Medici seigniory, the allies in the Italian League renewed their incessant fighting, leaving Italy open once again to foreign invasion. In 1494 the French pressed longstanding claims to Naples—to Milan in 1498—and invaded, ending an era of relative peace. They temporarily conquered the Kingdom of Naples but were later repulsed. A second invasion, in 1499, provoked the intervention of Spain, which itself occupied Naples in 1504. By this time it was clear that Italy was virtually defenseless and became the pawn in a protracted struggle among the rival expansionist nations for the hegemony of Europe, suffering invasions by the Germans and the Turks. Finally, at the conclusion of one of these campaigns, in 1527 the undisciplined armies of Emperor Charles V sacked Rome in a brutal frenzy, killing at least 10,000 and destroying and looting houses and palaces and even churches and convents. All of Italy lay in ruins, its wealth exhausted after three decades of remorseless fighting by foreign powers and its political units in shambles.

The winner in the continental wars was Charles V of the Habsburgs, the hereditary ruler of the Burgundian Netherlands, of the Habsburg lands in Germany, of Aragon with its dependencies in the Mediterranean, of Castile with its rapidly expanding empire in the New World and, in Italy, of the separate kingdoms of Naples and Sicily. After 1519 he had "won" election as Holy Roman Emperor, giving him suzerainty over much of northern Italy. He finally succeeded in ending the interminable wars over Italy in 1529 by effectively conquering the peninsula and in the

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same year was reconciled with the pope at the Congress of Bologna.

For the next two decades, in return for subsidies, loans, and gifts, Charles V settled the affairs of the five Italian states, restoring much of the papal states and appointing the leaders of the rival cities. In 1531 Charles established a formal alliance among the states, fixing the borders of the states and pledging to maintain peaceful relations among them while also vowing to prevent any further interference by France or the Ottoman Empire, the two most threatening powers. After four centuries of almost constant warfare, a semblance of "peace" was restored under the aegis of Spain, but the Spanish ascendancy resulted in a steady decline in national and individual freedom, intellectual and religious repression, and decreased economic power for Italy.

The Cultural Scene: The High Renaissance and Mannerism

Even while the political situation deteriorated during the invasions, culture *continued to flourish as the Renaissance reached its highest expression*, as artists began to go beyond their classical models, inventing new rules. Some of the greatest works date from this period, for example, Michelangelo's *Moses*. The taste for experimentation was exaggerated to the period after the Renaissance and led to the creation of a new style, mannerism, which became dominant between about 1520 and 1600. The new generation of artists rebelled against the classicism and restrictions imposed by the Renaissance masters. They reveled in their individuality and gave full rein to their imaginations, elongating human forms, using garish colors, and deliberately disobeying the rules of perspective and proportion in order to convey allegorical messages or to indulge in "hedonism" and "sensuality."

Humanism remained the dominant intellectual force, gaining popularity and transforming the culture. Universities once again became vibrant centers, and science took its place as an important scholarly endeavor beside literature, philosophy, and rhetoric. Methodological advances continued but were increasingly popularized, creating the nucleus of an informed lay public that would provide the support for the scientific progress of the coming decades. This popularization was made possible by the invention and distribution of the printing press.

The expansion of the cultural audience and the openness of the artistic scene during this period helped to create an increased sense of nationhood. Previously, cultural movements had generally

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been regionally and locally defined. In the sixteenth and seventeenth centuries those autonomous movements melded into a single national culture, invigorated by the integration of the local traditions but clearly aimed at a national audience. In the late sixteenth century an official written language was established, becoming the language of communications between all Italian diplomats, statesmen, administrators, and preachers. This did not, however, eliminate dialects. Regional dialects continued to coexist with the official language, regions being still the focus of people's primary allegiance, but there was discernible progress toward the establishment of a self-identified Italian nation.

The papacy played a significant role in this progress, once again becoming a vital and, above all, an Italian institution. The church became the most important, or at least the most visible, pan-Italian national institution, to which all the states and all the great families turned as a source of employment. The church itself, under pressure from the Reformation movement sweeping through northern Europe, reconstituted itself, ending some of the more obvious corruption and abuses of power and finally establishing doctrinal definition in the Council of Trent (1545-62). The masses responded enthusiastically to the reform movement, becoming more active and establishing new religious orders, e.g., the Jesuits in 1540, and popular rituals that soon became institutionalized. An important consequence of the reforms was the spread of literacy, as reading the Scriptures now became a critical task of the faithful.

The Seventeenth and Eighteenth Centuries: Stagnation and Recovery

The seventeenth century saw the renewal of fighting as the Thirty Years' War spilled southward over the Alps. A pan-European war had once again broken out on Italian soil. Drained by the expense of war, increasingly challenged by the growing commercial power of the Dutch and the English, and ravaged once again by the plague, Italy suffered a severe economic depression from which it did not begin to emerge for another hundred years.

In mid-century, southern Italy was convulsed in a peasant war against the Spanish and their baronial allies. While the north was developing a nascent form of capitalistic economy and social structure, the south remained virtually untouched, still locked in feudalism. The peasant wars were initially successful, conquering entire provinces and rousing massive popular support, but in the end the barons won, inflicting horrendous revenge on the rebel population.

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The defeat of the peasant rebellion of 1647–48 doomed southern Italy to remain frozen in time, isolated from the rest of the country and economically exploited by the Spanish and the feudal lords.

The death of the last Habsburg king of Spain in 1700 provoked another European-wide struggle for control of the Spanish crown and another series of invasions. Forty-eight years later, when the fighting finally stopped with the signing of the Treaty of Aix-la-Chapelle, the political boundaries of Italy had been substantially changed. Naples and Sicily were reunited for the first time since 1502 and placed under a resident monarch. The Spanish hegemony in northern Italy had been replaced by an Austrian hegemony. After the extinction of the Medici family in 1737, Tuscany had become a tributary of the consort of the Austrian empress. The Duchy of Milan, now under an Austrian governor, had expanded in the east and shrunk in the west. The Duchy of Savoy-Piedmont increased by a third with the addition of land in western Lombardy and had risen to the rank of kingdom by the annexation of Sardinia.

As Italy's political fortunes fell in the seventeenth century, art continued to provide the principal diversion and a source of employment for a small number in the depressed economy. Baroque painting, sculpture, and architecture grew out of mannerism and went beyond it in size, exuberance, and imagination. It attempted to overcome all previous limitations on artistic expression and was designed to amaze and inspire by portraying supernatural events or exploring the full range of human emotions through the use of light and motion. Italian artists dominated the baroque period until about 1660.

The last half of the eighteenth century saw the restoration of peace and the institution of major reforms in most of the Italian states, including the south, which was now free of the reactionary Spanish rule. The Enlightenment had taken hold in northern Europe, and its ideas of rationality, human progress, and social reform began to be felt in Italy after about 1764, thanks to the "enlightened despots" of Austria, Maria-Theresa and Joseph II. As a measure of the Enlightenment's success, in 1786 Tuscany became the first state in Europe to abolish the death penalty. The economy recovered from the devastating depression of the previous century, and Italy became increasingly integrated into the European trading system as a result of the improvement of land and sea routes, including the completion of the first coach-route across the Alps in 1771. Prosperity returned to many of the cities, and the population grew from about 13 or 14 million to 18 million, the

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first time in several centuries that the rural areas had registered gains in population and a resurgence in agriculture.

The cultural scene in the eighteenth century was in decline as Italy stagnated under the weight of foreign domination, but Florence, Naples, and Milan continued to show some life. Indeed, Milan became for the first time a center of Italian intellect and fashion and the foremost center of the operatic world, roles that it retains to this day.

The Napoleonic Period

As the nineteenth century began, a nationalist sentiment was slowly taking shape. In 1803 the sculptor Antonio Canova created an allegorical figure depicting Italy, the first time that Italy, as a nation, appeared in the visual arts. This was the dawn of the Romantic Age in Italy, an intellectual and artistic movement characterized by emotionalism and a rejection of classical forms. The Romantic period in the nineteenth century was a golden age for Italian music; the operas of Gioacchino Rossini, Vincenzo Bellini, Gaetano Donizetti, and Giuseppe Verdi gained huge popularity and worldwide acclaim. The period also had a political component that rejected the static social and political structures of the past and promoted nationalist and populist sentiments. In this atmosphere the French Revolution, which had broken out in 1789, provided a potential model for an Italian rebirth. News of the French Revolution was given a sympathetic reception in Italy only among small groups of middle-class liberals—a growing class of prosperous merchants in urban centers who had hitherto been closed out of political power. The old regimes busied themselves rounding up local subversives but—except for Austrian Lombardy—took few precautions against the possibility of France's exporting its revolution by force.

Napoleon Bonaparte's spectacular Italian campaigns in 1797 and 1799 shattered Austrian hegemony, drove the Bourbon king of the Two Sicilies from the mainland, and ended the 1,200-year-old Venetian Republic. Napoleon's invasions had been enthusiastically greeted by many Italians who believed that he brought freedom from tyranny, but it quickly became apparent that the French revolutionary armies were just another occupying force, intent on milking Italy for their own benefit. By 1806 Napoleon—now emperor of France—had annexed large portions of Italy, including Rome, Piedmont, and Venetian possessions in Dalmatia; deeded Naples to his brother-in-law, Marshal Joachim Murat; and created the King-

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dom of Italy in northern and central Italy, naming himself its king (see fig. 4).

The Kingdom of Italy, although under Napoleon's complete control, represented a landmark in modern Italian history. The French imposed a centralized administration and a national civil code, overcoming the age-old fragmentation and provincialism, and introduced the germ of social change in a country that had remained socially stagnant for centuries and had been virtually untouched by the revolutionary wave elsewhere in Europe. Economically the Napoleonic period benefited the emerging middle class by selling expropriated church lands and aristocratic estates. The exigencies of the wars promoted dramatic improvements in land transportation and stimulated production and trade in the wool, leather, linen, minerals, and arms industries and in construction. It was probably in these years that the most economically advanced part of the Po Valley reached the point of breakthrough, in which industry was able to sustain its own growth and in which the middle class took its place as a legitimate, self-conscious, and prosperous group. The situation in the south differed considerably. Even though French rule under Joseph Bonaparte and, after 1808, Murat modernized the governmental, administrative, and fiscal institutions, it introduced only limited social change. Feudalism was abolished in 1806, but social and economic relations in the area changed little in practice. At the end of the French decade, the backwardness of southern Italy was even more obvious in comparison with the progress made in the northern areas.

Of equal importance to these concrete changes, however, were the more subtle changes in attitudes. The Napoleonic period had forced Italians to work together, for the first time in centuries, within entities that cut across the age-old communes that had claimed the exclusive allegiance of the people. The idea of a united Italy no longer seemed impossible. The next half-century was shaped by the quest to create an Italian nation and an Italian state.

The Unification of Italy

The Restoration

Napoleon's final defeat in 1815 led to the revival of the pre-revolutionary international equilibrium at the Congress of Vienna. Old boundaries and old rulers were restored and their security guaranteed by the great powers (see fig. 5). Lombardy-Venetia was

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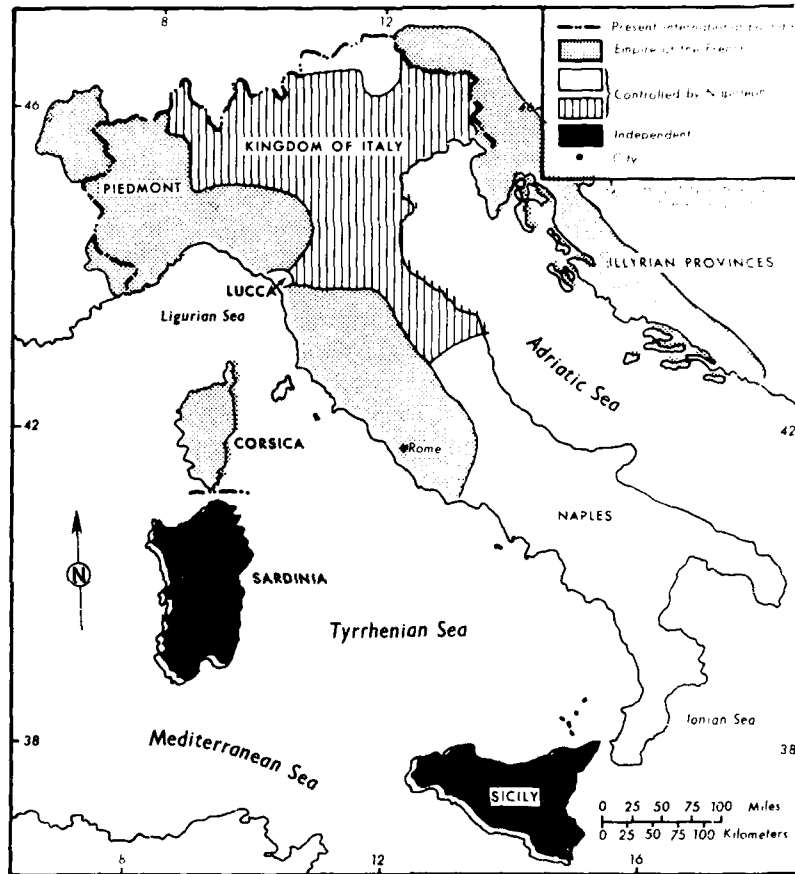


Figure 4. Italy under Napoleon, 1812

returned to Austria, which also counted the satellite states—Tuscany, Modena, and Parma—within its sphere of influence. The pope was restored to Rome, and the Bourbons returned to Naples as rulers of a new Kingdom of the Two Sicilies, which incorporated southern Italy and the island of Sicily, formerly an independent realm. Only Piedmont stood outside the circle of foreign control or influence. The Napoleonic codes were for the most part retained, and the rulers realized that the limited social progress that had been achieved under the French could not be undone. Indeed, the abolition of feudalism was extended to Sicily, which finally experienced the effects of the French occupation.

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But even these concessions could not satisfy those whose hopes for Italian unification and independence had been fanned. Secret societies dedicated to Italian nationalism, which had sprung up all over the country during the occupation (for instance, the Carbonari), slowly expanded their audience, drawing in the intellectual elite and elements of the rising middle class. In 1820 news that the king of Spain had been forced to accept a constitution provoked a rebellion in Naples. Initially led by the Carbonari, the rebellion quickly included elements of the army and spread into the provinces. King Ferdinand, the restored ruler of the Kingdom of the Two Sicilies, was deserted by his forces and widely unpopular. Thus, he had to accept the Spanish constitution. The rebel forces, however, were internally divided: the Sicilians wanted autonomy, while the mainland forces were split between the bourgeoisie and the peasants. And even within the bourgeoisie itself, the agricultural elements from the provinces were divided from the professional and state bourgeoisie of the cities. Finally, the Austrians intervened on behalf of the king in March 1821, and the divided rebels quickly scattered, signaling the complete victory of the Restoration in the south. Ferdinand abrogated the constitution and began a brutal repression. A rebellion by secret political organizations in Piedmont in 1821 was directed at persuading the House of Savoy to assume the leadership of the unification movement. But the rebellion was put down and the activists suppressed, ending for the time being the militant opposition to the Restoration.

The Risorgimento

The nationalist wave nevertheless continued to grow and was given the name Risorgimento (Rebirth). Once again artists and intellectuals were in the forefront of the movement, painstakingly developing a national language and gradually helping to reinforce a national consciousness and cultural unity, both of which in fact had predated the Risorgimento. As late as 1850, Latin, and not Italian, was the lingua franca of Italy. It has been estimated that only about 160,000 out of 20 million people could speak the official language in the early 1860s. Literature helped to propagate the language painstakingly developed by Alessandro Manzoni in his novel, *I Promessi sposi* (The Betrothed), and Giacomo Leopardi in his poetry. At the same time the operas of Rossini and, particularly, Verdi became immensely popular, transcending class and wealth and, especially in Verdi's works, consciously promoting the idea of a united Italy. This period produced a flowering of Italian culture.

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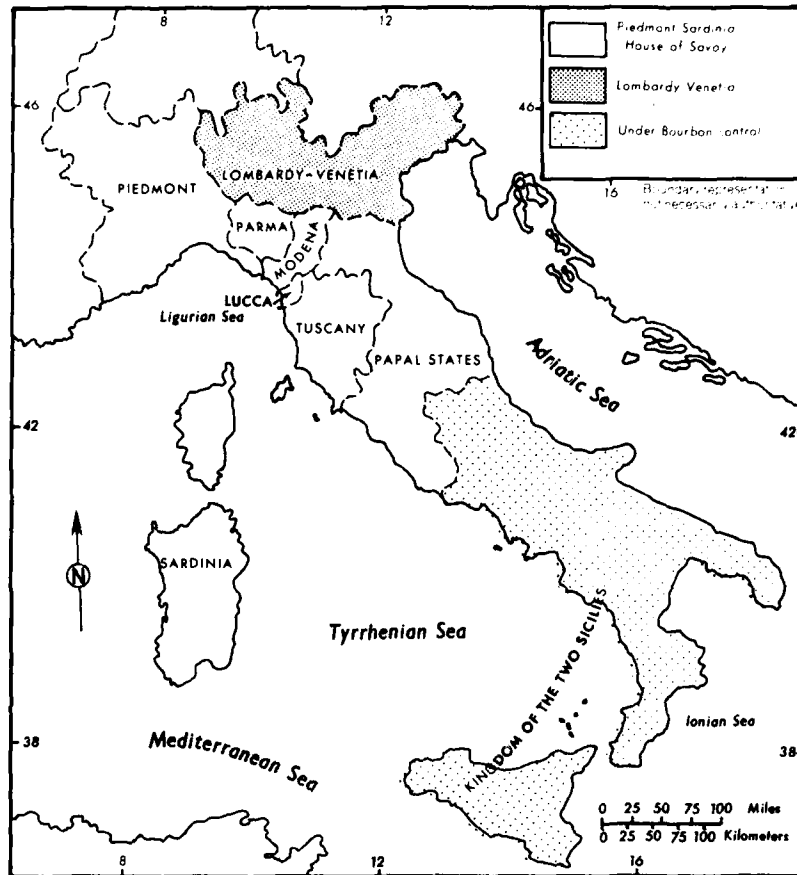


Figure 5. Italy after the Congress of Vienna, 1815

such as had been seen in the peak of the Renaissance, but most important, unlike the brilliant but fragmented cultural eras of the past, this was a national culture increasingly in search of a nation-state.

The success in 1831 of the French uprising against the Restoration, known as the July Revolution, was the catalyst for a series of revolts in northern Italy and the papal states, but these, like the uprisings a decade earlier, were quickly put down. The secret societies, with their widely varying and contradictory commitments to independence, unified state, constitutional monarchy, and republicanism, proved to be too disorganized and divisive to function ef-

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fectively as the motor for unification. Thus, in 1831 Giuseppe Mazzini, a former Carbonaro, launched a new revolutionary society, Young Italy, to lead the fight for unification and the fulfillment of Italy's "destiny" through careful planning, propaganda, and armed struggle. Mazzini's vision was quintessentially romantic, almost mystical, with the goal a united republic and the means to achieve that goal being popular insurrections that would purify the Italian spirit and create a new national consciousness.

The sentiment for unification was widespread among the middle class, who stood to gain considerably by the overthrow of the foreign monarchs, but had not yet seized the imagination of the masses. Mazzini's goal was to inspire "the people" toward a truly national unity, undiluted by the conflicts among the classes, which were becoming commonplace. By the 1830s and 1840s Italy's society had become more differentiated. Industrialization in the north was producing a small working class that was susceptible to the allure of the new doctrine of socialism and increasingly came into conflict with the middle class; and in the south, economic and social stagnation created an explosive situation with an ever growing gap between the wealthy aristocratic landowning class and the landless peasants, who made up the majority of the population. Mazzini's model of national unity—based less on economic theory than on democracy, republicanism, and social cooperation among classes—was visionary and unrealistic, and the Mazzinian insurrections from the 1830s to the 1850s failed dismally. Nevertheless they succeeded in exciting the nation and stimulated more practical efforts by his disciple, Giuseppe Garibaldi, and by the moderates, led by Camillo Benso di Cavour.

The moderates were centered in northern Italy and came from the prosperous middle class. They favored unification primarily as a means to ensure continued economic growth and end Italy's vulnerability to foreign invasion. They believed in liberalism but distrusted Mazzini's republicanism and the efforts to grant universal suffrage. They therefore advocated constitutional reform that could guarantee that political power in the new state would be held by the aristocratic and bourgeois elite. The moderates were divided over the issue of who should lead the united Italy. The neo-Guelphs, headed by Vincenzo Gioberti, favored a federation of states under the presidency of the pope; others, led by Count Cesare Balbo, proposed a united, independent Italy under the leadership of the Piedmontese House of Savoy.

In June 1846 the election of a new pope, Pius IX, sparked enthusiastic demonstrations and rising hopes for imminent unification and liberation from Austria. The moderates, aware that these

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hopes were unrealistic, nevertheless understood that their disappointment could provoke dangerous outbursts throughout the country. They therefore pressed the pope and other state governments to make concessions, including relaxation of press censorship, institution of administrative reforms, creation of citizens' councils, and establishment of a customs union between the papal states, Tuscany, and Piedmont. Austria objected to what appeared to be the fulfillment of the neo-Guelphian program and sent troops into Ferrara as a warning against further action. The occupation merely fanned anti-Austrian sentiment, which first broke out into the Sicilian revolution of January 1848, prior to uprisings in Paris.

The revolutionary wave that swept across Italy forced the liberals to take more concrete action to satisfy popular agitation. In 1848 Pope Pius IX fled Rome, where local revolutionaries set up a short-lived republic to be headed by Mazzini. Piedmont, joined by other Italian states, took advantage of political unrest in Austria to invade Lombardy, but the campaign—referred to as the First War of Independence—ended in Piedmont's decisive defeat, thanks at least in part to the withdrawal of the papal states and the Kingdom of the Two Sicilies from the anti-Austrian coalition. In a surprising about-face Napoleon III (Louis Napoleon), newly elected president of the Second Republic in France, who had been thought of as an ally of Italian unification, dispatched troops to snuff out Mazzini's revolutionary government in Rome.

The 1848-49 period was a turning point in the unification struggle. It showed that the divisions among Italians left them vulnerable to foreign manipulation, and the most divisive issues centered on the constitutional questions raised during the revolts—monarchy versus republic, centralization versus federalism. Many nationalists, therefore, agreed with Mazzini that all other issues must be put aside until independence was achieved. However, all of Italy's crowned heads, including the pope, had proved themselves to be antinationalist, with the possible exception of Piedmont's new king, Victor Emmanuel II. As a result, the federalist alternative, particularly the neo-Guelphian program, receded, and the unitary monarchical proposals came to the fore. Piedmont became the focus of national hopes, since it alone had shown itself in 1848 to be a dynamic and flexible state, promulgating and maintaining a liberal constitution that transformed the state into a limited monarchy with a strong parliamentary government.

Piedmont was a relatively old state that had been kept outside the mainstream of Italian political development. Traditionally oriented toward France and the only Italian state with an army of any size, Piedmont was set apart by its independence from foreign con-

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trud or entanglements with foreign dynasties. Despite its setback in the brief war against Austria, Piedmont was recognized after 1848 as the only Italian state capable of giving concerted leadership to the Risorgimento.

Cavour, prime minister of Piedmont beginning in 1852, set himself the task of building an efficiently functioning parliamentary government. His territorial aims were limited to creating an enlarged kingdom in northern Italy under the House of Savoy. He managed to insinuate Piedmont into the Crimean War in 1855, thereby gaining international prestige and perhaps good will, but no territory. Finally, Cavour in 1858 entered into a secret agreement with Napoleon III that guaranteed French assistance in taking Lombardy-Venetia. Piedmont's rejection of an Austrian ultimatum provided the pretext for an invasion of Lombardy in 1859, signaling the start of the Second War of Independence. Austrian forces were defeated, but the cost of the fighting was greater than Napoleon III had bargained for, and the Piedmontese were forced to accept a peace less advantageous than Cavour had been promised. Under the provisions of the Treaty of Villafranca, negotiated by the French the Austrians, Lombardy-Venetia was split. Lombardy was surrendered to France, which re-ceded it to Piedmont in return for Savoy and Nice, and Venetia remained in Austrian hands. More humiliating, a federation of northern Italian states was set up with Habsburg interests intact.

The war with Austria had, however, stirred successful rebellions in the satellite states and in Romagna (in the papal states), from which appeals came for union with Piedmont. Commissioners were sent to hold these areas for King Victor Emmanuel II and, disregarding the peace treaty, Cavour called for plebiscites to approve the annexation of these regions into a unitary state. Cavour's approval of this partial unification prompted Mazzini to condemn him as a traitor for not moving to annex Rome and Naples. It was Garibaldi, a follower of Mazzini, who forced Cavour's hand and brought the south into the Kingdom of Italy.

Garibaldi was a swashbuckling figure, who put into practice the ideas that Mazzini reportedly tried to put into practice. He assembled a ragtag array of enthusiastic patriots, and in 1860 the red-shirted "Thousand" invaded Sicily in an unexpectedly successful campaign. They moved on to Naples, deposed the Bourbon monarchy, and proclaimed a dictatorship in the name of Victor Emmanuel II. His conquest was as rapid as it was complete, and Garibaldi turned his attention to Rome. Cavour, whose role in Garibaldi's campaign is still a subject of debate, feared the international repercussions of an assault on Rome, which was defended by

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a French garrison. A Piedmontese army, with the king at its head, was sent to block Garibaldi's advance. The two forces confronted one another south of Rome, and in a dramatic gesture typical of the man, Garibaldi turned Naples and Sicily over to the king. Venetia was acquired in 1866 after a third war with Austria (see fig. 6). Cavour called a national parliament in 1861 to proclaim the Kingdom of Italy, with Victor Emmanuel II as its king and a new constitution, commonly called the Albertine Statute.

The Kingdom of Italy

The new kingdom was established as a centralized unitary state with a powerful monarchy and a parliamentary government. The constitution made no explicit mention of powers of either parliament or the prime minister, although under Cavour the prime minister became the most important political post. The king, however, remained the dominant figure, whose powers were virtually unlimited, especially after Cavour's death. The crown had the right to summon and dissolve parliament and to appoint and dismiss the prime minister. The government was technically accountable to the crown alone, not to parliament. The king further developed the power to issue proclamations with the force of law and assumed a dominating influence in foreign affairs. Gradually parliament developed practices—such as interpellations and votes of no confidence—by which it exercised some influence on government policy, but the king always retained residual control to be used as he wished.

The issue of federalism had been seriously debated during the unification struggle. Gioberti, the chief proponent of a neo-Guelphian federation, in his famous and influential book, *On the Moral and Civil Primacy of the Italians*, attacked the notion of a unitary state:

The aim of the strict unitarists may be good in theory, but they would suit us only if effective in practice. . . . It is madness to think that Italy, which has been divided for centuries, can be peacefully united in a single unitary state; and to want this brought about by force is a crime. . . . A united state would be almost impossible to create even at enormous cost, let alone keep in being. I would go even further and say that a centralized Italy is against the sheer facts of history and the character of our people; at least all the available facts go to show this.

Between 1848 and the late 1850s, however, federalism ceased to be a real alternative. As the events shifted in favor of a unitary and monarchical state, the constitutional debate shifted to a choice

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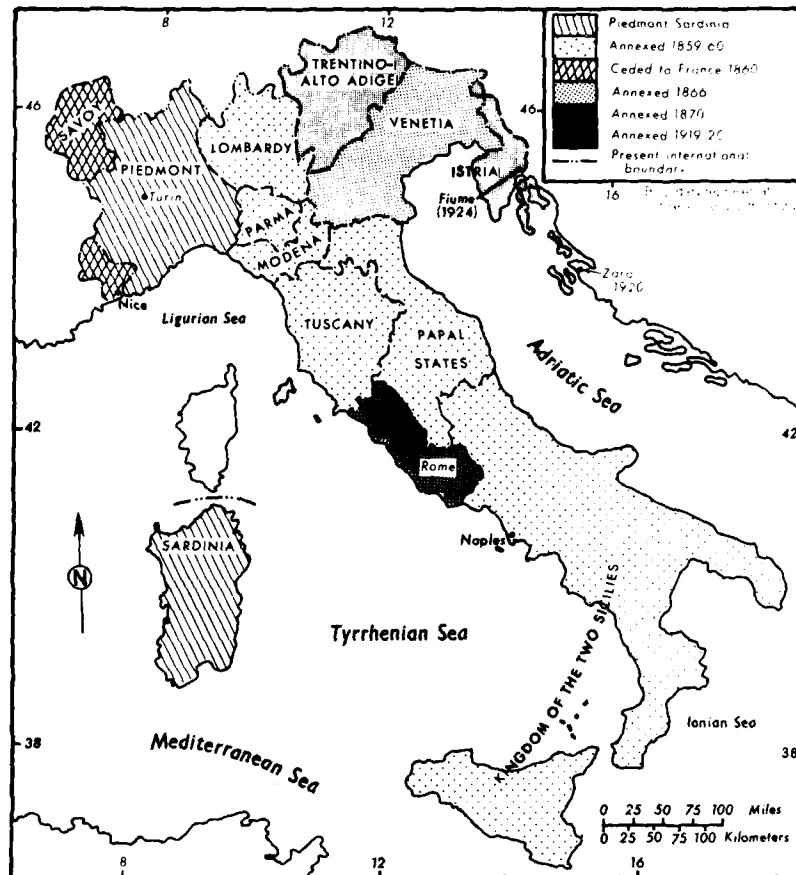


Figure 6. The Unification of Italy

between a completely centralized and a partially decentralized model of government. The promulgation of the Law on Administrative Unification in March 1865 ended the debate and established a centralized authority, with limited elected local government presided over by centrally appointed administrators (prefects), who served simultaneously as the political representatives of the national government, the chief of police, and the supervisor of local government.

The tradition of local government, therefore, was retained superficially, but the political system that emerged in Italy was un-

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questionably centered in the capital. The centrifugal forces of Italian history were tamed, but in such a way that the state's ability to identify and respond to citizens' needs were severely limited. Provincial administration, the most visible form of interaction between the citizen and the state, quickly became a pawn in a narrow game of politics at the center. The inefficiencies of the Italian political system, therefore, resulted as much from flaws in the constitutional arrangements that evolved from the circumstances of unification as from political insensitivity.

The unitary state was merely a manifestation of a more fundamental issue: the elitist nature of the new state. A small, nation-minded elite had constructed a state long before a sense of nationhood had been widely diffused among the culturally backward masses, approximately 75 percent of whom remained illiterate in 1860. Italian remained primarily a written language—the only written language—but was used only by intellectuals. Perhaps less than 1 percent of the population outside of Rome and Tuscany knew Italian, and even in these areas the proportion was probably only 2.5 percent. Most of the population spoke mutually unintelligible regional dialects, and municipal and regional loyalties still constituted the principal focus for most of the population. The famous statement by Massimo d'Azeglio aptly sums up the problem: "We have made Italy; now we must make Italians."

Although Italy had a parliamentary government, electoral law, adopted from Piedmont, based voting eligibility on the basis of tax payments. This severely restricted the franchise not only in terms of class but also in terms of region, effectively disenfranchising the poorer regions, especially in the south. In 1870 the electorate consisted of about 2 percent of the population, numbering only about 500,000, of whom about 300,000 actually voted, or one in every 70 Italians. In many areas deputies were elected to the legislature with a few dozen votes. Moreover, the new state was overwhelmingly dominated by Piedmont—leading many historians to speak of the expansion of the Piedmontese kingdom rather than the unification of Italy. The king even continued to be called Victor Emmanuel II, subtly but unmistakably asserting the continuity between his old and new positions. Thus from the beginning Italy was governed by a small political class centered in the north and composed of the aristocracy and the wealthy industrial middle class.

The Rule of the "Historical" Right: 1861-76

In June 1861, just three months after the creation of the new kingdom, Cavour died. His successors, almost all natives of Piedmont or closely associated with it, tried to continue Cavour's policies of moderation, strict regard for the Albertine Statute, and clever statesmanship, as well as the governing coalition he had assembled. Known as the right, more precisely the center-right, the governing liberal conservative group consisted of a homogeneous political class committed to national stability, the consolidation of a centralized state administration, and the perpetuation of a free-market economy. Though able and incorruptible administrators, Cavour's successors lacked his imagination and capacity for initiative. Allied with them in a continuation of Cavour's coalition was the center-left, composed of radical democrats—ex-republicans and Mazzini's followers—who advocated social and economic reform and a more democratic electorate. Most of the left, however, came from the same class background as the right and therefore differed more on the emphasis of public policy than on basic principles. Ranged against this coalition was a weak and disorganized opposition made up of reactionary supporters of the *ancien régime*. Thus, a series of shifting centrist coalitions controlled the government through 1876.

For the first decade the government was preoccupied with territorial questions. The new Italian state united the whole peninsula, except Venetia and Rome. Venetia was finally ceded by Austria in 1866 after Italy joined Prussia in the Six Week War, in Italy known as the Third War of Independence. The war itself was a disaster militarily, but Prussia's overwhelming victory allowed Italy to wrest a diplomatic triumph out of the military defeat. The Roman Question was not settled until 1870. Despite nine years of efforts by Garibaldi to win the city by force, the ultimate solution was once again largely owing to Prussia, whose invasion of France in July 1870 during the Franco-Prussian War forced Napoleon III to recall the French occupying forces. Rome thereafter became the capital, completing the final stage of Italian unification.

The annexation of Rome satisfied the nationalists but infuriated the papacy, which vowed to use all of its resources, especially its faithful, to resist the state. The settlement of relations with the church remained the most vexatious and seemingly insoluble problem confronting Italian governments for nearly 60 years. In spite of the Albertine Statute's declaration of Roman Catholicism as the official state religion, Pope Pius IX refused to consider Cavour's proposal in 1860 for "a free church in a free state," which was

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intended to guarantee the ecclesiastical freedom of the Italian church, uninhibited by government intervention, in return for the renunciation of the pope's temporal claims to Rome, Pius IX noted that Cavour's words contrasted markedly with his record of anti-clerical legislation in Piedmont but, more important, he adamantly stood by the position that papal sovereignty in Rome was essential to carrying out the spiritual mission of the church.

Still hoping for an accommodation with the papacy, parliament enacted the Law of Guarantees in 1871, which established the Vatican as an independent papal territory within the city of Rome, according the pope the dignity of a sovereign and giving him an annual income from the state treasury equivalent to his previous income from his territories. Pius IX rejected the offer out of hand, to the disappointment of many Catholics, and proclaimed himself the "prisoner of the Vatican." He refused to recognize the legality of the Italian state, excommunicated King Victor Emmanuel II, and condemned the occupation of Rome as an aggressive act, appealing to foreign powers to restore the city to the papacy. In retaliation the Italian government sharply restricted the civil rights of the clergy.

The impasse between the pope and the state created a crisis of conscience for Italian Catholics and a political crisis for the government. Buttressed by his previous year's declaration of papal infallibility, Pius IX pronounced Catholic participation in the political system or voting as *non expedit* (inexpedient), forbidding the faithful from participating either as voters or as candidates. Catholics therefore had to choose between their church and their state. The state for its part was deprived of the support and participation of a substantial portion of the population, and the political spectrum from which governing coalitions could be chosen was artificially truncated.

The economic policies of the right were focused on balancing the budget and making up the formidable debt incurred by the state during the unification struggles. New taxes were imposed and rigorously enforced, exacerbating the seething resentment of many citizens. The alienation of the people from the political system became increasingly important during the unified state's first years. For most the only contacts with the government were the tax collector and military conscription, and the hopes raised during the unification period quickly degenerated into bitterness and widespread resistance. Nowhere was this more apparent than in the south.

The south (often referred to as the Mezzogiorno) had been very reluctantly accepted into the new state, and only after Gari-

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baldi's dramatic invasions forced Cavour's hand. The political elites were contemptuous of the southerners, whom they considered inferior, both intellectually and morally. Nevertheless, the south clearly wanted to enter the union, and its inclusion had certain foreign policy advantages, a unified peninsula being less vulnerable to foreign occupation. There were no illusions, however, about the difficulties involved. As Cavour put it: "The purpose is clear . . . to impose unity on the weakest and most corrupt part of Italy. There is also not much doubt as to the means . . . moral force and if this does not suffice, physical force."

"Moral force" did not suffice, as enthusiasm for union dissolved under the excessive burdens of taxation, and wholesale brigandage took over Sicily and the south. For four years roving bands of peasants and draft evaders waged guerrilla warfare against an array of 100,000 troops sent by the central government. The war showed that the desperation and despair over economic conditions that had remained essentially unchanged had evolved into bitter hostility to the new state, which had failed to live up to the exaggerated expectations raised during the unification. The civil war was brutal on both sides and was mercilessly repressed. In the north, too, peasants rose in widespread rebellion against a milling tax in 1869.

The insensitivity of the political elites and the closed nature of the political system prevented the new state from nurturing a base of support within the larger society, and it remained solely dependent on a very narrow elite. The alienation of the political system from the masses thus became institutionalized, leading parliament, almost totally cut off from society, into internal political maneuverings and sometimes surreal foreign policy gestures. At the same time, the frustration at stagnant social and economic conditions gave birth to a strong tradition of extraparlimentary political protest, which continued to plague Italy well into the twentieth century and made Italy particularly susceptible to the allure of socialism and anarchism.

Nevertheless, the governments of the right produced a creditable, if limited, economic record. In the 1870s, under the guidance of the minister of finance, Quintino Sella, the budget was finally balanced—though at great social cost. Public construction of railroads, steelworks, seaports, and shipbuilding made impressive progress as part of a massive military build-up—undertaken to compete in the militarization throughout Europe—which consumed almost 25 percent of all state expenditures between 1862 and 1913. The investments helped to some degree to develop the in-

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industrial base of northern Italy, which experienced a sharp but short-lived spurt in the 1880s.

The Left in Power

Cavour's practice of grand coalitions effectively hampered the evolution of centralized political parties. For most of the nineteenth century, therefore, parliamentary politics was conducted through groups rather than parties, identified by general orientation, e.g., right versus left, rather than concrete ideological or programmatic criteria. Moreover, these groups lacked a central organization and could more precisely be called simply a collection of like-minded individuals who banded together to improve their individual chances of successfully competing for the spoils of office: patronage. As one of Cavour's colleagues put it, "We have now reached the point where there are no solidly-built parties in Italy except those based on either regional differences or the personal relation of client to patron; and these are the twin plagues of Italy."

After 1876, the left held a parliamentary majority, but so many factions within it—usually brought together by a single personality—vied for recognition that clearly defined party government, necessary for rigorous parliamentary life, was impossible. The art of politics therefore consisted of "making it worthwhile for a sufficient number of members [of parliament] to vote with the government" by using various forms of bribery and political brokering, including giving seats in the cabinet to factional or regional leaders.

Beginning with Agostino Depretis, the conventions of parliamentary life were given a name and exalted to the level of doctrine. In a speech in 1876 Depretis called for "the fertile transformation (*transformismo*) of parties, and the unification of all shades of liberals in Parliament, in exchange for those old party labels so often decided only by the topography of the Chamber." Thus *transformismo* entered the language, dispensing with the inaccurate and misleading party labels. These practices helped to stabilize an otherwise unwieldy and fragile system, but governments were formed whose members were so divided in outlook that coherent programs could seldom be formulated and, despite the good intentions on the part of the government, reform measures were regularly stymied.

The left had come to power with the assistance of dissident groups inside the right expressly to implement policies to deal with growing social unrest. But the insistence on centrist coalitions tended to moderate politics to the point of petrification, increasing

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the alienation of parliament from society. Depretis contended that his method of government corrected the errors of the past. "Whereas it used to be said that the government represented a party, we intend to rule in the interests of everyone . . . and will accept the help of all honest and loyal men of whatsoever group." But it became clear that above all he intended to govern in the interest of the political class rather than of the masses. Those who advocated significant reform—clericals and reactionaries on the one hand, radicals and socialists on the other—became a marginal force, constituting a fragmented and ineffective opposition.

In 1882 the franchise was extended, raising the number of voters from 500,000 to just over 2 million (about 7 percent of the population) and for the first time enfranchising elements of the petite bourgeoisie and artisans. The move was made partly to fulfill a long-standing commitment on the part of the left, a commitment that the radical elements of the left unceasingly fought for. More important, the enlarged electorate gave Depretis greater room for parliamentary maneuverings. Over one-third of the deputies elected in 1882 were new, and party labels became even more irrelevant. The electoral reforms did not result in any substantial social reforms and instead, ironically, exacerbated the existing regional and class differentiation, giving a larger share of the vote to the cities and to the north. Nevertheless, this was the first crack in the elitist system, and further democratization of the system would prove to be irresistible, culminating in almost universal male suffrage in 1912.

For 11 years (1876-87) Depretis controlled the parliamentary process, creating centrist coalitions that joined bourgeois elements from the right and the left, emasculating the parties. Francesco Crispi, who would succeed Depretis as prime minister, summed up the state of the parties:

Since 1878 we have had no political parties in Italy . . . only political men and groups, and each group, instead of comprehending an order of ideas, has been just an association of individuals whose opinions have constantly changed. This state of affairs has been actively encouraged by the government. . . . With the elections of 1882 the disorders of the chamber penetrated into the country at large. The candidates did not form up in parties with definite programs, since they had no principles to defend, but were possessed only of the intention to reenter parliament.

Depretis' term saw some limited social reforms, such as the establishment of workmen's compensation insurance and compulsory education, but they were so poorly administered that they were almost universally ignored. In general, his method of government was predicated on avoiding controversy and maintaining the status

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quo. In contrast, he was an activist in foreign policy, as Italian nationalists sought external confirmation of the new state. Depretis harkened back to the glories of the Roman Empire and belatedly brought Italy into the European race for colonies by initiating ill-fated colonial enterprises along the Red Sea and in Tunisia. Competition with France over colonies in North Africa soured Italy's traditional ties with its neighbor just as Italy was seeking the prestige associated with international alliances. In this atmosphere Depretis reversed the historical enmity with Austria and in 1882 joined the Triple Alliance with Austria-Hungary and Germany, the most dynamic nation in Europe. Henceforth, Germany increasingly displaced France as the principal reference point for Italian intellectuals.

The First Crisis of the Liberal State: 1887-1900

Bismarckian Prussia was a model for Depretis' successor, Crispi. A former republican, Crispi had become a monarchist and was committed to strengthening the executive branch, reinforcing the army, defending Italy's interests abroad, and promoting social reform through paternalistic government. Although he insisted on his love of liberty, his autocratic style assumed that all of Italy would join him in a quest for national honor. His enterprise failed, but in the process he undermined the liberal regime, disrupting the economy through profligate spending and provoking more widespread and effective opposition movements.

Under his government social reform legislation was passed, including the Public Health Act of 1888, prison reform, and in 1889 a new civil code that set up tribunals for redress of abuses of the administration and for the first time allowed a limited right to strike. One of the more important reforms was the extension of voting rights in local elections and the establishment of elected mayoralties in large communes. Ironically, within a short time these electoral changes would provide a base for the activities of the Catholic and socialist opposition.

Crispi's style became increasingly authoritarian, and parliament gradually abrogated most of its responsibilities, allowing Crispi the right to rule by royal decree (including raising taxes), to determine the powers of the prime minister, and to appoint the government. Thus the pattern established by Cavour was continued: a single personality controlled the political scene by means of a grand coalition of many factions. Parties were stillborn, while a disputatious and immobilized parliament gradually handed over

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more and more of its powers to the prime minister and the king. The parliamentary system in Italy thus failed to become institutionalized.

Under Crispi, foreign policy became a major focus. A number of factors combined to convince Crispi of the need for Italian expansion. With the Italian nation still only precariously established in the hearts and minds of the people, a successful colonial policy, or better yet a military adventure, would raise the Italian state's prestige both in Europe and at home, helping to unite the people behind an activist nationalist and imperialist ideal. His personality, however, led him to exaggerate both the threats to Italy, especially from France, and Italy's resources for foreign adventures.

After 1870 irredentist sentiments had slowly begun to grow, focusing on the lands formerly part of the Venetian Republic but lost since the 1866 war: Trentino-Alto Adige, the area along the border with Austria-Hungary; and the Dalmatian coast, especially Trieste and Fiume. These areas had once been thoroughly Italianized and in places remained so, but they were rapidly becoming submerged in the surrounding cultures, the Trentino increasingly Germanized and the Italians on the Dalmatian coast increasingly Slavicized.

The alliance with Austria-Hungary in 1882 complicated the issue considerably, and proponents of the pact, among them Crispi, tried to redirect the nationalism toward colonies in North Africa, leading in 1887 to an invasion of Ethiopia. In two years of fighting the Italian troops, hampered by poor planning and unrealistic judgment on the part of both political and military officials, suffered several embarrassing defeats. Nevertheless, by a somewhat dubious reading of the Treaty of Ucciali, which ended the hostilities, Crispi was able to claim an Italian protectorate over the area in 1889, but its hold on the territory was weak. In 1890 he joined Italy's Red Sea possessions, Massawa and Assab, to form Eritrea; shortly thereafter he began the conquest of Somalia, which formally became an Italian colony in 1905.

Crispi became increasingly tyrannical, and eventually parliament rebelled. He was finally defeated in 1891 in a surprise defection of his support from the right, which was infuriated by Crispi's inflamed criticism of its policies before 1876. However, his defeat was only temporary, as he was called back only two years later—despite clear evidence of his implication in a bank scandal that rocked Rome's financial centers—in order to deal with the growing menace of social unrest and the specter of socialism.

During Crispi's second term (1893–96) the arrangement collapsed, as the Ethiopians refused to accept the Italian version of

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the treaty. In 1895, with Italian honor at stake, Crispi, without prior planning or preparations, committed 25,000 troops to fight the Ethiopian forces. The campaign was remarkably ill-conceived, and the army was soundly defeated at the Battle of Adowa in March 1896 in one of the worst colonial defeats in modern history. The Italians were forced to sue for peace and signed the Treaty of Addis Ababa, by which they recognized Ethiopia's independence and restricted themselves to Eritrea. The humiliation destroyed Crispi's government, which collapsed in 1896. The Ethiopian disaster haunted Italian foreign policy for the next 60 years.

The Society and Economy in Transition

The concern with foreign affairs was coupled with the neglect of domestic economic conditions. The basic conditions that had given birth to the protests immediately after unification were largely unchanged. During the Crispi government, a few socially conscious deputies, troubled by persistent peasant unrest, forced a parliamentary inquiry into agricultural conditions. The commission began work in 1877 and produced a 15-volume report in 1885, which was shocking in its descriptions of hardship and injustice.

Over 60 percent of the population—more than 80 percent in some areas—was engaged in agriculture. Conditions varied dramatically from one region to another. Many northern provinces were blessed with fertile soil and ample rain, and farmers tended to be comfortably well off. Agriculture in central Italy, in contrast, was dominated by a few aristocratic landowners who continued the traditional system of sharecropping, viewing it as an ideal method of guaranteeing social stability. At least 110,000 peasants were landless, forced to hire themselves out for work. Farther south, the land was divided into vast estates owned by an aristocratic and middle-class elite, while the rest of the population scratched a living from the barren hillsides, sometimes farming many separate tiny plots of land. Over 1 million peasants hired themselves out as day laborers, and many others resorted to seasonal emigration, becoming migrant workers in neighboring countries. Parts of the center and most of the south (with the exception of areas around Naples and Palermo) were further burdened with disastrous conditions—widespread soil erosion, alternating floods and drought, and the spread of swamp areas and consequent malarial infestations—the result of wholesale deforestation combined with unfavorable natural conditions.

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State efforts to rationalize and equalize land tenure systems were manipulated by the middle class and the old noble families and failed to make any real improvement in conditions. Even those rare peasants who were able to buy the expropriated church or demesne lands were usually forced by onerous taxes to sell off their lands, usually back to the landowning families from which the land had been expropriated or to the new rural bourgeoisie. In fact, the number of people owning land declined substantially between the censuses of 1861 and 1901.

Living conditions for most of the population were appalling in contrast to the wealth of the few. Pellagra and other deficiency diseases were pandemic. Of almost 4,000 Sicilian sulfur miners drafted for military service in 1881-84, only about 200 were considered fit enough for acceptance, and the proportions were roughly similar for the population who lived in caves in the Agro Romano, almost within sight of the capital. Wholesale deforestation reduced vast tracks of land to marsh. As a result, malaria was pandemic, killing untold numbers each year, including King Victor Emmanuel II in 1878. Diseases of filth, such as cholera, also proliferated. Efforts to improve slum conditions often fell victim to corruption and speculation, most notably in Naples, where state funding for replacement of the sewage system was squandered on beautification projects for wealthy neighborhoods.

The Commission of Inquiry in the South, appointed in 1910 by Giovanni Giolitti, Crispi's eventual successor, concluded:

... the young Italian State did not succeed in creating a democracy of small landowners, of men who might have undermined the foundations of the old feudal system that had survived in fact if not in law. The new State became the slave of a new powerful group, the voting middle classes, just as the old State had been the slave of the feudal aristocracy ... [it tolerated] usurpers who had the vote and used it to steal the land, with the more or less tacit complicity of the Prefects in that scandalous despoliation of the poor by the rich.

State failures only partially explained the depressed conditions in agriculture. With the opening of the railroad routes through the Alps, for the first time in centuries Italian agriculture and industry were open to foreign competition and more extensive price fluctuations. Pressure from landowners persuaded Crispi to impose a duty on imported foodstuffs as a partial reimbursement for the land tax. The resulting tariff war with France between 1887 and 1892, instead of helping agriculture, in the long run led to its further deterioration as the tariffs shielded agriculture from the full impact of competition and implicitly encouraged the continuation of ineffi-

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cient methods. The real losers, however, were the peasants, whose food costs rose dramatically.

Industrial development paralleled the agricultural sector. The north, benefiting from close trade relations with northern Europe and massive state support, began a slow but steady process of industrialization. By the 1880s a spurt of growth, led by heavy industry and a burgeoning military-industrial complex, made northern Italy, at least in the short run, economically competitive with the rest of Europe. At the same time, however, the south was deindustrializing, the number of industrial workers falling by one-third between 1881 and 1901.

Social Unrest

As agriculture deteriorated, rural areas experienced increasing unrest, including an upsurge in rural strikes, which reached a peak in 1885; periodic riots; the occasional assassination of prefects and tax collectors; and tax rebellions. The crisis was especially acute in Sicily. For most of the nineteenth century the island was in virtual rebellion, but in the 1890s the nature of peasant agitation changed as *fasci*—a term adopted from ancient Rome meaning literally “bundles” but used to denote a group or alliance, especially if aspiring to power—were organized throughout Sicily by socialists and anarchists partly as mutual aid societies and partly as “leagues of resistance.” Led primarily by intellectuals, the *fasci* borrowed many ideas from the urban socialist societies of northern Italy but also incorporated peasant millenarian ideas and became enormously popular. In 1893–94 they conducted a series of successful strikes demanding land redistribution, but by the end of 1893 the organized actions had deteriorated into violent peasant riots.

Crispi was called back to power to repress these uprisings. In January 1894 the government dissolved the *fasci* and all other workers’ associations in Sicily, ordered the arrest of all the ring-leaders, and proclaimed a state of emergency, imposing martial law on the island. Voting lists were purged of the names of participants, in many municipalities cutting the electorate in half. The ruthless repression of the movement succeeded in crushing it, but the extreme methods produced a backlash among northern radicals, who withdrew their support from the government. In a desperate reversal, Crispi proposed in 1894 a major land reform, which included state takeovers of the estates and redistribution of the land to the peasantry. The Sicilian landlords furiously battled the reform under the leadership of Marquis Antonio di Rudini. After

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Crispi's downfall in 1896 following the Adowa debacle, di Rudini became prime minister, ensuring the landlords' continued dominance. Having no alternatives after 1894, massive numbers of peasants left the island, emigrating to the United States, Australia, and northern Europe, while those who stayed abandoned the rural areas for the cities and towns.

The urban areas were equally vulnerable to the wave of unrest. The economic transition created a growing working class increasingly aware of its economic importance and potential political power. The first large-scale strikes occurred in the summer of 1892 in 25 different places. At Turin a "general strike" lasted nine days, and a similar movement in Milan lasted three days; at Verona the railroad workers stayed out for five days. Trade unions were still in their infancy, and these early strikes were spontaneous and unorganized. Strike activity decreased as real wages increased, but it again grew in 1893, one year after the creation of a socialist party. Most strikes were over working hours, even more than wages, and were short-lived, localized, and unsuccessful. Nevertheless, the middle class and the church were alarmed by the unrest, blaming socialist agitation. The government tended to see political motives behind every action and vigorously prosecuted strikers, until a liberalized law in 1898 made strikes legal unless violence occurred or intimidation was used.

Anarchism and Socialism

Although popular disaffection was widespread in the 1870s and 1880s, labor organization did not begin to develop in earnest until the early 1890s. One possible explanation was the attraction of anarchism to many Italians. Anarchist ideas reached Italy primarily through the Russian exile Mikhail Bakunin, who lived in Naples between 1865 and 1867, and quickly gained an audience, especially among Neapolitan artisans—shoemakers, printers, carpenters, etc. and students. Anarchism's appeal was greatly enhanced after the Paris Commune in 1871, which seemed to show that revolution could occur spontaneously.

A national conference held in Rimini in 1872 marked the formal establishment of an organized anarchist movement in Italy, which by the end of 1873 claimed 26,000 members, mostly in central Italy. The Italians soon assumed the leadership of the "antiauthoritarian" wing of the Socialist International, which was split between the followers of Bakunin and those of Karl Marx. The first attempt to overthrow the established order took place in 1874

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in Bologna at a time of food riots and agricultural strikes. This attempt failed miserably, and for the next two years most of its leaders were in prison or in exile. Finally, in 1877 a second attempt was made, this time near Naples. This insurrection was plagued with bad luck, bad timing, and bad organization and was easily repressed. Nevertheless, the government, under heavy criticism for being soft on anarchism, conducted an antianarchist drive in 1878-79, which disrupted the organization and forced most of its leaders into exile. The heyday of anarchism was over, but it remained an important faction within the labor movement well into the twentieth century.

The decline of anarchism helped to invigorate the socialist movement. Socialism had been slow to develop in Italy, because it competed with a number of rival ideological and social movements, including anarchism and Catholicism, which had organized a network of producer and consumer cooperatives, mutual aid societies, and charitable organizations. These gave a margin of security against the fluctuations of the market and functioned as an early form of social insurance, providing old-age pensions, sick pay, and funeral costs. In the late 1880s these movements, weakened by government repression, began to expand their activities beyond their original economic focus and agitated for political liberties and legal reforms. However, their associations with rival political groupings—conservative, clerical, or republican—prohibited joint action on social policy.

By the early 1890s many intellectuals were attracted to "revolutionary" socialism, or social democracy, which deplored the evils of early industrialization, pressed for social reforms, and demanded the right to engage in legal political activity. Using the German Social Democratic Party as their model, the socialists set about creating a political party. The center of early socialist activity was Milan, where Filippo Turati organized the Milanese Socialist League in 1889, followed two years later by the Italian Workers' Congress. A congress held in Genoa in 1892 is usually used to mark the official establishment of the Italian Socialist Party—at the time named the Party of the Workers. The congress quickly split into two rival organizations, one representing the reformist socialists, the other the anarchists. The socialist majority approved a program that called for an "economic struggle" by organized workers to win immediate advantages and a "more general struggle" to win control of the "public powers" in the Senate and local government. The anarchists formed a separate but short-lived Workers' Party, which was committed to "economic" action but was opposed to participation in elections and ridiculed hopes for reforms from

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the bourgeois state. Although each camp was itself factionalized, this basic split persisted for more than 30 years.

In 1895 the reformists adopted the name Italian Socialist Party (Partito Socialista Italiano—PSI) and began the process of creating a viable and effective political organization. Previously the party had been organized as a federation of disparate groups, but that left it vulnerable to state repression, as in 1894. The PSI adopted the German Social Democratic Party's structure and had individual membership, a network of local sections, internal elections, and regular congresses. By 1897 it claimed over 27,000 members and had a party newspaper, *Avanti!* By 1900 the PSI proved to be an effective vote getter, garnering 216,000 votes in the general election and sending 32 deputies, almost all middle-class intellectuals, to parliament.

Despite its working-class rhetoric and its association with the purely economic organizations, e.g., cooperatives and peasant leagues, the PSI was clearly dominated by an intellectual elite. The trade union movement was still undeveloped, and few workers—and even fewer peasants—actively participated in party affairs. Under pressure from official persecution by successive governments—Crispi in 1894–95, di Rudini in 1897–98, and General Luigi Pelloux in 1896–1900—the PSI increasingly allied with bourgeois parties, especially the Radicals, Republicans, and elements of the Italian Liberal Party (Partito Liberale Italiano—PLI). Although the PSI maintained a separate existence, its electoral program for social reform echoed that of the Radicals: universal suffrage, abolition of censorship, legal and political emancipation of women, a progressive income tax, and an eight-hour workday.

The Emergence of Political Catholicism

In the minds of the anticlerical Liberals, the church, with its millions of faithful, represented the gravest threat to the state, despite the prohibition on political activity. Pope Leo XIII's 1891 encyclical on social issues, *Rerum novarum*, called on the church to carry out programs to aid the working classes. In the midst of economic crisis and social disruption, and cognizant of the growth of socialism in Europe, the church launched its own campaign. It condemned the existing capitalist society and ordered the faithful to transform it through a network of private corporatist organizations—such as mutual aid societies, cooperatives, and mixed cooperatives—joining employers and workers to work out equitable adjustments in wages and working conditions.

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The Liberal establishment considered "social catholicism" to be a critical threat to the preservation of the socioeconomic system, and in 1897 the di Rudini government cracked down on Catholic associations that had often expressed "views contrary to the free institutions that govern us, and even in favor of the destruction of the Italian State. These guilty and insane statements cannot and must not be tolerated any longer." After a wave of bread riots in 1898, which coincided with the fiftieth anniversary of the First War of Independence, anticlerical feelings rose to a fever pitch. The network of organizations so carefully built up was crushed.

The repression succeeded in convincing the church hierarchy that its traditional policy of intransigence, that is, the refusal to accept the state, was counterproductive, isolating Catholics from their logical allies, the conservative Liberals, and thereby leaving the state vulnerable to socialist subversion. The Vatican quietly dropped its intransigence, and in return the Pelloux government (1898-1900) allowed most Catholic associations to reestablish themselves. Over the next few years the Vatican gradually relaxed the *non expedit*.

Crisis of the Liberal State

The 1890s were a turbulent period, but the unrest reached crisis proportions in 1898. A serious crop failure provoked bread riots throughout the country, but the most alarming were the Milanese bread riots in 1898, in which rioters came into open conflict with troops sent to maintain order. Martial law was imposed, but many were killed before order was restored. Wide repression followed, but not before di Rudini was forced to resign.

In response to the unrest, di Rudini had proposed a series of bills on public order that would have prohibited strikes in the public services, brought railroad and postal workers under military discipline when necessary, increased press censorship, and curtailed public meetings. Following di Rudini's resignation, the king appointed General Pelloux to form a government. This very conservative government insisted on the passage of these bills and, when parliament demurred, issued them by royal decree. This was clearly unconstitutional and called into question the very nature of the state itself.

As social unrest developed, critics blamed parliament with its "corruption," emphasis on local interests to the detriment of national interests, and "interference" in the administration. Already in 1895 Crispi had governed for many months without parliament.

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In a highly influential article, Sidney Sonnino proposed ending the parliamentary system, which by its very nature required unacceptable concessions to both Catholics and Socialists. He advocated strict adherence to the Albertine Statute, in which the crown, which under King Humbert (1878–1900) had become inactive, would hold sole executive power and would become, once again, the center of the political system. The Pelloux government's actions, however, crystallized the debate. The stakes were no longer policy but the future of the liberal state.

The Liberals rallied to the defense of the system, and although they acknowledged that some of the criticisms of parliament were justified, they felt that the problems could be remedied by minor procedural adjustments. Pelloux dissolved parliament and called elections. The left—now composed of Socialists, Radicals, and Republicans—won an impressive number of seats, and it was seen as a repudiation of the “strong government” group. Pelloux resigned and the liberal state was preserved, now buttressed by the support of those who only 10 years before had been “subversives.” Their transformation was made even more clear by their universal denunciation of the assassination of King Humbert II by an anarchist in 1900.

The Giolittian Era

The elections of 1900 seemed to strengthen the state, and although public unrest continued unabated, public institutions no longer seemed so fragile. In 1903 Giovanni Giolitti became prime minister for the second time and held that position almost continuously until 1914, ushering in an age of rapid social and economic change and political accommodation. Giolitti's primary goal was to reconcile the masses to the Italian state, uniting the “real Italy” with “legal Italy.” He therefore embarked on an ambitious reform program, which included laws to limit the workday of women to 11 hours, prohibit the employment of children under 12, and mandate at least one holiday a week. The state instituted a maternity fund and a limited sickness and old-age fund. By 1898 accident insurance had become compulsory in industry, and in the same year a noncompulsory national insurance fund for health and old-age was set up for industrial workers. The most important reform was the extension of the suffrage in 1912 to almost universal male suffrage, raising the electorate from less than 3 million to almost 8.5 million.

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The reforms notwithstanding, labor demands continued to increase, and an epidemic of strikes swept over the country beginning in 1901. Giolitti was implacably hostile to strikes in the public services and to political or general strikes, but he also recognized the justice of many of the demands. His concern was to maintain order and arrive at mutual accommodation.

I remind all State officials that in this period of profound social transformation government action must be inspired both by absolute neutrality in the struggles between capital and labor, and by affectionate concern for the legitimate aspirations of the working classes. And it must be the government's special task to persuade everybody that the struggles for progress can only be fruitful when they are peaceful, disciplined and nonviolent. . . . Whoever represents the government, whether at the highest or the lowest level, has therefore the duty not only of rigorously applying the law, but also of fulfilling a real apostolate of social peace.

Giolitti expanded *trasformismo* to include the Radicals, the Socialists, and eventually the Catholics. The continuing social discontent and the recent constitutional crisis convinced him that the only hope for the survival of the state was to "persuade these new classes that they have more to gain from those institutions than from utopian dreams of violent change. . . . It depends on us whether they will turn out to be a conservative force, a new element in the greatness and prosperity of the country, or a revolutionary force for its ruin."

The socialist movement, which had united under the persecution of previous governments, began to splinter in the face of this temptation to participate in power. The movement had never been ideologically coherent, but the process of fragmentation begun with the secession of the anarchists accelerated especially after 1906 when syndicalists split off, followed by some reformists in 1912 and, ultimately, the communists in 1921. While the party leadership succumbed to Giolitti's blandishments, the rank and file were radicalized. The trade union movement had finally taken off, and the socialist federations claimed almost 250,000 industrial workers by 1902. Most were dedicated to "resistance," that is, opposition to capitalism, and militancy increased. Other bodies, such as the Chambers of Labor—the largest and most popular labor organization—were conciliatory organs, committed to achieving better conditions through negotiations rather than confrontation. In 1906, in an attempt to unify the trade union movement, the socialist unions and the Chambers of Labor combined to form the General Confederation of Labor (Confederazione Generale del Lavoro—CGL).

This basic division between "maximalists," the rank and file of the labor federations committed to resistance and eventual revolution, and "minimalists," the leadership of the Chambers of Labor

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and the parliamentary deputies committed to conciliation and reform, indicated a dangerous isolation of the leadership from the members and a growing hostility among the membership against the institutions of the state. The growing strength of the maximalists was reflected in the incidence of strike activity: in 1901 alone official figures showed over 1,000 strikes involving 189,000 workers, and strike activity steadily increased until an economic slowdown in 1910. In 1904 a general strike was called, the first ever in Italy. Although the strike was in fact disorganized and incomplete and soon collapsed, as Giolitti had predicted, it had a profound impact on the popular imagination. The government's inaction—Giolitti's deliberate strategy—seemed to the middle classes to betray the state's inability to maintain order.

The radicalization of the rank and file ultimately prevented the PSI leadership from accepting Giolitti's offer of participation in the government and complete incorporation into the system. Thus, the opportunity presented by Giolitti for the state to absorb its enemies was lost but, more important, that failure increasingly undermined its basis of support in the middle class.

The other major group outside the system, the Catholics, underwent a similarly incomplete assimilation. Giolitti needed Catholic support, if only informal, to counterbalance the Socialists, but the process of accommodation was slow, and both sides were wary of each other. Giolitti declared that the "church and state are two parallel lines which should never meet," but as a gesture of good faith, Giolitti allowed a divorce bill left over from a previous government to die quietly. In return the pope relaxed the *non expedit* in 1904 for the first time, allowing Catholics to vote in constituencies where a Socialist would otherwise win. The rapid growth and political strength of the socialist movement was considered by the church to be a mortal threat: "Socialism is the most abject slavery, it is flagrant injustice, it is the craziest folly, it is a social crime, it is the destruction of the family and of public welfare, it is the self-proclaimed and inevitable enemy of religion, and it leads to anarchy." The Vatican whittled away at the *non expedit*, until by 1913 it was effectively withdrawn.

A Catholic trade union for a time looked promising but failed to draw away members of the socialist unions. A Catholic political movement was equally slow in developing. Father Luigi Sturzo, a Sicilian priest, was the major advocate of activism, but the focus remained fixed on local rather than national politics. Nevertheless, an effective antisocialist alliance was drawn up in which Catholics contributed votes in support of Giolitti's government.

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Nationalism and Foreign Policy: The Libyan War

Nationalism was becoming an increasingly important political force. It was a revivalist movement, described by its principal proponent, Enrico Corradini, as "a religious feeling . . . which when it becomes widespread in Italy will at last make the trains run on time." As such it competed directly with socialism, which it identified as a cancer growing in the body politic that would eventually seize control of the state and the nation. Nationalism began as simply a protest against Giolitti's inaction in the face of the strikes, but gradually the nationalists developed a coherent body of ideas that envisioned the expansion of state powers over society and the economy, explicitly challenging liberal philosophy. The nationalists believed that the state should be empowered to settle labor disputes by creating a "national consensus" on wages and to organize the economy and allocate resources to maximize production. They felt that Italy had been held back by its oppressors, so that it was now a "proletarian nation" that could redeem itself only through sacrifice and conflict. Economics was held to be a major arena for this conflict—indicating the extent to which Marxist thought had penetrated popular consciousness—and Italy should prepare for an intensive effort at economic development protected by rigid trade barriers.

Italy's dismal performance in foreign policy was particularly rankling. The debacle in Ethiopia had to be avenged, and by 1911 the nationalists had whipped up enthusiasm for another colonial adventure. The precarious balance of power in Europe contributed to an atmosphere of intrigue, in which French activity in North Africa seemed to portend a threat to the Italian claim to Libya. In the event of war, which seemed imminent in 1911, control of the Libyan ports would be important. In addition, the Bank of Rome, which had strong connections to the church and other influential groups, also had substantial financial interests in Libya. With the press and many right-wing Catholics calling for invasion, Giolitti finally decided to commit troops.

In order to preempt France, Italy in September 1911 declared war on Turkey, which had ruled Libya for over one hundred years. The invasion of Libya appeared to be a success, but the troops soon got bogged down in fighting with the local Arab population, against all predictions that they would welcome liberation from the Turks. Faced with a stalemate, Giolitti pressured Turkey in the Aegean, seizing 13 islands. Serendipitously, the first Balkan war broke out several months later. Turkey, pressed on all sides, sued for peace with Italy in October 1912, ceding Libya. However, the

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occupation continued to be challenged in Cyrenaica by natives, and Italy was forced to keep 50,000 troops in the country.

The war, limited though it was, had a profound impact on domestic politics. The Libyan campaign strengthened Giolitti's hand, but it was a Pyrrhic victory, since it strengthened the nationalists even more, giving their ideas of national redemption and international conflict legitimacy. Moreover, the Catholics, who had seized upon the war as an opportunity to prove their patriotism, were increasingly tempted to abandon Giolitti in favor of the nationalists.

As the Giolittian system drew to a close, the survival of the state was precarious. Only a decade previously the nation had seemed to be on the verge of real unification and the inclusion of all social forces in the political system. But *trasformismo* had proved to be inadequate, even counterproductive, in a rapidly changing social and economic environment. Trying to satisfy all ultimately meant that the system satisfied no one, and the polity became increasingly polarized as it entered the age of mass politics. That polarization was accelerated by the onset of a European conflagration.

Italy and World War I

In 1914 Giolitti was replaced by Antonio Salandra, a conservative who quickly encountered a massive wave of popular protest, the most extensive since 1898. "Red Week," as the movement was later called, included riots and demonstrations in most of the larger towns, while some smaller towns were even taken over by insurgents. A number of organizations had called the original strike, but the movement was in fact a spontaneous outburst of discontent. It was finally suppressed by thousands of troops. The middle class was thereafter convinced of an imminent threat of socialist revolution.

The European crisis deepened as a result of the assassination of Austrian Archduke Francis Ferdinand on June 28, 1914. The crisis escalated rapidly into a full-scale war, pitting the Triple Entente—Britain, France, and Russia—against the Central Powers—Austria-Hungary and Germany. Italy declared its neutrality, citing violations of the Triple Alliance treaty—signed with Austria-Hungary and Germany in 1882—which nullified the alliance. The Italian nationalists worked on public opinion, portraying the war as an opportunity to restore Italy's dignity, at the same time fulfilling the dreams of the Risorgimento. A bitter debate ensued, splitting the country and the political parties between interventionists and neu-

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trahists. The PSI was the only socialist party in western Europe not to abandon its internationalist principles, but a number of its members—most notably Mussolini—defected, becoming fervent spokesmen of interventionism. The public was likewise divided, but the decision remained firmly in the hands of the political elite. A battle for power developed between Giolitti and Salandra, in which the war was the critical factor. Giolitti promoted neutrality, and Salandra advocated entry. Salandra negotiated with both sides, finally succumbing to the Triple Entente's offer of Trentino, Trieste, the South Tyrol, Istria, and nearly half of Dalmatia. Italy signed the Treaty of London, entering the war in May 1915.

The war itself, expected to be over by the summer of 1915, dragged on for two more years. The army had not been consulted prior to the decision. Once again the political leaders had committed troops without advance preparations, but despite low morale and woefully inadequate supplies, the troops nevertheless acquitted themselves creditably in fighting against the Austrians until the collapse at Caporetto. The cost of the war was enormous. Almost 5 million men had been called up, more than half of them peasants or agricultural workers. Southerners were greatly overrepresented on the front lines, while skilled northern workers were assigned to relatively safer positions in the artillery or engineering corps or the armaments factories. By the end, at least 600,000 had died. In addition, the economic cost was staggering. Much of the fighting had taken place on Italian soil, devastating whole provinces. The state had spent an estimated 41 billion lire (at prewar prices), and the budget deficit had grown tenfold, pushing postwar prices to at least 400 percent over prewar prices.

Italy was on the winning side, but its case was poorly presented at the Versailles Conference. Its territorial demands, which now included not only those areas mentioned in the Treaty of London but also Fiume, were considered excessive, especially by the United States. Dissatisfied with the "mutilated victory," Gabriele D'Annunzio, one of the most vocal interventionists, led an army of 2,000 "legionnaires" into Fiume. Fiume and D'Annunzio became symbols of a patriotic and vibrant Italy, attracting nationalists, ex-servicemen, syndicalists, anarchists, futurists, and adventurers. For over a year the Italian government was powerless to disband them. Finally the Treaty of Rapallo, signed in 1920 by Yugoslavia and Italy, declared Fiume to be independent, Italy controlling Trieste, Istria, Zara (in Dalmatia), and four islands, and ceded the rest to Yugoslavia.

The Interwar Period and Fascism

Italy emerged from the war physically, emotionally, and economically exhausted. The critical problem was reconverting the economy into a peacetime, civilian one. Wartime controls were removed with little time for adjustment, plunging the economy into a major recession. Unemployment peaked at 2 million in November 1919, attributable mostly to demobilization. By 1920 inflation had risen another 200 percent over wartime inflation, as the lira fell by over 300 percent. These troubles almost matched the inflation suffered during the war, and the net effect was to force many businesses into bankruptcy while wiping out the savings of the middle class.

The working class was likewise hurt, leading to a new wave of labor militancy. Membership in the socialist unions rose from 250,000 in 1918 to 2 million by the late 1920; the recently founded Catholic union claimed another 1.2 million; and the syndicalists claimed 300,000. Strikes broke out all over the country, involving over a million people in 1919 and even more in 1920. The strikers were sometimes inspired by the success of the socialist revolution in Russia but more commonly by the dramatic downturn in their standard of living. The most famous example of labor protest was the occupation of the factories in September 1920. What started out as a normal wage dispute ended in the occupation of factories by over 400,000 workers for nearly four weeks, living off "communist kitchens" in the factories or off "wages" liberated from the company safes. This looked remarkably like the "direct action" that had long been advocated by the anarchists, and the middle class feared that revolution was imminent.

Government policy toward the strikes continued Giolitti's policy of compromise, hoping to buy off the protesters. In fact, the strategy worked, as labor militancy fell dramatically in 1921, but not before the middle class, particularly employers, withdrew their support from a government that seemed to them to be in league with the unions to expropriate their property and destroy capitalism.

In rural areas the situation was analogous, as peasants returning from the war occupied more than 1 million hectares of land, mostly in Latium and the south. Ironically, however, rather than radicalizing the participants as had happened in the urban strikes of the north, the land occupations produced a new, more conservative social structure in much of rural Italy. The number of landowners doubled to include between 30 and 40 percent of the heads of families in the rural south. Nevertheless, the seizures, sanc-

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tioned by successive governments, appeared revolutionary to the landowning class, while the government once again was powerless, merely ratifying actions it could not prevent.

Breakdown of the Liberal Regime

The problems facing the liberal regime might have been manageable if the Liberals themselves had had the cohesion, the will, and the political resources to retain control. They remained internally divided along interventionist/neutralist lines just as the time when rival political forces were organizing themselves. Immediately after the war the Catholics created the Italian Popular Party (*Partito Popolare Italiano*—PPI, or *Popolari*), joining right, center, and left-wing Catholics and supported mainly by the small peasant proprietors and tenants of northern and north-central Italy, although they also appealed to the southern peasantry. The PPI was led by Father Sturzo, and its supporters were practicing Catholics, hostile to liberalism and laicism and imbued with the ideals of social Catholicism. The Catholics, therefore, had their own agenda and were no longer available for easy and informal alliances with the Liberals.

The Socialists as well emerged from the war more militant than ever, heartily leaping into the 1919 elections and campaigning vigorously for a program of radical social and political reforms. The Socialists too were no longer interested in an alliance with the Liberals.

The November 1919 elections reflected the changes in the political environment. Helped by the introduction of universal male suffrage in 1918 and proportional representation in 1919, the Catholics and Socialists racked up impressive tallies, respectively getting 20.5 and 32.4 percent of the seats in parliament, effectively destroying the Liberals' chances of forming a viable coalition. In desperation, Giolitti, who had succeeded Francesco Saverio Nitti as prime minister in 1920, gambled that the Socialists' labor militancy had discredited them, and in 1921 he called new elections. The results differed little from the 1919 elections with one exception: Giolitti had offered Mussolini's Fascists a place on the government ticket, thereby giving them the aura of legitimacy and opening the door for their eventual takeover.

The Fascist Movement

Mussolini founded the Combat Groups (Fasci di Combattimento) in 1919 as a political movement, advocating a program not very different from that of the Socialists, including calls for a constituent assembly, abolition of the Senate, land for the peasants, expropriation of church property, and major tax changes. The turning point for the party happened in late 1920 with the abandonment of the quasi-socialist program and the establishment of a paramilitary organization run by ex-officers. The paramilitary movement (*squadristo*; members called *squadristi* or "Blackshirts") instantly caught on, embraced by the landlords and leaseholders in the "red" provinces of central Italy, Emilia and Tuscany, as an effective means of supplanting socialist or Popolari control in the countryside.

In 1921 Mussolini created a formal party, the National Fascist Party (Partito Nazionale Fascista—PNF) to serve as a counterweight to the *squadristi*, who had become increasingly uncontrollable. It was in essence a federation of local movements, often very different from each other but sharing a sense of patriotism, a hatred of socialism, and an allegiance to *il Duce* (the Leader), Mussolini. By the end of 1921 the party had a membership of 200,000; by May 1922 it had 300,000 and rapidly became the party of the middle class, filling the vacuum left by the collapse of liberalism.

The exact nature of fascism's base of support remains a subject of controversy. Most analysts place it within the petite bourgeoisie, teachers, civil servants, lawyers, and those on fixed incomes, who were hit hard by inflation and unemployment and desperately resentful of the working class. A more controversial view calls Mussolini's supporters members of the "rising middle class," who had only recently acquired land or small businesses, rather than those on the way down. The only concrete evidence of membership is a survey of about half the party membership conducted in 1921, which indicates an unusual number of landowners, shopkeepers, clerical workers and, especially, students.

Liberals revealed the decadence of their regime by accepting, even applauding, fascist violence against Socialists. It was tantamount to an admission that the state could no longer maintain order. For their part, the Socialists attempted to resist, but their ranks were split by the creation in 1921 of the Italian Communist Party (Partito Comunista Italiano—PCI), funded and controlled by the Soviet Union. In 1922 an attempt was made to consolidate all left-wing forces into an "alliance of labor," but it was quickly over-

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whelmed by doctrinal conflicts among the constituent factions, and a general strike called in July was an embarrassing failure, revealing the Socialists' weakness.

By the summer and fall of 1922 it was clear that the Fascists were destined to come to power, and Mussolini played for the most advantageous conditions, continuing the violent pressure of the *squadristi*, with their murders and seizures of towns, and calling massive rallies in Naples and Rome. On October 28, 1922, the government of Luigi Facta asked the king, Victor Emmanuel III, to declare a state of emergency. He refused, feebly asking Salandra to form a government. When Salandra refused, the king summoned Mussolini to Rome to become the prime minister. Although Mussolini did not technically come to power by a coup, by October his *squadristi* had already seized most of the provincial capitals and controlled most of the country. He no longer needed to use force, and the famous "March on Rome" ended as a great chaotic celebration of Mussolini's appointment by hordes of fascist Blackshirts.

The triumph of fascism was not inevitable and could have been prevented if the supporters of the regime had recognized the dangers of armed insurrection and had rallied behind the regime. However, the political system, for so long dependent on a small elite, governed by institutionalized co-optation, and contemptuous of ideological principles, was exhausted. It could not adapt to a mass society and ultimately outsmarted itself. Mussolini used *trasformismo* to achieve legitimacy but ultimately overthrew the regime for which it was the highest expression.

The Fascist Regime

For the first two years the Mussolini government differed little from previous ones, except perhaps in its longevity. It was a coalition that included only four Fascists, two Popolari, four Liberals of various shadings, one Nationalist, and three prominent personalities; Mussolini even invited the CGL leader to join but was turned down. The *squadristi* became increasingly distressed at the orthodox nature of the "revolutionary" government and agitated for significant change. To mollify them, Mussolini created the Fascist Militia but gave it little power. In fact the fascist movement appeared to be in danger of being absorbed by the old establishment. Membership in the PNF swelled to 783,000 by the end of 1923 with the mass admission of careerists and opportunists, all but eclipsing the old believers. In 1923 the Nationalist Association—monarchist, anti-Masonic, conservative, and tied to the old

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landowning elites and the bureaucracy—fused with the PNF, injecting not only new members but also its catalog of ideas.

In 1923 Mussolini dismissed the PPI members of his government and proposed a new electoral system in preparation for elections. The “corrected” proportional system was designed to hurt the Radicals and the more left-wing Liberals and, above all, the Popolari. Mussolini formed a “national bloc” of progovernment groups, including the reluctant PLI, which won over two-thirds of the vote in the 1924 elections, devastating the opposition, ranging all the way from Giolittians to Communists. Instead of being hostage to the bourgeois establishment, Mussolini was now in happy coalition with it, a coalition that he headed.

The turning point in the evolution of the regime was the Giacomo Matteotti affair. Following the elections, Matteotti, the most outspoken and irritating of Mussolini’s opponents, denounced the elections as fraudulent, thereby disputing Mussolini’s claims to respectability. Mussolini was infuriated and allegedly prodded his personal guards to silence Matteotti. Matteotti dutifully disappeared, and it was generally and correctly assumed that the Fascists had killed him. The only question was Mussolini’s complicity in the affair. The press harped on the issue, and the cabinet appeared to be on the verge of collapse, but Mussolini was saved by general public apathy—even the CGL failed to protest—and by the king’s reluctance to dismiss the government. The opposition parties, meanwhile, had conveniently enough walked out of parliament—known as “going to the Aventine Hill,” from old Roman usage. The government survived, but the issue haunted it throughout 1924.

Mussolini finally ended the crisis in January 1925 with a speech that was a masterpiece of ambiguity. Mussolini stonewalled the critics, exposing the bankruptcy and ineptitude of the opposition. In retrospect it is clear that the speech foreshadowed the transformation of the regime into a fascist state: illiberal and authoritarian, with the ever-present threat of violent suppression of dissent. Gradually Mussolini dismantled pieces of the liberal state, lulling the mainstream parties into a false sense of security by using superficially legal methods of silencing opposition. By the end of 1925 the government had effective control of the press. The opposition realized too late what was happening and tried to reenter parliament, only to be barred. With frightening speed Mussolini closed off the avenues of opposition, while the supporters of the parliamentary regime stood by, made powerless by their obsession with minor doctrinal differences.

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Fascist Ideology and Institutions

A great deal of controversy still surrounds the question of the true nature of fascism, not only in terms of its social bases but also in terms of its ideology. Fascism was an amalgam of many strains of thought—largely deriving from the nineteenth-century movements of social Darwinism, socialism, nationalism, and social Catholicism—born of pragmatism and opportunism as much as conviction. It was very much a product of its social and economic environment and the disillusionment with the liberal regime and the war. It constantly shifted to accommodate changes, making it a slippery set of ideas and institutions. Nevertheless it is possible to identify certain characteristics that seem to be relatively constant and can be labeled the essential features of the ideology.

Fascism was nationalistic, capitalistic, emotional, voluntarist, and hierarchical. Not surprisingly, given its founders' socialist past, fascism borrowed from Marxism a political strategy based on economics. But unlike Marxism, fascism sought to preserve the capitalist system, overcoming the internal class struggle by appealing to nationalism as the basis for social harmony. "Class cannot deny the nation. . . . The entire working-class movement must be orchestrated to the overarching ends of the nation." This was to be accomplished through the creation of mandatory national unions or corporations to organize all social forces—business, labor, and agriculture—to ensure a peaceful resolution of conflict through consensus under the watchful eye of the state, which was the juridical incarnation of the nation and the agent for raising national consciousness. The nation was the highest good. As with socialism, it was only through the community—in this case the nation—that the individual could fulfill his or her potential. "The nation is an all-embracing syndicate: the common interest of all who suffer, labor and produce within a territory defined by historic, linguistic, and cultural boundaries."

In many ways, the nation served the same function for fascism as class did for Marxism. It follows, therefore, that international struggle was inevitable. Fascism adopted from the nationalists the concept of Italy as a "proletarian nation," oppressed by the richer, more highly developed capitalist nations. The fascist state's prime directive, therefore, was to promote the development of the Italian economy's productive capacity through industrialization and rationalization in the context of social unity in order that it might soon compete with its oppressors on equal terms.

In keeping with these principles, Mussolini declared a new doctrine of state: "Everything within the State, Nothing outside the State, Nothing against the State." He outlined an authoritarian—

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he claimed totalitarian—and hierarchical system presided over by himself, *il Duce*. The Labor Charter of 1927, which formulated the fundamental economic and social principles of fascism, stipulated that the goal was to ensure “the solidarity between the various factors of production, through reconciliation between the opposing interests of employers and workers and their subordination to the higher interests of production.”

Despite the grandiose rhetoric, the only “factor of production” to be subordinated to the greater interest was labor, which was effectively controlled early on. The regime for the most part left private industry alone, so long as it functioned reasonably well. In short, it was a regime based essentially on the old ruling class and designed to protect it from the challenges of the new political and economic forces that had merged with Giolitti and the war—organized labor, militant agricultural labor, political Catholicism, and even, in a perverse way, fascism itself.

For the most part, few new institutions were created until the 1930s, as the regime took over the police, courts, army, and even parliament, merely changing their function to conform with the increase in executive power, in the person of Mussolini himself. With the onset of the Great Depression, however, the regime was forced to improvise. In January 1933 the Institute for Industrial Reconstruction (Istituto per la Ricostruzione Industriale—IRI) was created to deal with the crisis, but its mandate was limited to rehabilitation of the banking industry in preparation for its eventual return to private hands. Only in 1937 did IRI become permanent, expanding its responsibilities to include the basic sectors and becoming the agent for state control, rather than just direction of the economy. Likewise, the corporations, or state holding companies, were established only in 1934 to provide a system of state control of the economy without direct responsibility for the daily management of the branches of production. The management of enterprises remained in private hands, but under the supervision of the corporation. In practice the corporations formed the framework for producers’ self-government under the supreme but relatively distant direction of the state (see The State Holding Section, ch. 3).

The ideal of the corporate state was never successfully achieved, but the fascist period produced significant growth in the size of the state and the bureaucracy. Although efficiency and productivity were highly valued by the ideology, Mussolini’s concern with personal direction and his fear of rivals’ building up their own power bases led to a proliferation of competing administrative agencies that often worked at cross purposes and always represented an unnecessary strain on the state’s resources. Moreover, the

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fascist regime, like the liberal regime before it, was unable to impose central control and continued the movement's localized structure, in spite of Rome's attempts to force conformity and obedience. Patronage continued to be a major factor in recruitment to administrative posts, and corruption was widespread. In many ways the habits of Italian life and the Italian character, especially its spirit of individualism, mitigated the worst effects of Mussolini's rule, which was, as a critic noted, "a tyranny tempered by the complete disobedience of all laws." Thus, despite Mussolini's claims to totalitarianism, the regime was in fact authoritarian with its own unintended but effective constraints built into the structures of the state.

The fascist regime was therefore relatively benign for the middle class, even quite favorable for the economic fortunes of the large industrial concerns—many of whom contributed to Mussolini, both before and after his rise to power—at least as long as peace was maintained. For the working class, however, the regime was harsh, destroying its trade union and political organizations and imposing strict controls on wage levels. For others, Mussolini's regime—while relatively mild in comparison with some of its contemporaries—was nevertheless oppressive, with strict censorship of the press, abolition of rival political parties, and creation of a fascist oligarchy. Intellectuals, homosexuals, and political dissenters were the target of special attention by a political police who in a typical week conducted 20,000 searches, arrests, interviews, and seizures of literature. Relatively few political prisoners were killed prior to the war, but many were sent to internal exile. Ironically, this practice contributed to the exposure of the "southern problem" after the war, as northern intellectuals who had been banished to the south experienced firsthand the region's backwardness.

Relations with the Church

The existence of an independent church, claiming the spiritual allegiance of a large part of the population, presented a formidable obstacle to Mussolini's dictatorship. Mussolini was a longtime anticleric, but he understood the importance of the church to Italian life and realized that he could not expect to consolidate political support behind the regime until an accommodation was made with the Vatican, which still did not officially recognize the legality of the Italian state.

The Lateran Pact of 1929 consisted of a treaty between Italy and the Holy See and a concordat regulating relations between the

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Italian state and the Catholic church. The treaty created the independent state of Vatican City and recognized the sovereignty of the pope there. In the concordat, the church was assured jurisdiction in ecclesiastical matters, and canon law was recognized as superseding the civil code in such areas as marriage. Furthermore, the church was restored to its role in education and allowed unencumbered operation of its press and communications facilities. The clergy were prohibited from joining political organizations. The solution of the issue relating to the church-state relationship, which had vexed Italian politicians since 1860, marked the peak of Mussolini's political leadership, and provisions of the concordat were retained in the postwar Constitution as the foundation of church-state relations.

The church was the only authorized nonfascist organization. Its affiliated institutions, especially the Catholic student movement, the University Federation of Italian Catholics (Federazione Universitaria Cattolica Italiana—FUCI), not only prevented a fascist monopoly of social organizations but also helped to train a Catholic elite, who would become the postwar ruling elite.

Foreign Policy: Imperialism and War

International conflict and imperialism were essential features of the fascist ideology, and military prowess was valued as the highest expression of manliness and courage. Some analysts even define fascism as militarism, pure and simple. It was inevitable, therefore, that Mussolini would embark on a colonial enterprise.

Italy invaded Ethiopia in 1935, citing its need for living space to allow emigration from the seriously overcrowded south, an especially critical need since the United States had restricted immigration. By early 1936 over 650,000 troops had been sent, and the entire nation was mobilized to provide materials for the war. By May 1936 Marshal Pietro Badoglio's army, employing the latest in modern war technology, including mustard gas, defeated the Ethiopians. Mussolini proclaimed the founding of the new Italian Empire.

The action might have been passed over except for Ethiopia's protest in the League of Nations, but the league's condemnation was dismissed by Mussolini, saying that Italy had done no more in Africa than other powers had done earlier. Neither France nor Britain wanted to risk another war over Ethiopia, and the economic sanctions imposed were only half heartedly applied and were eventually withdrawn. The sanctions did little except to rally the nation.

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They also helped to forge stronger ties to Germany, which now became Italy's principal supplier of raw materials.

The Ethiopian invasion demonstrated the weakness of the league and implicitly encouraged further military initiatives, not only by Italy but by other European nations. Europe was rapidly succumbing to a wave of right-wing dictatorships, and an informal alliance among them began to form. Mussolini, along with Germany's Adolf Hitler, sent more than 50,000 Italian troops to aid Francisco Franco's forces during the 1936-39 Spanish Civil War, as well as supplies and naval and air support. This war, in which the most advanced technology was tried out, served as a rehearsal for World War II. In 1936 Mussolini agreed to the Rome-Berlin Axis, pledging cooperation in central Europe. The next year Italy joined with Germany and Japan in the Anticomintern Pact, directly against the Soviet Union. By the time Italy had formalized its military ties with Germany in the so-called Pact of Steel in 1939, Mussolini had so identified his country's interests with those of Hitler that Italy had become a virtual German satellite.

This alliance required certain adjustments in Italy's domestic environment, and from 1936 the fascist regime imposed policies that for the first time provoked widespread and continuing opposition. The regime became suddenly obsessed with militarism and the Roman past and imposed a "reform of customs," including the substitution of the "Roman salute" for a handshake, and changes in popular speech. Civil servants were forced to wear uniforms, and the army had to adopt the *passo romano*, or goose step. The regime, which had been relatively unobjectionable, suddenly began to antagonize everyone.

Perhaps the most dramatic and reprehensible change was the initiation of an anti-Jewish campaign. Previously, Italian fascism had been nationalist but not racist, and it is almost certain that the newfound racism was either borrowed from, or forced by, Hitler's Nazi regime rather than a natural outgrowth of the movement. Jews composed only about 0.1 percent of the population, including 45,000 native-born and about 10,000 immigrants, mostly German refugees. Legislation was passed in 1938 that forbade Jews to hold public office (including teaching and civil service jobs), to join the PNF, to own more than 50 hectares of land, to run any business with over 100 employees, or to have "Aryan" servants. Foreign Jews were to be deported, and Italian Jews were prohibited from marrying "Aryans." The laws had an enormous impact, for despite their small numbers, Italian Jews held many highly visible and prestigious positions in society. Many business firms closed down; one in 12 university teachers (including the principal of Rome Uni-

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versity) lost their jobs; and more than 6,000 Jews emigrated, including the brilliant physicist Enrico Fermi.

The laws provoked a storm of protest and cost the regime the much needed support of the academic and business elite, as well as the church and the courts—the very constituency of the regime. The middle class began to reassess this regime that they had supported but that now seemed to be dangerous and fanatical, leading Italy into unnecessary wars, asking alliances with the Germans, whom most thinking Italians feared, and imposing ridiculous and odious laws. The anti-Semitic campaign proved to be a disastrous political mistake, which sparked a revival of long-dormant resistance.

World War II

Mussolini participated at Munich in the dismemberment of Czechoslovakia in 1938, winning prestige by posing as peacemaker between Germany and the West who had *restrained* Hitler and single-handedly averted another world war. Mussolini played a risky diplomatic game of maneuvering between the two camps, hoping to maximize Italy's advantage by playing them off against each other. In his calculations, however, he seriously underestimated Hitler's determination to annex Poland. In May 1939 he outmaneuvered himself, signing the Pact of Steel and thereby unwittingly committing himself to the kind of military adventure he hoped to avoid. Mussolini assumed that the pact with Germany implied mutual consultation and coordination of actions, even believing that Hitler valued his advice. In reality, Hitler was contemptuous of Mussolini's bluster and continually failed to give him advance warning of his initiatives. The Hitler-Stalin Pact of 1939, which opened the door for the dismemberment of Poland, came as a complete surprise, as did the invasion of Poland. Mussolini had pompously bragged about the "8 million bayonets" at his disposal but, as was the case so often during the regime, propaganda had taken the place of actual preparation, and Italy was no more ready for a major war than it had been in 1915. Mussolini considered withdrawing from the alliance, but his foreign policy had been based on "redeeming Italy's reputation as a faithless nation. Instead he settled on a policy of "non-belligerence"—carefully avoiding the stigma of "neutrality," which had split the country in World War I—and sat out the "phony war" of 1939-40.

The situation appeared different in 1940, however, as Germany rapidly advanced through western Europe, easily toppling coun-

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try after country. Confident of German strength, Mussolini believed the war would be short and echoing the logic of Salandra in 1915—contended that it would be humiliating “to sit with our hands folded while others write history.” Italy at last entered the war on June 10, attacking France only after the issue of the Battle of France had already been decided; nevertheless, the French rallied to halt the Italian invasion. Stung by Hitler’s lack of respect, Mussolini decided to invade Greece through Albania (annexed in 1939) in the fall of 1940 without prior notice to Germany. The invasion was a fiasco, as the Greeks, unprepared, unexpectedly counterattacked, not only stopping the Italian advance but driving them back into Albania. Hitler was forced to intervene to secure his right flank, thereby fatally delaying his invasion of the Soviet Union. Italian campaigns in North Africa and in the Soviet Union were equally undistinguished, due largely to failures of the political and military leadership rather than to the poor performance of the troops.

The Allies were greeted as liberators when they landed in Sicily in July 1943. In what amounted to a palace coup in Rome, the Fascist Grand Council, including foreign minister Galeazzo Ciano, forced the resignation of the ailing and beaten Mussolini and returned the power of state to Victor Emmanuel III. He had the former dictator arrested and called on Marshal Badoglio to become prime minister. Badoglio formed an interim government that dissolved the PNF and granted amnesty to political prisoners. Despite an assurance to Germany that Italy would continue the war, Badoglio entered into negotiations with the Allies for an armistice, which was concluded on September 3, 1943.

Allied hopes for a quick occupation of Rome were disappointed, however, as the German army seized control of the leading cities and began a long and brutal occupation, blocking the advance of the Allied forces with a ferocious defense. The king and Badoglio fled to Brindisi. The government declared war on Germany in October 1943, but the disintegrating Italian army had been left without a commander, and the Germans controlled most of the country away from the beachheads. The Allies wanted to broaden the base of the government, but few antifascists wished to associate themselves with either the king or the marshal. The presence of Victor Emmanuel III was clearly the major obstacle to the participation of antifascists in the government, and after much discussion he agreed to turn power over to his son, Humbert, acting as lieutenant general of the realm once Rome had been taken in June 1944. A new government of national unity was formed, headed by veteran politician Ivanoe Bonomi, which included both Palmiro

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Togliatti, head of the PCI, and the Catholic leader Alcide De Gasperi. The Bonomi government derived its authority from the six-party Committee of National Liberation.

Rescued by German commandos in a spectacular glider raid, Mussolini set up a rival government, the Italian Social Republic—under Hitler's patronage in the German-occupied region with headquarters at Salò in northern Italy on Lake Garda. Mussolini still commanded some support and, at a Republican Fascist Party Congress (the new name, adopted in September 1943 for the disbanded PNF) in Verona in November 1943, called for a return to the revolutionary "Fascism of the first hour." The more fanatical fascist elements were in control at Salò, eager to emulate the Nazis in every way. Ciano and others who were held responsible for Mussolini's ouster were executed. The National Radical Code was strictly enforced in the occupied area with terrible thoroughness. At least 10,000 Italian Jews were killed in the Nazi death camps, while countless others escaped thanks to the beneficence of individual militia officials who courageously resisted carrying out the arrest orders.

The German army put up stiff resistance to the Allied advance in Italy. Having relatively few troops to spare, the Germans took advantage of the terrain and Allied indecisiveness, stabilizing the battlefield along the Gustav Line during the 1943–44 winter. Rome was liberated in June 1944 after the breakthrough at Cassino in May. A second German defense line to the north, the Gothic Line, held until the last weeks of the war (see fig. 7).

The Italian Social Republic, set up at Salò, could not maintain order in the occupied area, and from September 1943 resistance erupted to the draft and the deportation of workers to Germany. By June 1944 the High Command of the southern forces estimated that there were 82,000 "rebels" in hiding in the rural areas of the republic, made up of young men avoiding the draft, ex-soldiers, and dispossessed farmers. Gradually these anomic protests coalesced into a resistance movement that enjoyed great popular support and carried out a small but savage guerrilla war. Antifascist sources later claimed that 35,000 to 40,000 partisans and about 10,000 civilians were killed in central and northern Italy between the fall of 1943 and the end of the war.

The resistance started as spontaneous, locally based popular risings, but by 1944 it had become organized and had developed affiliations with political parties headquartered in the south. Members of the resistance had access to guns, ammunition, and food through the Allies. The most active part in the resistance was the PCI, which organized "Garibaldi brigades" all over the country.

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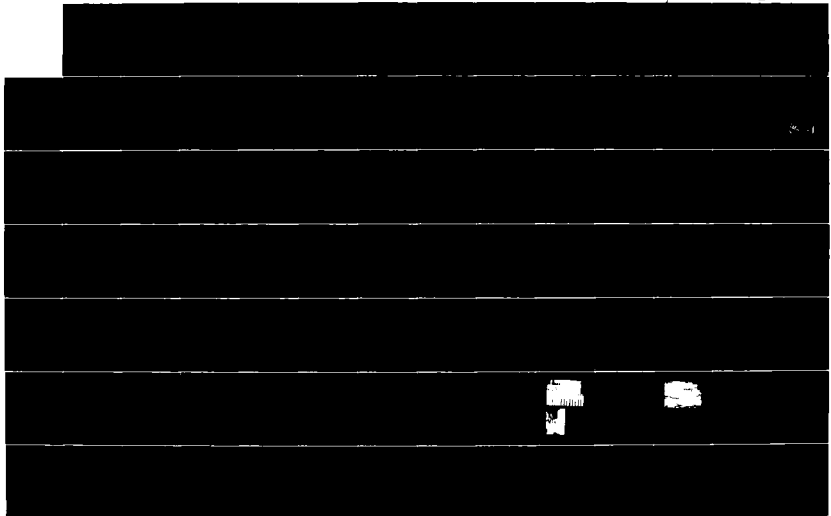
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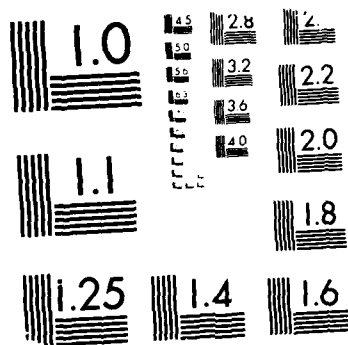
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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS 1963-A

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tee of National Liberation was formed to coordinate partisan activities, and this organ eventually was accepted by the Allies as the legitimate political representative of the resistance forces. As the war drew to a close, the resistance forces ballooned, growing from 80,000 in March 1945 to 130,000 by mid-April and 250,000 by May.

The resistance forces provided significant, and welcome, assistance to the Allied forces in Italy, tying up German divisions and killing substantial numbers of German soldiers. The resistance forces also provided accurate information, helped thousands of Allied prisoners escape, disrupted war production and transportation, and devastated fascist and German morale.

Finally, after 20 months of fierce fighting, liberation came. Mussolini, protesting at the end betrayal by the Nazis, made a dash for Switzerland with his mistress, Claretta Petacci, in the last days of the war but was captured by partisans and executed. The next day his body was brought to Milan to be hung upside down in the central square for public display.

The cost of the war was enormous. Inflation reached record levels; prices were 24 times their 1938 levels. The industrial base of the country was weakened; production was down to one-quarter of the 1941 level (roughly equal to the production level in 1884), the gross national product (GNP—see Glossary) was about equal to that of 1911, and per capita income was lower than the 1861 level. The nation's infrastructure was in a shambles; most of the railroads, trucks, bridges, ports, and highways had been badly damaged or destroyed. Over 3 million houses had been destroyed, and most of the nation was plunged into poverty and deprivation.

The Italian Republic

Although the royal government ended World War II as a co-belligerent with the Allies, Italy was treated as a defeated power when peace settlements were concluded. Italy was deprived of all its colonial possessions except for Somalia, which it retained on a 10-year trusteeship; it lost Dalmatia, Istria, Fiume, and the islands in the Adriatic to Yugoslavia and was obliged to recognize Trieste's status as a free territory under Allied supervision. It was allowed to keep the South Tyrol but lost some Alpine territories to France. The size of the Italian armed forces was limited, and the Italian government was charged reparations, especially to Greece, Yugoslavia, and the Soviet Union, amounting to approximately US\$400 million.

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Italy was more concerned, however, with rebuilding a shattered nation, reconstructing the country's economy, and establishing a democratic government. A referendum was held on June 2, 1946, to decide the "institutional question"—the fate of King Humbert II and the monarchy, discredited by its association with fascism. Almost all of the northern and central regions voted for the republic; Rome and the south voted monarchist, led by Naples, which polled 79 percent in favor of the king. At the same time, in the first elections in Italian history held on the basis of universal suffrage, a constituent assembly was elected to draw up a new constitution. The republican Constitution, adopted in December 1947 (promulgated in January 1948), established a new government responsible to a popularly elected parliament consisting of a Chamber of Deputies and a Senate. The president of the republic, elected by parliament rather than by popular vote, was a largely symbolic post as head of state whose main responsibility was the nomination of the prime minister. The Constitution called for the establishment of a decentralized bureaucracy, breaking with the traditions of government since unification, but these provisions remained unimplemented until the 1970s except in areas where secessionist movements were powerful: Sicily, the South Tyrol, Sardinia, and Val d'Aosta (also spelled Valle d'Aosta) (see *The Constitution*, ch. 4).

In other areas, too, the new Constitution's apparently significant extensions of civil, personal, and political rights required implementing legislation that failed to appear for many years. For the most part the laws of the fascist regime, such as those relating to labor, public security, and the penal code, remained in force. Other important institutions, such as the Constitutional Court, which had powers to strike down legislation that violated the Constitution, were not created until the mid-1950s.

The Constitution incorporated the concordat of the Lateran Pacts as the basis for church-state relations and reaffirmed that the state and the church were independent and sovereign in their respective spheres of action. In addition, although it did not establish Catholicism as the state religion, it gave it special status as the principal religious institution in the nation (see *Religion*, ch. 2). The clergy was banned by the concordat from membership in political organizations, but the prohibition never implied that the church was obliged to absent itself from political debate or that individual members of the clergy could not make their political opinions known. At the end of the war—when the monarchy and political institutions in general were discredited—the church was the one traditional and familiar feature of Italian life that could still

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command the respect of a large number of Italians. Anticlericalism went out of fashion for a time in the immediate postwar years, and the militant Catholic Action movement resumed a role in political education and labor organization denied it under fascism.

Foreign policy in the postwar period was a relatively low priority item on the political agenda. Since Italy no longer had colonial pretensions, few Italians followed diplomatic affairs unless they had a direct impact on domestic issues. American generosity in reconstruction aid and the increasing bifurcation of the world into opposing camps during the Cold War naturally drew the Christian Democrats, the Catholic party that dominated postwar politics, into a heartfelt and unusually close relationship with the United States. As a result, Italy made few diplomatic initiatives, following the lead of the United States. De Gasperi, prime minister almost continuously until 1953, eagerly joined the North Atlantic Treaty Organization (NATO) in 1949. In 1954 Italy regained control of most of Trieste. The final resolution of the Trieste issue, however, did not come until 1975, when a bilateral agreement between Italy and Yugoslavia formalized the border. Italy also joined the European Coal and Steel Community and the Western European Union (see Glossary) and was a charter member of the European Economic Community (EEC).

Beginning in December 1945 a tripartite coalition government joined the Christian Democratic Party (Partito Democrazia Cristiana—DC), the PSI, and the PCI under the leadership of De Gasperi, the first Catholic prime minister of a united Italy. In May 1947, as the Cold War was heating up and under pressure from both the Vatican and the United States, De Gasperi threw the Communists out of the coalition. The situation in Italy looked grave, and many, including the United States National Security Council, warned in February 1948 that the PCI, headed by Togliatti, appeared to have both the will and the military capability of controlling northern Italy in the first step toward a violent takeover.

The dire predictions prompted two actions to restore order and safeguard democracy in Italy. The United States, determined to put the Federal Republic of Germany (West Germany) on its feet as a dynamo of Western Europe's economy as well as to stabilize France and Italy, moved to provide the funds necessary for West European reconstruction, thereby depriving the Communists of the breeding ground of poverty. The Marshall Plan, initiated in 1947 and implemented beginning in 1948, provided US\$1.5 billion from 1948 to 1952, on top of the US\$2.2 billion in aid sent between 1943 and 1948. The economy benefited enormously from

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this massive infusion of funds and, thanks largely to the capital investments made with these funds, was positioned to take off in the 1950s in the "economic miracle," which produced an average annual growth rate of over 8 percent from 1959 to 1963, higher than anywhere in the world except Japan. The gross domestic product (GDP—see Glossary) more than doubled, growing twice as quickly as during the previous growth period, 1896–1913 (see Postwar Development, ch. 3). Nevertheless, wide disparities between regions persisted. A major initiative of the De Gasperi period was the establishment of the Fund for the South (Cassa per il Mezzogiorno), which encouraged business investment in the backward area, but it had limited success (see The Southern Problem, ch. 3).

The second effect was to make the Socialists a principal target of the democratic offensive. With the PCI outside the system, it was crucial to ensure the support of the more moderate left in order to safeguard the regime. However, the majority of the PSI, led by Pietro Nenni, opted to side with the Communists, thus ensuring its own marginalization. The party then split, Giuseppe Saragat founding the Socialist Party of Italian Workers (Partito Socialista dei Lavoratori Italiani—PSLI) in January 1947. This party, later known as the Italian Social Democratic Party (Partito Socialista Democratico Italiano—PSDI), was fervently anticommunist and drew away almost half of the socialist deputies. From 1947 Italian politics was consumed with the battle between left and right and East and West, the opposing camps being led by the two mass parties, the Communists and the Christian Democrats. The PCI had a total of more than 2 million members from 1946 to 1956 and claimed at least 1.5 million thereafter; the DC had over 1 million by 1948, climbed to 1.6 in 1963, and peaked at almost 1.9 million in 1973. The PSI claimed 700,000 members between 1947 and the late 1950s.

The first parliamentary election under the Constitution was held in April 1948 in a feverish atmosphere, exacerbated by the communist coup in Czechoslovakia only two months before. The Christian Democrats fashioned themselves the saviors of liberty, and the church lent all its moral and organizational support to the DC, threatening excommunication to anyone who voted for the PCI. The results of the election showed a decisive fall in support for the "Popular Democratic Front" of Communists and Socialists, which won 31 percent of the vote, a decrease of almost nine points from its showing in the constituent assembly election in 1946. The DC made impressive gains, polling 48.5 percent of the vote, up more than 13 percent over 1946, and winning over half the seats

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in the Chamber of Deputies. The Christian Democratic era had begun.

The Christian Democratic Era

Although the DC could have ruled alone, De Gasperi forced a broad coalition government of Social Democrats, reformist members of the the Italian Republican Party (*Partito Repubblicano Italiano*—PRI) and conservative Liberals, but the DC was unquestionably dominant. The DC was consistently Italy's largest vote getter and led every Italian government from 1946 to 1983. A heterogeneous and poorly disciplined mass party, it included members from all classes and from many political persuasions, who shared a rigidly anticommunist attitude and religious conservatism. Many within the party, including De Gasperi, advocated a program based on social Catholicism, including the promotion of peasant landownership, small-scale enterprise, cooperatives, profitsharing, and voluntary welfare. The party was national, but its internal organization was locally based, its support centered in the north among the elderly, small landowners, and rural and small-town dwellers.

The DC insisted that it was not a confessional party, and in fact its anticommunism drew support even from non-Catholics, but its main base of support came from practicing Catholics, especially women, who composed 60 percent of its voters. Contacts between the church and the DC were close though unofficial. While denying formal links with the church, the DC nonetheless expressed its gratitude for assistance given by the clergy and the Vatican—especially as DC popularity waned in the late 1950s—by sometimes supporting politically unpopular measures that were of particular interest to the church and opposing others to which the church had strong objections.

The Christian Democrats were divided into three factions. The centrists, of whom De Gasperi was the leader, were the nondoctrinaire heirs of Sturzo's progressive *Popolari* and attracted the more pragmatic younger politicians. The right wing included a mélange of monarchists, clerical conservatives, traditionalists suspicious of modern capitalism, and business interests having an affinity for the conservative economic policies of the prewar anticlerical Liberals. Many members of the party's left wing were virtually indistinguishable from the Socialists in their views on social and economic issues and on state intervention in the economy, including nationalization. Some favored an expansion of the coalition to include the PSI. Amintore Fanfani, four times prime minister and a proponent

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of classical social Catholicism, opposed an alliance with the Socialists but organized a new current within the party, the Democratic Initiative (Iniziativa Democratica), which proposed a moderate reform program aimed at the masses rather than at the upper classes.

The Age of De Gasperi

The centrists, led by De Gasperi, dominated the DC and therefore politics from 1947 through 1954. De Gasperi called the DC a "center party looking toward the left" and appeared to be considering broadening the government coalition in a classical strategy of absorption by appealing to the moderate left. However, centrist control was challenged early on by the extreme right, including monarchists and the neo-fascist party, Italian Social Movement (Movimento Sociale Italiano—MSI), which made substantial gains in the local elections in 1951 and 1952). Bolstered by the success, the right tried to press its advantage by launching a center-right coalition to foreclose any move to the left. The effort to force the DC to ally with the MSI and the monarchists seemed to be directed by certain officials in the Vatican and supported by Pope Pius XII. Nevertheless, De Gasperi finally held off the rightist offensive, forcing the pope to back down in 1952, thanks at least in part to the support of Monsignor Giovanni Barrista Montini, the future Pope Paul VI.

With the right on the move, the 1953 parliamentary election threatened to be a defeat for the centrist parties. Therefore, De Gasperi forced through a change in electoral laws to penalize the extremist parties and to maximize the centrist vote. The law, which the Communists labeled the "swindle law," caused an uproar. De Gasperi was on the defensive, and his cause was further hurt by the unwelcome interference of the American ambassador, Clare Booth Luce, who warned that the United States would react unfavorably if the center lost. The statement infuriated the nationalists and contributed to the defection from the DC that ended De Gasperi's career and cost the DC its parliamentary majority.

The major beneficiary of the election was the extreme right. The MSI alone polled over 1.5 million votes; the monarchists, another 1.9 million. Together they accounted for almost 13 percent of just over 27 million votes and almost 12 percent of the seats in the Chamber of Deputies. The DC received only 40 percent of the votes, down eight points, and 44 percent in the Chamber of Deputies, 34 seats short of a majority.

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The Rise of the Right

The second legislature (1953–58) was considerably more unruly than the first. The DC no longer controlled parliament and ruled through coalitions by necessity instead of by choice. In this situation the DC's room for maneuvering was considerably lessened, and although the extreme right was not immediately needed for the government coalition, its greatly enhanced strength increased its influence. Faced with this ambiguous situation, governments were much more unstable, and most of parliament's energy was consumed in trying to hold together fragile coalitions, rather than in addressing some of the major problems facing the nation. The second legislature thus became known as the "legislature of immobilism."

The Christian Democrats themselves were facing a transitional period with the departure of De Gasperi. In 1954 the Democratic Initiative faction became dominant within the DC, and Fanfani was elected secretary general of the party. He failed to form a government, however, and the DC was forced to return to the center coalition, appealing to the Social Democrats, the Liberals, and the Republicans. The days of centrist governments were numbered, and the last examples of social reformists to emerge were the extension of pensions to peasant farmers and the development of the Vanoni Plan in 1955. The Vanoni Plan, a ten-year plan (1954–63) for the development of employment and income, envisioned an economic program, coordinated through a planning agency, to extend economic development to the more backward areas and to reduce unemployment. The growing rightward swing in parliament and in the business community killed the planning provisions, reducing the plan to a series of forecasts rather than a policy program. As it turned out, the projections were surpassed by actual growth in the last half of the 1950s, but regional disequilibrium and unemployment continued.

In 1955 politics took a decided swing to the right. After Fanfani's election as secretary general of the DC, Confindustria (Confederation of Industries), the major employers' association, which had faithfully supported the DC, split with the party, throwing its support to the more conservative Liberals, and went on the attack against the Italian General Confederation of Labor (Confederazione Generale Italiana del Lavoro—CGIL), the trade union associated with the PCI. Once again Ambassador Luce intervened, convincing the Pentagon to withdraw contracts with enterprises whose workers elected CGIL representatives to their in-house management committees. The workers, fearful of losing their jobs, turned away from

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the CGIL—in some cases on the advice of the CGIL itself—seriously undercutting its position within labor. The real loser, however, was the entire labor movement, which suffered a severe blow from which it took years to recover.

At the same time, the church became more aggressive, under the tutelage of Alfredo Cardinal Ottaviani. It pressed for increased censorship, citing Article 21 of the Constitution, which prohibits publications and entertainments “contrary to good morals.” In practice, however, censorship was more rigorously pursued against social and political criticism than against prurient materials. In violation of Article 8, which guarantees freedom of religion, Protestant evangelical denominations, especially the Church of Christ, were harassed under provisions of the 1931 fascist law on public security, which was still in effect. The government enforced another fascist law—in violation of the Constitution—which prohibited changing one’s residence without the prior guarantee of a job in the new area, in an unsuccessful attempt to stem the flow of migration from country to city. Many citizens, considered illegal residents, were thus prohibited from voting and receiving social security benefits. Although the law was declared unconstitutional, it was not revoked until 1961.

In the midst of this rightward swing, the left was going through a transition of its own. By the early 1950s at least two identifiable currents existed within the PSI. One faction called for more independence of action, contending that staying out of the governing coalition condemned them to impotence. The other faction favored continued ties with the PCI and was particularly strong among the Socialists in the CGIL, who worked closely with the dominant communist leadership of the labor federation.

In the 1951 and 1952 local elections and the 1953 parliamentary election, the Socialists had run independent tickets. In 1953 for the first time Nenni, head of the PSI, suggested to the DC that his party was available for an “opening to the left,” marking the beginning of a split from the Communists. Further emphasizing its deradicalization, the PSI ended its opposition to Italian membership in NATO in 1955, provided that it was defensive in nature and that its focus shifted from military to economic and political cooperation.

The PSI remained on the margin, however, although the presidential election of 1955 provided the opportunity to reinsert the PSI into mainstream politics. When President Luigi Einaudi’s term of office expired, the DC was unable to agree on a unified candidate, the leadership proposing a conservative candidate while a small left-wing current proposed Giovanni Gronchi, president of

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the Chamber of Deputies. Gronchi was known to be sympathetic to the idea of collaboration between the DC and the PSI, and Nenni threw his support to him. Thanks to Nenni's skillful maneuvering among the parties, Gronchi was overwhelmingly elected. During his seven-year term, Gronchi developed a more activist role for the president, signaled by the inaugural speech in which he condemned the social order that left large sections of the population estranged from it and defined the goal of government policy to be "the reconciliation of the people with the state."

In 1956 Nikita Khrushchev, head of the Communist Party of the Soviet Union (CPSU), delivered a secret speech to the Twentieth Congress of the CPSU in which he detailed the abuses of power and the atrocities committed by Stalin. The speech, which sent shock waves throughout the international communist movement, forced the PSI to reassess its relationship with the PCI. Within a few months of the speech, Nenni declared that the defects revealed by Khrushchev were not the results of the errors of one man but were the result of the degeneration of the entire Soviet political and legal system. Thus the PSI ended 35 years of psychological subordination to the PCI and the Soviet Union, and the forces advocating an independent course were greatly strengthened. At its February 1957 party congress, the PSI affirmed Nenni's analysis and formally acknowledged its deradicalization, accepting the practices of parliamentary democracy, including the multiplicity of parties and free elections, not only as means to social justice but as ends in themselves. The apparent transformation was not readily acknowledged by the parties of the center and the right, however, which pointed out that most of the elected delegates to the congress came from the extreme left wing of the party, which refused to accept Nenni's pronouncements and in fact his leadership.

The PCI meanwhile was equally traumatized by the 1956 speech, but Togliatti parlayed it into a mandate for a new direction, seizing on Khrushchev's assertion of the legitimacy of the "Italian path to socialism" as an endorsement of the actual policy of the Italian Communists, who were claiming their own "Italian way to Socialism." In fact, the PCI had historically followed the dictates of the CPSU only on questions of foreign policy, for the most part determining their own strategy and tactics for domestic politics, and had even defied Stalin himself by refusing to impose an ideological test on members. Togliatti declared that the Soviet Union was no longer the "guiding state" for the world communist movement and insisted the "polycentrism" existed in the movement, allowing each party the freedom to formulate its own policies. Administrative elections held that summer confirmed that

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Togliatti had done well in controlling the damage, as the PCI lost some support in the major northern cities but continued its steady growth throughout the country, especially in the south and the islands.

A more devastating blow, however, was the Soviet invasion to suppress the Hungarian revolt in October, which led to increasing unrest within the PCI itself. The party lost about 300,000 members, including some of its political and intellectual leaders. In addition, its recruitment among the youth, formerly a major source of growth, fell precipitously.

The Right Recedes

The year 1958 saw the beginning of the end of the conservative period that had dominated Italian politics for five years. Ironically, it occurred just after the MSI was accepted as part of the DC government's tactical support in parliament. An important reason for the turnaround was a newfound aggressiveness on the part of church conservatives, which reopened the issue of church-state relations. The bishop of Prato publicly denounced a young couple in his diocese as "public concubines" for having been married in a civil, rather than a religious, ceremony. The couple sued the bishop for slander and defamation. In a surprise move, the court in Florence accepted jurisdiction over the suit, the first instance since 1929 of a bishop's being tried in an Italian court. The bishop was found guilty, and in retaliation Pope Pius XII announced the excommunication of all those responsible for the trial and the sentencing.

Just two months later, in May 1958, a number of bishops pressed the point, publishing a letter in the name of the Italian Bishops' Conference calling on all Catholics to "vote united" for the Christian Democrats. The letter was posted on church doors and read at masses all over Italy. It was the first time such open and public election instructions had been given. Moreover, it narrowed the parties "acceptable" to the church to one, the DC, implying church sanctions against any Catholics who voted for any other party. The intention apparently was to discourage Catholics from voting for the MSI or the monarchists, but in the process it condemned the more moderate parties as well. The concerned parties furiously criticized the church's action, noting that the electoral endorsement was a violation of the concordat, but the DC refused to censure the church. Thereafter the church commonly issued rec-

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ommendations for each election, although after a time they were generally ignored.

The election of 1958 showed a sharp decline in the support of the extreme right, precipitated not only by the church's admonitions but also by the sociological changes that had taken place over the last five years in the right's stronghold, the south, as a result of economic development. Although the other parties experienced only small changes in their tallies, the shifts were significant, indicating a general drift to the moderate left. The Christian Democrats were the chief beneficiaries of the collapse of the extreme right; while the PCI maintained its votes, despite the recent shocks, both the Socialists and the Social Democrats gained. Even more significant, as a result of preferential voting on the parties' lists, the center of gravity of the parties shifted. The left-wing Christian Democrats and Socialists favoring self-reliance were clearly ascendant, indicating growing public disapproval of the church's political offensive. The 1958 elections gave the first glimmer of an alternative strategy to the political stalemate that had gripped the system for five years.

The Opening to the Left

The first tentative move toward an accommodation with the left was Fanfani's government in late 1958 and early 1959. Fanfani attempted to create a leftward-leaning government, joining Christian Democrats and Social Democrats. At the same time he tried to establish a strong sociopolitical organizational base for the DC, independent of church associations, such as Catholic Action, and for the first time speaking of party discipline. His activities provoked strong opposition from those within the party, whose own political careers were predicated on the loose style of the party's internal structure and the manifold opportunities it presented for personal advancement. By January 1959 the government had lost its parliamentary majority, and Fanfani resigned, not only as prime minister but also as secretary general of the DC, bitterly criticizing the right wing of the party for betraying him. The next attempt to include the left would not happen for another three years.

Fanfani's departure from the leadership of the DC and the creation of a caretaker government that leaned on the support of the right halted the leftward evolution of the party. The new leader of the DC, Aldo Moro, reversed Fanfani's efforts to create a unified and disciplined party machine, preferring to give full freedom to the factions, or "currents," and acting as a mediator among

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them. As a result, over the next few years, these factions developed into virtual parties within the party, with separate organizations, press services publications, and finances. One of the most influential groupings was a loose coalition of moderates formed in 1959, led by Moro himself and the deputy secretary, Mariano Rumor. The group became known as the Dorotei (after the locale of its original meeting, the Convent of Saint Dorothy) and eventually as the Moro-Dorotei, as the party secretary developed a personal following. The support of this group rapidly became crucial for all future governments.

Antonio Segni formed a minority caretaker government with center-right support in the spring of 1959, which lasted for about a year and provided a breathing spell for the political system. Just as domestic tensions abated, violence broke out in the South Tyrol. The South Tyrol People's Party, representing the German-speaking majority, pressed for changes in the 1946 boundary settlement, demanding the creation of a separate autonomous region for the province of Bolzano-Bozen. Their hidden agenda was the eventual secession of the province and its return to Austria. Terrorist acts increased, and Austria took the issue to the United Nations (UN), charging that Italy pursued a deliberate policy of social and economic discrimination against the majority population in the area. The UN decided in favor of Italy, but the issue dragged on, souring Italian-Austrian relations while terrorism increased.

The Center-Left

The electoral fortunes of the DC continually deteriorated. Its parliamentary weakness forced it into an ever closer coalition with the upper-class Liberals and monarchists, and the neo-fascist MSI. Meanwhile, electoral results in local elections revealed a distinct leftward tilt among the mass electorate. The era of right-wing governments was drawing to a close, and Moro signaled a change in Christian Democratic strategy by announcing at the party congress in 1959 that the DC was a "popular and anti-Fascist party." With the rightist option apparently closed and the centrist parties, the Social Democrats, and the Republicans reluctant to return to the old centrist formula, the center-left alternative appeared to be, in Moro's words, "an historical inevitability."

Inevitable or not, the right fought bitterly to prevent the opening to the left, summoning up all its resources in a desperate effort to hold back the shift, creating a cabinet crisis that lasted for months. It succeeded in the short run, producing a coalition gov-

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ernment headed by Ferdinando Tambroni, which for the first time gave cabinet positions to monarchists and neo-Fascists. The government fell within weeks, and negotiations reopened. At this point the Vatican intervened publicly—it had been active behind the scenes throughout the crisis—publishing an article in *L'Osservatore romano*, its authoritative newspaper, declaring that the church had the right, indeed the obligation, to dictate the choice of political alliances to Catholic politicians. In the church's view, the Socialists were not morally acceptable, unlike the neo-Fascists, who were not only good Catholics but also heirs of the party of reconciliation between the church and the Italian state.

The crisis quickly escalated with the creation of another Tambroni government, again dependent on MSI support. In June 1960, the fourth month into the crisis, the neo-Fascists decided to flex their newly acquired muscles, calling a national convention in Genoa, a center of the wartime resistance movement. Riots broke out between neo-Fascists and antifascists, and the PCI, caught flat-footed by events, quickly recovered, hoping to escape from its isolation by rekindling the wartime unity of the antifascist movement. A general strike in Reggio Emilia in the "red belt," the Communist stronghold, resulted in violence and a number of deaths. Within a month the whole country was convulsed in sporadic outbreaks of violence, enflamed by the heavy-handed tactics of the police. Tambroni himself, his government now seriously menaced, stooped to some very low tactics, threatening to release compromising materials from his personal dossiers on some of his own cabinet members. The experiment with the right was a spectacular failure and helped to convince the hesitant that an opening to the left was unavoidable.

For two more years negotiations proceeded between the Christian Democrats and the Socialists. The first crack in the system occurred in city governments. The first center-left government was created in 1961 in Milan, followed shortly by Genoa and Florence; by the end of the spring over 40 such local governments had been formed in northern and central Italy. The weakening of the right continued, for once hastened by internal developments in the church. Pope John XXIII had succeeded Pope Pius XII in 1958, and by 1960 he was ready to break tradition and propose a progressive agenda that included the inclusion of the Socialists into the government. His first major encyclical, *Mater et magister*, published in 1961, endorsed a renewed social Catholicism, rejected an uncontrolled free market, endorsed a mixed economy, and called for social justice, economic development, and the effective political enfranchisement of the masses. This encyclical marked the begin-

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ning of an era of dramatic change in the church and was generally assumed to be an unqualified endorsement of Moro's and Fanfani's policies.

Finally, after intense preparation, the 1961 national congress of the DC approved a resolution authorizing the party to form a center-left government with the support, but not the direct participation, of the PSI. Fanfani constructed a coalition of Social Democrats, Republicans, and Socialists. The new government caused an unprecedented uproar in the press and in the business community, but the coalition held. An early source of tension in the coalition was the election of a conservative, Segni, to the presidency to replace Gronchi.

The new coalition was still fragile, and the parties were wary of each other. The major issues facing the government—nationalization of the electrical-power industry, establishment of regional governments, land reform, economic planning, and educational reform—emphasized the ideological divergences both between the Socialists and the Christian Democrats and within the parties themselves, making the first year of the coalition rocky.

In the elections of April 1963 the DC and the PSI came under intense fire from the right and the left, respectively, for alleged betrayal and subversion. Pope John XXIII again intervened to moderate the forces of the right by receiving Soviet premier Khrushchev in a private audience and, just two weeks before the election, publishing his second major encyclical, *Pacem in terris*, addressed not just to Catholics but to "all people of good will." It emphasized the principle of freedom of conscience and sanctioned the collaboration between men of different ideologies for the achievement of peace and social justice. The two events were shocking to many on the right, since they appeared to grant moral respectability to Marxists and to give papal approval and encouragement to the center-left experiment.

The election results showed the effects of the changes in the political environment. The biggest gainers were the Communists, who polled over one-quarter of the votes, up by almost 3 percent from the 1958 election; on the other side, the Liberals doubled their vote, although they still received only 7 percent. The Social Democrats grew slightly, while the Socialists remained essentially stable. The big losers were the monarchists, dropping by almost three-quarters from their previous support to only 1.7 percent of the vote. The Christian Democrats also registered substantial losses on both the right and the left, falling to just over 38 percent of the vote, down from 42.5 percent. The growth of the PCI, largely at the expense of the Christian Democrats, caused grave consternation

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within the DC, most critics blaming the pope and Fanfani for a disastrous opening to the left. Moro, however, analyzed the election as a manifestation of a long-term leftward drift of the electorate because of a massive social transition occasioned by the "Italian economic miracle" of the 1950s and early 1960s (see *Postwar Development*, ch. 3).

The situation required some shaking out as the parties and factions groped for a workable and mutually acceptable accommodation. The extreme wings of the DC and the PSI still entertained thoughts of stopping the alliance, and the hold of the autonomists on the PSI for a time looked very precarious. The final step was taken, however, in October 1963 when the PSI congress voted to participate directly in the government for the first time since 1947. Moro pulled together a four-party coalition, and in December a new government with Moro as prime minister and Nenni as deputy prime minister was sworn in. Nenni announced a five-year program to go into effect in June 1964 that called for the establishment of regional governments and educational and land reforms. However, economic issues dominated and stalemated parliamentary politics from 1964 to 1965, as Italy experienced negative growth for the first time since World War II. The only major piece of legislation accomplished by the government was land reform, which gradually phased out sharecropping.

About 20 percent of the parliamentary representation, however, refused to play along and voted against the government in its vote of confidence. Ultimately, they broke away, forming a third socialist party in January 1964. They took the name used by the Socialists during World War II, the Italian Socialist Party of Proletarian Unity (Partito Socialista Italiano di Unità Proletaria—PSIUP). The 20-percent loss seemed to hold true for the party rank and file as well, but the defections were even greater within the CGIL, where socialist presence in the leadership was severely weakened.

The PCI, meanwhile, had become less significant in the political system, despite its growing electoral strength, because of the Socialists' participation in government, and the PCI leadership was increasingly anxious to end its isolation. Presidential elections were held in 1965 to replace the ailing incumbent, Segni. Just as the previous election had provided Socialists with the opportunity to end their isolation, so this election helped to legitimate the participation of the Communists. The presidential election was chaotic. The two major government parties, the PSI and the DC, were split over candidates, the DC almost to the point of disintegration. All sides lobbied with the PCI for its votes, but it too was divided and

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ultimately threw its support to the candidacy of Giuseppe Saragat, head of the Social Democrats, clinching his election. The election proved the centrality of the communist vote, but the decline of the DC and its subsequent forced reunification of the basis of a shared anticommunism—the only thing the contending factions could agree on—dissolved the possibility of a direct PCI-DC dialogue.

Under the pressure of economic problems and political uncertainty, government instability increased, although the coalition remained unchanged. A series of governments between 1964 and 1966 fell on the issue of educational reform, a particularly sensitive issue with Catholics. The logic of the center-left alliance remained unimpeachable but difficult to implement. A favorable sign, however, was the indication that the business community's intransigent opposition to the center-left coalition was weakening. Members of the community, especially Gianni Agnelli, the son of the founder of Fiat, argued that business had to reconcile itself to the changed environment of a modern economy, including closer business-government cooperation. The economy revived slightly in 1966, giving the coalition some breathing space. But tensions mounted, fueled by scandals apparently involving certain members of the DC and disagreements over the Vietnam Conflict and the Arab-Israeli June 1967 War.

The election of 1968 was thus a bellwether election. The conservative parties (Liberals, monarchists, and MSI) all declined, while the DC gained slightly. On the left, the PCI continued its growth, polling almost 27 percent of the vote.

The DC was strengthened by the results, but it had failed to stop the communist juggernaut. The Socialists, meanwhile, were left reeling by the election. Their inchoate unity was put in question, but there was general agreement that the basic cause of the loss was the lack of concrete reforms resulting from participation in the government. Many blamed Moro's recalcitrance and advised breaking with the government, others pleaded patience, noting that Moro's commitment to change was sincere but that he was held back by his more conservative electorate. The PSI could not survive the internal strains, splitting in July 1969 into its constituent parties. The socialist "third way" never succeeded in developing a viable definition of itself and remained internally divided among factions that were ideologically little different from Christian democracy on the one hand and communism on the other. The break-up of socialism merely underscored the domination of the two giants.

The Center-Left under Siege

The 1968-70 period was a turning point. The center-left coalition was breaking down as a result of the Socialists' showing in the 1968 election, the coming to an end of two decades of economic growth, and the increasing of foreign economic pressures. In this insecure atmosphere, an explosion of student strikes broke out in early 1968. The students, inspired by Catholic and Marxist utopianism and the mythology of Third World revolution, were stimulated by the examples of anti-Vietnam rallies in the United States and, especially, the student revolts in France. The universities, burdened with an atrophied curriculum and overwhelmed by a student population that had doubled since 1958, provided fertile ground for agitation. In the beginning the student demands concerned educational reform, but soon the activists shifted their criticism away from the universities to the larger society, of which the universities were the reflection. They rejected consumerism and the "bourgeois morality" of the family, and they denounced the Italian state, calling for its overthrow.

The students split into confused ideological groups, some neo-fascist, others Marxist of one kind or another, but they shared a taste for violence. In 1969 the unrest spread to dissidents within the PCI, who published a new review, *Manifesto*, which sounded suspiciously Maoist but denied having ties to China. The PCI expelled them, and the group became prominent in the radical extra-parliamentary left.

In 1968 extremist students turned to factories as part of their attack on all social and political structures. Most workers were indifferent to the students' ideas but became infected with the spirit of rebellion. "Unitary rank and file committees" were set up outside the official union structure to press workers' demands. In 1969 negotiations for the renewal of labor contracts were scheduled, but in the crisis atmosphere the process broke down into a "hot autumn" of violent strikes, work stoppages, and even plant occupations. The unions had lost control, and their membership ignored their orders, prolonging strikes and raising demands far beyond the unions' proposals.

The disturbances were the most serious labor unrest since the "red autumn" of 1920. The unions were forced to back their members, and in an attempt to regain control the major organizations—the Communist-dominated CGIL and the unions of the center-left, the Italian Confederation of Workers' Trade Unions (Confederazione Italiana dei Sindacati dei Lavoratori—CISL), and the Italian Union of Labor (Unione Italiana del Lavoro—UIL)—overcame

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their political and ideological differences, closing ranks and helping to stimulate the movement toward greater trade union unity. The employers found themselves in an untenable situation, since the one-party DC government of Rumor, besieged on all sides, was too weak to quell the labor unrest. By the end of 1969 the hot autumn was spent, but the substantial wage concessions forced on business contributed to the economic downturn in the 1970s (see *Postwar Development*, ch. 3).

In the midst of the violence and fury, the future of the political system itself seemed to be in question. The Rumor government—the thirtieth since 1943—could not survive, and once again the parties cast about for a coalition. Despite a feeble move to reinstate the old centrist coalition of the 1950s, the only feasible solution was the reconstitution of the center-left coalition. Familiar issues of the Socialists' relation to the PCI and the DC's relation to the church resurfaced. The divorce bill passed in 1970 after the Vatican's intense opposition intensified the tensions and postponed the resolution of the cabinet crisis. Finally in April a new government was formed, after four months of negotiations, one of the longest cabinet crises of the postwar period—only to survive barely three months (see *Religion*, ch. 2).

In the midst of the confusion it was necessary to elect a new president. The issues in the election involved not only candidates but also the very nature of the political system and the role of the president. The parliamentary system, mired in perpetual inefficiency and unable to control the wave of violence, seemed to be on the verge of collapse, contrasting sharply with the newly installed presidential regime in France. A number of politicians proposed a regime change, but the suggestion was roundly denounced by the parties. However, the election of the new president, Giovanni Leone, on the twenty-third ballot seemed to lend credence to the critics' arguments. More disturbing, the DC and the PSI, the basis for the center-left coalition, had fought each other bitterly throughout the process. The survival of the coalition seemed in doubt. Three months later Leone dissolved parliament and called elections, the first time in postwar history that a legislature had been dissolved before the end of its term.

The restoration of law and order was the principal issue in the 1972 elections, and the voters rebuffed the extraparlimentary extremists, giving both the DC and the PCI modest gains over their 1968 votes. The PSI and the PSDI held their own, and an extreme rightist alliance called the Italian Social Movement-National Right (Movimento Sociale Italiano-Destra Nazionale—MSI-DN) showed

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only limited gains, confined largely to the south. The PSIUP, failing to win a single seat, dissolved after the election.

The election did not produce any significant resolution of the stalemate, and shortly thereafter the divorce issue resurfaced with the proposal of a referendum to repeal the divorce law. The issue caused significant dissension within the DC and proved to be traumatic for most of the parties. Only the MSI-DN joined the DC in favoring the law's repeal; the small Radical Party and the PSI, PSDI, PLI, and PRI joined the PCI in supporting the law. In fact most parties had apparently hoped to avoid a final confrontation on the issue: the PCI because it feared that the accompanying campaign would weaken its improved relations with the DC; the center-left and the center-right parties because of the disruptive effect the campaign would have on cooperation with the DC and on possible future coalitions; and the DC because it was not at all sure the law would be defeated. The Vatican pressured the DC, especially its right wing, into the final contest. The referendum resulted in a 19-million to 13-million vote in favor of retaining the law, a stunning defeat for both the church and the DC, whose prestige was severely weakened (see Religion, ch. 2).

The political situation was exacerbated by a worsening economic recession. A series of center-left governments and single-party DC governments seemed powerless to rectify the situation, and tension rose between the DC and the PSI. The PSI finally withdrew its support and brought down the government in January 1976. The PSI refused to back the subsequent DC government, and for the second consecutive time a parliament was dissolved before its term expired, and elections were called.

The election of 1976 was expected to continue the trend since 1975 of a steady decline in the DC electorate, and many analysts expected that the PCI in the government was the major campaign issue. The PSI was squeezed on both sides: as a member of the national governments it had to share the blame for their failures, but the conservatism of the DC prevented the social reforms, which were the PSI's only hope of retrieving its electorate; at the same time, on the local level it was in alliance with the PCI, which reaped all the benefits of popular discontent. The PSI leadership embarked on the unenviable task of "reestablishing their virginity" and henceforth, in order to spread the blame to its principal competitor, it demanded that any future government include direct PCI participation.

The DC was still not ready to accept partnership with the PCI, but the idea gained currency that communist participation in government was a prerequisite for the resolution of Italy's endless

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political malaise. The PCI, for its part, welcomed the growing enthusiasm for an expanded coalition.

The Rise of the Communists

In the fall of 1973 Enrico Berlinguer, head of the PCI since 1972, proposed an "historic compromise" that would entail: "... an understanding, a political alliance, between Communists, Socialists, Christian Democrats and other anti-Fascist popular forces both of Catholic origin and of lay and democratic tradition, in order to give the government of the country a wider basis of consent, and the strength and authority needed to overcome the crisis and enable Italy to advance." The offer represented an important doctrinal statement. Referring to the "lessons of Chile"—the military overthrow of the democratically elected Marxist government of President Salvador Allende in 1973—Berlinguer rejected the notion of a coalition between only the PCI and the PSI, known as the "left alternative."

Berlinguer's formulation was reminiscent of the period of "three-party cooperation" in 1944-47 and was in keeping with periodic efforts by Togliatti to forge a long-term cooperation agreement with the DC, starting in 1944. That suggestion had lain dormant for 20 years but was revived in 1963 when Togliatti pointedly defined the "central problem" of Italy's postwar development as "the relations between the Catholic world and the Communist world." The resurrection of the idea represented the recognition of sociological changes that the "Italian economic miracle" had wrought in Italy. Traditional communist bases of support, the landless farmers and blue-collar workers, were shrinking sectors within the changing society. The PCI therefore had to appeal to the middle class if it wanted to maintain its size, never mind grow. Already after World War II Togliatti had excluded small owners, artisans, white-collar employees, and professionals from the ranks of the class enemy. By the mid-1960s, as the number of small and medium-sized firms increased, the PCI also appealed to their owners and managers, henceforth limiting the enemy to the few large private monopolists, who, thanks to the nationalizations, were becoming even fewer. The appeal seemed to be effective, as the PCI was able to recruit members increasingly from the middle class, while keeping its traditional electorate, even those who opposed changes.

After the PSI joined the government in 1962, the PCI's isolation deepened, and the party steadily increased its efforts to rein-

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sert itself into the governmental process. Antonio Gramsci, the head of the PCI between World War I and World War II and a victim of the fascist dictatorship, emerged as the leading theorist of the party in the mid-1960s. His concept of the "hegemony of the working class," which replaced the model of the "dictatorship of the proletariat," provided a more sophisticated analysis of power relations in industrially advanced societies and offered the possibility of establishing a workers' state without violent revolution by using the existing institutions to create socialism; it became popular inside the PCI but also in the wide range of Italian intellectuals. Accordingly, the PCI had announced in 1963 that it would tolerate the existence of opposition parties dedicated to the construction of a socialist society and accepted the possibility of an alternation of power after it came into the government, hardly a ringing pledge of allegiance to the democratic process but nonetheless a significant ideological modification in that direction. Just before his death in 1964 Togliatti wrote the "Yalta Memorandum," which indicated that the PCI leadership intended to seize power in a step-by-step process without the previous destruction of the "bourgeois" state.

Togliatti was replaced by Luigi Longo, who shared Togliatti's perspective, though he lacked his predecessor's political skills and prestige. In a speech delivered at the eleventh party congress in 1966, he appealed to the church for a dialogue: "Just as we are against the confessional state, so are we against state atheism. And is it not possible, is it not necessary to seek together points of agreement and of collaboration so that we may succeed in building together a new society?" The following year he described the party's goals as:

a socialist society rich in democratic articulations, based on a popular consensus, on the direct and active participation of the masses, on the laic, nonideological character of the state. An objective, that is, of a socialist society, decentralized, nonbureaucratic, in which religious liberty, the freedom of culture of science and of art, the freedom of information, of expressions and circulation of ideas, [We] will make socialism in Italy, with the presence of a plurality of parties and social organizations committed to a free and democratic dialectic of differing positions, something qualitatively different from the experiences hitherto known and fully corresponding to the traditions and the will of our people.

By the mid-1960s, therefore, the Communists had effectively eschewed revolution and were committed to the strategy of coming to power through democratic means, but they were openly divided on tactical questions. The normally highly disciplined party engaged in an internal debate between two groups. One group, headed by Giorgio Amedola, urged the creation of a united party

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of the working class to be "neither Leninist nor Social Democratic." The other, led by Pietro Ingrao, advocated a direct Communist-Catholic dialogue, ignoring the Socialists altogether.

Fears persisted, however, about the PCI's autonomy from the Soviet Union, its commitment to democracy and private property, and its tolerance of religion. However, the Soviet invasion of Czechoslovakia in 1968 provoked an immediate denunciation from the PCI and an open break with the CPSU, producing a dramatic increase in the party's credibility with the electorate. Equally important, however, the invasion shocked the PCI leadership, resulting in their reevaluation of the international situation. In a highly influential article published before the 1976 election, Berlinguer revealed that the PCI leadership had learned to see NATO as a useful shield behind which Italy could construct socialism in freedom. After 1968, therefore, the PCI moderated those foreign policy stands, especially on NATO, that were incompatible with a DC coalition and henceforth defined its specific mission as transforming Italy into a socialist state under the conditions of terminating both power blocs and of pursuing an independent and essentially nonaligned role for Italy and Western Europe.

The shift gradually filtered down through the electorate. Polls in 1970 showed that roughly 45 percent of Italian voters considered the PCI a "serious threat" to Italian freedom and believed that agreement with the Communists was "impossible." By 1974 that figure had dropped to 25 percent. In 1975 the PCI made its position even clearer, signing pacts with Santiago Carrillo of the Spanish Communist Party and George Marchais of the French Communist Party, in which all three pledged to abide by the principle of democratic pluralism, marking the formal constitution of "Eurocommunism."

The PCI appeared to be well placed to make substantial gains in the upcoming polls. The 1976 election was held in an atmosphere of increasing violence from the extreme left and extreme right, continuing economic problems stemming from the huge rise in world oil prices since 1973, and the lingering issue of scandals involving DC and PSI officials. With the PCI expected to make substantial gains, the United States, Britain, France, and West Germany issued statements expressing their concern at the prospect of communist participation in a postelection cabinet.

The results indeed showed an impressive gain in PCI strength, more than 7 percent over its 1972 vote, but with 34.4 percent still not enough to take over the top spot. The DC, surprisingly, retained that honor, regaining its 1972 percentage with 38.7 percent. Thus both parties won, at the expense of the smaller par-

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ties, the gap in parliamentary seats narrowing from 87 to only 36. The left as a whole—the PCI, the PSI, and the Radical Party—made the most dramatic increases, however, growing to 46.6 percent of the vote, its highest mark in the history of the republic, but short of a majority.

Once again the election, the first since the voting age was lowered to 18 from 21 in 1975, had produced a stalemate. The DC had run a campaign based on anticommunism and refused to ally with the PCI. The only other numerical possibility for a government coalition was a return to a DC-PSI formula, but the PSI had again lost badly in the election, dropping down to 9.6 percent of the vote, in what appeared to be a clear repudiation by the voters. Faced with an untenable situation—many analysts predicted that Italy would henceforth be ungovernable—the DC offered the PCI a compromise of its own: it was politically impossible for the DC to accept the direct participation of the Communists, but it would accept their tacit support in parliament for a limited reform program to be agreed upon later. The DC and the PCI split the leadership of the two houses of parliament, the DC providing the president of the Senate and the PCI getting the presidency of the Chamber of Deputies. In return, for the first time since 1947, the PCI abstained instead of voting against the DC government, headed by Giulio Andreotti, in its confidence vote.

The situation remained stable until 1978, when Berlinguer, to no one's surprise, demanded that he be included in the cabinet. The suggestion was greeted with general horror, from both the political parties and the extreme left. The administration of President Jimmy Carter issued a declaration advising against allowing the Communists to take part in the government and further expressing hope that the PCI vote would decline in the next election. Berlinguer retreated within weeks, hinting that his participation was not absolutely necessary. Moro worked out another arrangement that permitted communist participation in the parliamentary majority, for the first time since 1947, but he still denied them a cabinet position.

The vote of confidence for a new Andreotti government was scheduled for March 16, 1978. On his way to the vote, Moro was kidnapped by the Red Brigades, the largest leftist terrorist group. The PCI move toward participation in the government had infuriated the extreme left, which was dedicated to the destruction of the political system. After the PCI's betrayal, only terrorism could bring on the revolution, and the Red Brigades launched a major offensive to bring the political system to its knees. Moro was held hostage while his captors demanded the release of 14 jailed terror-

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ist leaders. In an agonizing decision the political elite almost unanimously rejected the demands. Fifty-four days later Moro's body was found stuffed in the trunk of an abandoned automobile halfway between the DC and the PCI headquarters. Moro's murder shocked the nation but helped to galvanize an antiterrorist campaign that gradually brought terrorism under control (see Political Violence, ch. 5).

During the crisis normal political activity was suspended, but when it resumed, a number of issues that had been postponed indefinitely could no longer be ignored. The most wrenching issue was legislation legalizing abortion. After 1970 laws dealing with family affairs were reformed. An abortion bill had been proposed in 1975, but the DC, for which this issue was poison, successfully stalled for three years. Finally in June 1978 a liberal abortion bill was passed, once again over the strenuous objections of the church and lay conservatives (see Religion, ch. 2). In addition, two referenda were held: one to repeal the Reale law extending police powers, the other to repeal the 1974 law on public financing of political parties. Neither initiative passed (see Internal Security, ch. 5). Having managed these disputes, the system was faced with the resignation of President Leone, who was accused of tax fraud and suspected of involvement in the Lockheed bribery scandal. In July Sandro Pertini, an 82-year old Socialist, was elected president.

The economic situation had eased—indeed, the economy was booming—but certain fundamental problems remained. In 1978 the DC proposed the Pandolfi Plan—named for the treasury minister, Filippo Pandolfi—which proposed a three-year program (1979–81) to reduce inflation, stabilize the lira, and modernize the economy. The PCI objected that the Pandolfi Plan placed an unfair burden on workers and hinted that it was considering returning to the opposition. The economic issues were vexatious, but a more immediate problem for Berlinguer was the growing disenchantment and unrest of the more orthodox elements within the PCI. Some resolution of the PCI's status was necessary. He demanded direct participation in the government and at the same time relaxed the historic compromise, reminding voters that the PCI was a Marxist-Leninist party, and muting criticism of the Soviet Union. The Carter administration reiterated its warnings against communist entry into the cabinet. On January 31, 1979, the PCI withdrew, and the informal grand coalition collapsed.

After a three-month cabinet crisis, during which a non-Christian Democrat was invited to form a government, new elections were called, again dissolving parliament before its expiration. The results left the DC with minor losses, although significant gains

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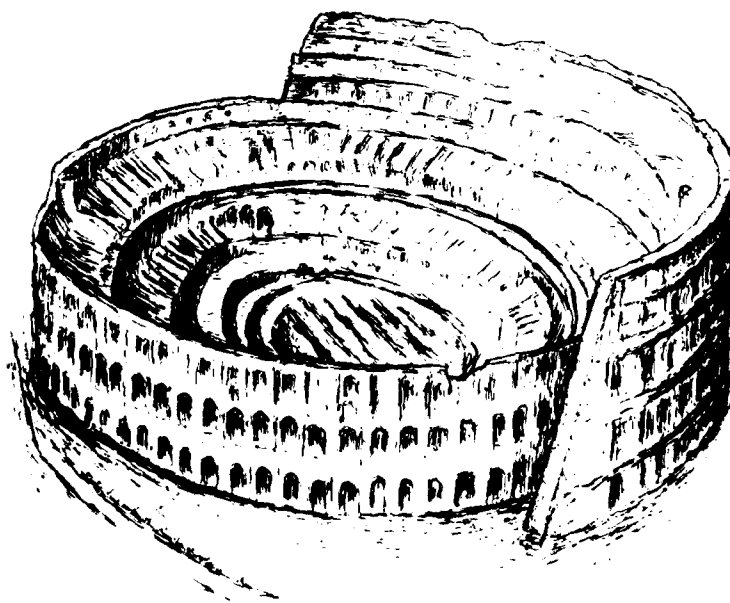
had been forecast: the PSI, the PSDI, and the PLI all gained marginally. The big winner was the Radical Party, which quadrupled its representation in the Chamber of Deputies, although it still represented only 3.4 percent of the total vote. The big story of the election, however, was a four-point drop in support for the PCI, the first decline for the PCI since World War II. The election was a landmark, indicating the limits to communist growth and ushering in a new stage in Italian politics (see *The Major Parties: Problems and Prospects*, ch. 4).

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The literature in English on Italian history is voluminous but tends to be rather specialized, concentrating on specific events or movements. Nevertheless, several excellent general histories are available. *Modern Italy, 1871-1982*, by Martin Clark, is a thorough and very readable exposition of Italian history, drawing together both political and socioeconomic movements. It is particularly good on the nineteenth and early twentieth centuries. For the period since the end of World War II, Norman Kogan's *A Political History of Italy: The Postwar Years* provides a succinct but careful examination of a confusing period. A useful interpretive study of the origins of the Italian state is Raymond Grew's article in *Crises of Political Development in Europe and the United States*. Italian cultural history is an immense subject, which has produced an equally immense literature. A helpful overview is provided by the luxurious volume, *The Italians: History, Art, and the Genius of a People*, edited by John Julius Norwich. The articles place Italian cultural and artistic movements in their historical context and are greatly enhanced by magnificent full-color photographs of major works of art.

During the 1960s and 1970s a major focus was the evolution of the Italian Communist Party and the creation of Eurocommunism. One of the most useful collections is *Communism in Italy and France*, edited by Donald L. M. Blackmer and Sidney Tarrow. Other useful sources for this period include Wolfgang Berner's article in *The European Left: Italy, France, and Spain*; Giacomo Sani's article in *Eurocommunism and Eurosocialism: The Left Confronts Modernity*; and numerous articles in *Problems of Communism*. (For further information and complete citations, see Bibliography.)

Chapter 2. The Society and Its Environment



ITALY IS A NATION of remarkable diversity and contrasts. There are the Alps and Apennines, the northern plain and the Riviera. There are people whose mother tongue is French or German, in addition to those who grew up with a regional variety of Italian or one of the mutually unintelligible Italian dialects. There are a multiplicity of cities, each with its own tradition. Despite this diversity and frequent political and economic crises, observers continue to marvel at Italy's capacity for social and cultural resiliency and continuity. The divisive potential stemming from diversity is contained and tempered, however, by such shared cultural patterns as an admiration for urban life and an enduring loyalty to region and to family. These patterns have enabled the Italians to cope successfully with the challenges of massive migration, secularization, and reassessment of women's social position.

While increasing bonds between north and south, massive migration has also underlined the continuing disparity between northern and southern Italy, between continental and Mediterranean Italy, and between the most advanced industrial areas and the most underdeveloped areas. Since World War II millions have moved from south to north, to other parts of Western Europe, and from rural areas to cities. As a result, the mountain and southern areas of Italy have become depopulated, whereas coastal cities and plains have grown overcrowded. The misery among the lower classes in southern rural areas and cities has been so great that southern migrants have found the affluence and modern life of the northern industrial triangle (Genoa-Turin-Milan) as foreign as the cities and factories of the Federal Republic of Germany, Switzerland, and France.

Besides geographical loyalties, Italians are reassessing other types of loyalties. Since World War II, as the home of the Vatican as well as the largest West European Communist party, Italy has had both a "white belt," staunchly Roman Catholic, and a "red belt," strongly Communist. As well as nominal or indifferent Catholics, Italians include practicing Catholics who do not find the support of laws of divorce and abortion or the Italian Communist Party irreconcilable with Catholic beliefs and rituals. Given the secular values and consumer attitudes promoted by contemporary cinema and television, a new 1984 concordat between the Italian government and the Roman Catholic Church is a recognition of the trend toward secularization.

Italians' strong loyalty to their families, especially to their domestic groups, continues to prevail. The feminist movement and changing patterns of education, jobs, and courtship have not revolutionized women's position or the types of family bonds. Family is

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still important although families may be smaller as a result of having fewer children and fewer married children sharing living quarters with both parents. More elderly, however, are surviving to live longer lives. Family may be a stabilizer even as class is reshaped, for example, as peasants become part of the industrial proletariat, as technicians join the middle class, and as managers and those in control join the owners of the means of production in the upper class.

Certain concerns continue to be shared all over Italy. Self-presentation is important, at times extending into the defense of reputation or honor. It is related to an admiration for urban sophistication, although its definition may vary locally. Italians continue to be ingenious improvisers as seen in the invention of ways to make a living and of ways to cope with the complications of Italian life. Italians often admire what is called more generally in the south and center of Italy, *furberia* (cunning), or *furberia* in Sicily; respect is given to the shrewd and opportunistic and to the astute and self-serving who practice their wiles on others, especially on outsiders and the impersonal state.

Geography

Physical Regions

Italy is bounded by the Adriatic, Ionian, Ligurian, and Tyrrhenian seas on the east, south, northwest, and west, respectively, and by the Alps to the north (see fig. 1). The two largest islands in the Mediterranean, Sicily and Sardinia, belong to Italy. Within geographic Italy are located two sovereign enclaves: Vatican City (0.44 square kilometer), created in 1929, and the Republic of San Marino (61 square kilometers), founded in A.D. 301; San Marino is an independent sovereign republic located near Rimini. Plains make up about one-quarter while mountains and hills compose the remaining three-quarters of Italy's total of 301,278 square kilometers. Italy borders France, Switzerland, Austria, and Yugoslavia.

Borders with France and Switzerland were established in the nineteenth century and follow the main Alpine watershed. After World War I Italy convinced the victorious powers that its need for a militarily defensible border extending northward to the Brenner Pass justified incorporating the Austrian South Tyrol (the area around Bolzano), which had a German-speaking population; it retained this area after World War II. Austrian concern for the

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German-speaking minority in the late 1950s was assuaged by a 1969 agreement between Italy and Austria on the minority's treatment (see Language, this ch.).

Italy's border with Yugoslavia was established by the 1947 Italian Peace Treaty and by later negotiations between the two countries concerning ownership of Trieste and surrounding territories. By the terms of the 1947 treaty, Italy ceded to Yugoslavia the Adriatic islands of Cherso and Lagosta (called Cres and Lastovo by Yugoslavs), and most of the Istrian Peninsula. The free territory (about 780 square kilometers) to be established as a result of that treaty was never viable, and in 1954 Italy and Yugoslavia negotiated an agreement so that each would administer part of that territory. It was a workable solution, but it was not given formal status until 1975.

The major administrative and political division in Italy is the region. The 20 regions vary greatly in size and population. They were established by the 1948 Constitution, based on traditional associations, only sometimes coinciding with geographical divisions. The next smaller administrative division is the province, each named after its major city or town. The basic administrative unit is the commune (see Local and Regional Government, ch. 4).

Italy can be divided geographically into the continental region in the north and the Mediterranean peninsular and insular regions in the south (see fig. 8). The two subregions of the continental region are the Alps and the North Italian Plain; those of the southern region, the Apennines and their coasts; and those of the insular region, the islands of Sicily and Sardinia. Many cities are situated strategically at the entrance to the mountains, on the coast as ports, or by the Po River or one of its tributaries.

Extending in an arc for over 800 kilometers, the Alps constitute the northern boundary of Italy. On the west, higher and closer together are the Western (Italian-French) Alps, which stretch from Cadibona Pass near the Ligurian Sea to Lake Maggiore; like a wall, they meet the plain practically without valleys. The widest segment of the Alps, the Central (Italian-Swiss) Alps run from Lake Maggiore to Adige Valley and Dobbiaco Pass at which point, called the Eastern (Venetian) Alps, they continue to Istria at the Yugoslav border. The Central Alps have north-south valleys ending in lakes (Lugano, Como, Maggiore) where they meet the piedmont. The Eastern Alps broaden to become the Dolomite, Carnic, and Julian Alps where there are deep valleys (such as the Adige from Verona to Bolzano) or glacial lakes (such as Lake Garda) (see fig. 9).

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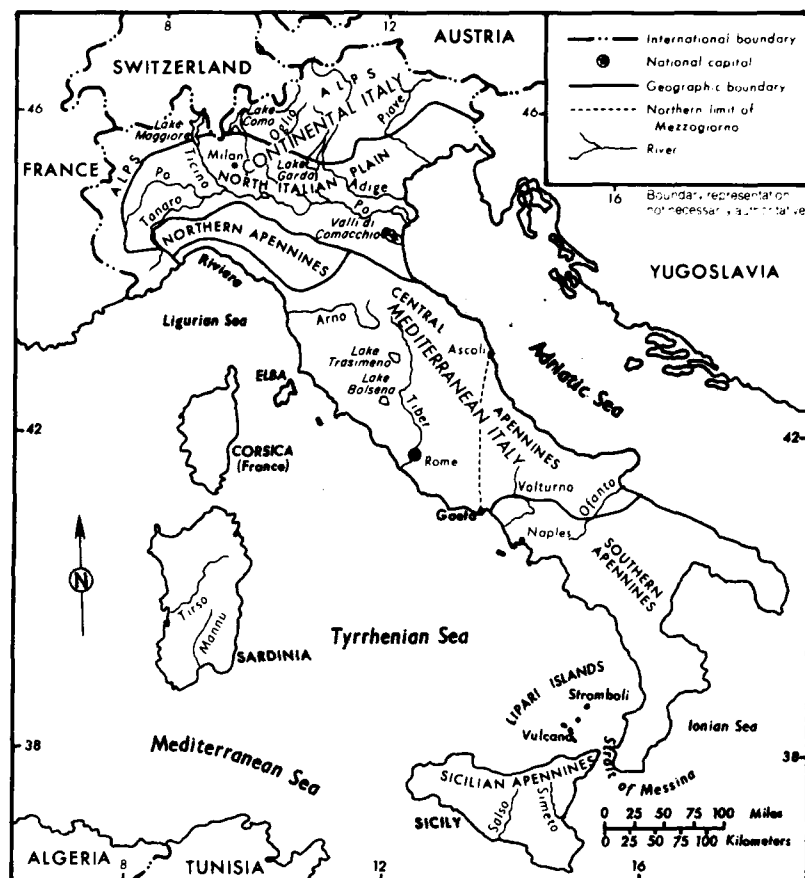


Figure 8. Geographic Regions and Bodies of Water

The most famous peaks of the Alps and the highest in Italy include Monte Bianco (4807 meters), Cervino (Matterhorn, 4478 meters), Monte Rosa (4633 meters), and Gran Paradiso (4061 meters). The most famous passes include the Great and Little Saint Bernard passes and the Brenner Pass. Administrative regions in the Alpine geographical region are Val d'Aosta (also spelled Valle d'Aosta), with its French speaking minority, Trentino-Alto Adige with its German speaking minority, and parts of Liguria, Friuli-Venezia Giulia, Veneto, Lombardia, and Piemonte. Political and linguistic borders do not coincide because passes have facilitated movement. The Alpine region is notable for its hydroelectric power

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and labor (supplied mostly to the lowlands), tourism, and trade and communication links to other parts of Europe (through mountain passes, railroads, tunnels, pipelines, and highways).

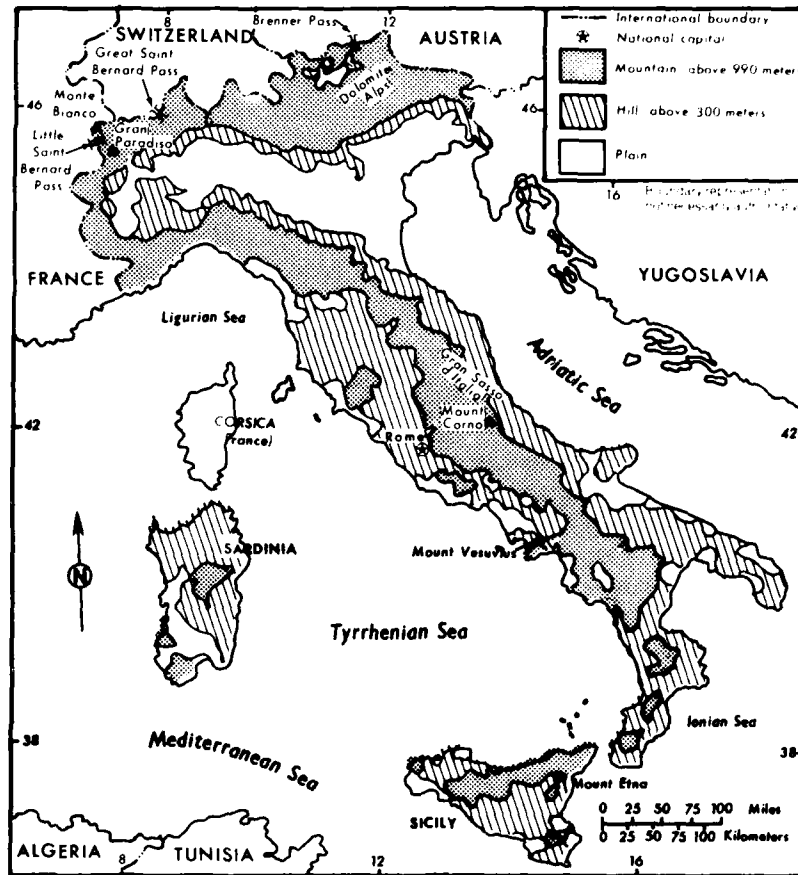


Figure 9. Topography

As the country's most important plain, the North Italian Plain contains 15 percent of Italy's territory. The North Italian Plain is surrounded on three sides by the Alps and Apennines but to the east opens toward the Adriatic Sea. The western edge of the plain lies at Cuneo and Turin and the eastern one at the Istrian Peninsula. At the foot of the Alps it is piedmont and to the east becomes the Venetian Plain.

The plain is drained by Italy's largest river system, the Po River and its tributaries; the Po runs from Monte Vico east 670

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kilometers toward the Adriatic Sea to its still expanding delta on the coast. The Po is well fed all year, even to the point of flooding (see Natural Disasters, this ch.). It is fed alternately by its two sets of tributaries. One set of rivers—Dora Riparia, Dora Baltea, Ticino, Adda, Oglio, and Mincio—though shallow in the winter, grows in spring and summer with spring rains and glacial melting; the other set—the Tanaro, Scrivia, Secchia, Panaro, Trebbia, and Taro Rivers—is full in fall and spring and becomes shallow in summer. Through the Venetian part of the North Italian Plain run the Adige and Piave Rivers. Among all of Italy's natural waterways only the lakes and the Po River are navigable. Although the North Italian Plain has abundant rainfall and rivers, water problems relating to flooding, irrigation (through canals such as the Cavour Canal), or drought vary according to zone. Italy's rivers have no uniform drainage pattern.

The majority of the plain is flat except for the hilly areas of Montferrato and Euganea, the Berici Mountains, and some relief near the Alps and Apennines. The plain is fertile, densely populated, and characterized by intensive agriculture and Italy's most important industrial areas. The provinces of Bologna and Verona have the highest agricultural incomes in Italy, while Milan, Italy's second biggest city, is its leading commercial, financial, and industrial center, and Turin is the home of Fiat. Important smaller cities include Bologna, situated by traditional routes to Florence and between Piacenza and Rimini, and Venice-Mestre, known for both tourism and manufacturing. Administrative regions in the plain include Piemonte, Lombardia, Veneto, and parts of Emilia-Romagna and Friuli-Venezia Giulia. The province of Friuli-Venezia Giulia is inhabited by Slovene and Ladin linguistic minorities; its capital is Trieste, a port city that is separated by international boundaries from its hinterland.

The boot-shaped peninsula extends from northwest to southeast 1,200 kilometers into the Mediterranean Sea. The island of Sicily is located at the toe of the boot, separated from the peninsula by the Strait of Messina. The island of Sardinia lies farther to the northwest, next to Corsica, which is part of France. At the narrowest point of the Strait of Sicily, Sicily is only 145 kilometers from Tunisia. On the eastern coast of the peninsula is the Adriatic Sea and on the western coast, the Tyrrhenian Sea. The Adriatic Sea joins the Ionian Sea southeast of the sole of the boot at the Strait of Otranto.

The outstanding feature of the peninsula is the Apennine Mountains, which start by the Ligurian Sea near Savona, continue to the tip of Calabria, and have extensions in Sicily. The Apennine

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nines are lower than the Alps; the highest peak in the Apennines is Monte Corno, at only 2,914 meters. Nonetheless, the Apennines separate two important areas of population and production—the North Italian Plain and the western coast. Impeding travel, they have encouraged regionalization within central and southern Italy and the establishment of cities (except for Florence) on the coasts.

The Apennines at one point stand close to the Tyrrhenian Sea, at others close to the Adriatic Sea, and elsewhere run through the center of the peninsula. The Apennines can be subdivided into northern, central, and southern sections, and contrasted to the coasts on either side of them. The regions of the northern Apennines, include part of Liguria, Toscana, and Emilia-Romagna; contiguous with the Alps, the northern section reaches 370 kilometers from the dividing point, the Cadibona Pass (on the west side of Savona) to Trabaria Pass to the east of Arezzo, and thus include the mountains around the port of Genoa and those separating the cities of Bologna and Florence. The strip of coast along the Ligurian Sea can be included in the northern Apennines, but commercially and industrially Genoa is tied to the North Italian Plain, and *touristically* the Italian Riviera (the strip from Ventimiglia at the French border to Toscana) is tied to the French Riviera. Extending 320 kilometers, the steep central Apennines begin south of the Trabaria Pass and join the southern Apennines at Benevento Pass by Naples. The central Apennines include peninsular Italy's highest peaks, but relief rather than height make car and railway travel difficult except through river valleys. Notable are the fertile, well-populated basins of Rieti and L'Aquila as opposed to depopulated pastoral and fertile areas in Umbria and Marche. The southern Apennines are lower, more varied, and barren, with massifs isolated by valleys. They are delimited by the Benevento Pass in the north and the Scalone Pass in the northwest and extend to the Strait of Messina. As a result of rivers that drain west to the Gulf of Otranto, east-west movement is facilitated. The Bradano River flows into the Gulf of Taranto.

The peninsular coastal lowlands and hills form a varied region. Most inclusively, they start at the French border in the Riviera and are divided by coast. One subdivision used by geographers is the so-called Anti-Apennines, consisting of the middle and lower Arno River basin (with Florence, Livorno, and Pisa), the Tuscan uplands (hills and plateaus), the hills and crater lakes of Lazio (where Rome is located), and the west coast and Tuscan Archipelago. The cities of this area are important—Florence for its artistic heritage, commerce, and tourism more than its crafts and industries; Rome as Italy's largest city, the site of the Holy See,

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the political capital, and a transportation nexus; Livorno as a port with commerce and industry. Another subdivision recognized by some geographers is called the sub-Apennines, which overlaps the Anti-Apennines area because it includes most of Toscana, Umbria, and Lazio, 440 kilometers from the Magra Valley (by La Spezia) to the Pontine Marshes near Rome. This area is separated from the Apennines by the Arno, Chiana, and Tiber valleys. Its diverse terrain includes low mountains, coastal plains, plateaus, and basins. This division draws attention to the series of basins from Pistoia to Cassino in the foothills in which the cities of Perugia, Siena, and Assisi were established; the basins contrast with the discontinuous coast, which includes formerly malarial, reclaimed marshland, such as the Tuscan Maremma and the Pontine Marshes. Geographers sometimes also distinguish the volcanic areas near Rome and Naples; the plateau where Rome is located divides the Arno valley from the Plain of Campania near Naples. These cities, Rome and Naples, are the most important cities of the coastlands. Unlike Rome, Naples has a natural harbor and a fertile hinterland. Until Ancona, the coastal plain facing the Adriatic Sea is narrow. The broadest part of the plain is in Puglia in the heel of the Italian peninsula. Fishing is an important activity for those who inhabit the strip from Pesaro to Termoli, and resorts are developing southward from Rimini.

Although obviously part of the southern and central Apennines and associated coasts, because of their administrative grouping as the Mezzogiorno, the south of Italy and the islands of Sicily and Sardinia are considered separately. The Mezzogiorno begins south of a line drawn between Rome and Ascoli, thus including eight official regions: Campania, Abruzzi, Molise, Puglia, Basilicata, Calabria, Sicily, and Sardinia. Naples, the heel of the boot, and eastern Sicily are the most densely populated areas, while Naples, the port of Bari, Taranto, and Brindisi are the most industrially developed areas. Overall, however, the Mezzogiorno has some of the poorest and least developed areas in Italy (see *The Southern Problem*, ch. 3).

The largest island in the Mediterranean is Sicily, measuring 25,710 square kilometers; Sardinia is smaller with 24,000 square kilometers. Almost four-fifths of triangular Sicily is rugged and irregular. The Sicilian Apennines lie on the north coast, and the still active volcano Mount Etna (3,274 meters) lies in the northeast corner. Although there are small plains at intervals from Marsala to Syracuse, the largest plains are near the towns of Catania on the west coast and Trapani on the northeast coast. Long at the crossroads of Mediterranean trade, Sicily is now known for its fishing

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and tourist spots as well as for oil and natural gas deposits. Palermo continues to be one of Italy's largest cities despite steady migration from Sicily. The island's most important rivers are the Simeto and the Salso.

Like Sicily, the island of Sardinia is mountainous, but its most salient feature is a series of plateaus that run from north to south along the eastern coast. Fishing, mining, and tourism have recently provided alternatives to traditional agriculture, of which pastoralism is the most important sector. The island's principal rivers are the Tirso and the Riu Mannu.

Climate

Because Italy is mountainous and stretches 1,200 kilometers from central Europe almost to Africa, the climate is by no means uniform. Sunshine and low humidity draw visitors to resorts in the Alps and coasts of the Italian Riviera and peninsula. In most of Italy hot summers are relieved by sea or lake breezes, but farmers in the Mezzogiorno must cope with dry, blisteringly hot summers.

Climatically, Italy can be divided into continental Italy, which consists of the Alpine and northern plain regions, peninsular or southern Italy, and insular Italy, which includes the islands of Sardinia and Sicily. Winter rather than summer temperatures and rainfall differentiate the continental climate from the rest of Italy, and rainfall increases with altitude.

Continental Italy, exposed to polar air in winter and warm winds from the distant Atlantic Ocean in summer, has a wide temperature range between winter and summer. Winters have fogs and frosts. In the Alps temperatures vary with the degree to which slopes are shaded or open to the sun, and precipitation varies according to relief. Areas over 1,500 meters receive snow, and some peaks remain snow-covered all year. The eastern Alps tend to be wetter, but as a whole, the Alpine region has a maximum of rain in summer as well as heavy precipitation in cooler months.

Within the continental region other variations include the warmer Venetian coast and the sub-Alpine lakes, such as Maggiore, Como, and Garda, which are especially favored climatically because they contain large quantities of water, which moderate air temperatures, and because their shores are sheltered from the wind. As a whole, the North Italian Plain is sheltered on three sides (except the east) by mountains. Cold or cooler in winter than peninsular Italy, it receives little precipitation in winter, although humidity is high, and below-freezing temperatures are frequent. Spring on the

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plain is warm and wet, summer is hot and humid with frequent storms, and autumn is marked by heavy rains.

The narrowness of Italy's peninsula and the small size of the islands allow maritime influences to penetrate the interior, warming the autumn and making seasonal changes gradual. The presence of the Alps in the continental region and the Apennines in the peninsular region also modifies the weather of the coasts; the Apennines, for example, protect the Tyrrhenian coast, which is also warmed by the depth of the sea. In winter the mountains define cold areas between the coasts as in the case of the Abruzzi peaks, which have a long snow season from November to May. The typical Mediterranean climate characterized by hot, dry summers and moderate winters with good annual rainfall prevails only in the southern peninsula and the islands. The Adriatic shores of the eastern peninsula, however, have a drier, harsher climate than that of the Ligurian and Tyrrhenian coasts.

Several parts of Italy have severe seasonal winds. Two violent winds are associated with a fall in temperature, clear skies, and low humidity. On the Ligurian coast the winter wind from the Alps, called the mistral, poses a real danger to ships, even in harbors. Around Trieste and the northern Adriatic coast, a bitterly cold wind from the Alps, called the bora, blows so fiercely that some buildings have handrails for pedestrians to grasp. A less severe, dry, northerly wind, called the Tramontana, affects the Tyrrhenian side of the peninsula. A southwesterly wind, the sirocco, blows from the Sahara. On the Tyrrhenian side it is called the *sciroccoso* when it causes humid, stifling weather, but in Sicily and southern Italy it retains its parching Saharan character. On Sicily it is accompanied by sustained high temperatures harmful to crops and the health of infants and the sick.

Natural Disasters

Italy has four active volcanoes as well as numerous hot springs and fissures where gases escape from the earth. The active volcanoes are Etna on Sicily, Vesuvius near Naples, and the tiny Liparian islands of Stromboli and Vulcano off the northeastern coast of Sicily. Volcanic activity has contributed to the varied landscape and occasional fertile areas on the peninsula and on Sicily, and has continued to pose danger to nearby inhabitants. The most recent serious eruption occurred at Vesuvius in 1944.

During the twentieth century, Italy has had severe earthquakes, causing many casualties and extensive destruction in Mes-

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sina in 1908, L'Aquila in 1909, Friuli-Venezia Giulia in 1976, and the Avellino-Potenza area in 1980. The earthquakes in Friuli-Venezia Giulia in northeastern Italy (measuring 6.5 and 6.2 on the Richter scale) occurred in May and September 1976 when 922 people died, 105,000 were left homeless, and 150 towns were damaged. The earthquake of November 1980 (6.8 on the Richter scale) affected the regions of Campania and Basilicata, especially the provinces of Avellino, Potenza, and Salerno, in southern Italy; it left over 4,600 persons dead or missing and 400,000 homeless. Although less severe, the earthquakes that occurred in April and May 1984 were centered in the Abruzzi Mountains and Monte Urbino in the southern and central regions. Despite the receipt of immediate assistance from many foreign governments, a severe earthquake can have long-term economic and social effects. For example, in Naples some of those made homeless by the 1980 quake had to live in schools, causing daily demonstrations for the reopening of schools; Mafia-style rackets flourished as a result of the needs of earthquake victims and of the opportunities offered by reconstruction operations and allocation of relief funds.

Other natural disasters include floods, drought, and landslides. In some areas floods are a chronic problem: in the case of the Po River and its tributaries, floods are caused by rechanneling, which has raised the bed of the river above the surrounding countryside, and by the exploitation of natural gas and the draining marshes, which have caused land to sink. The flooding of the Arno in 1966 was famous because of the damage caused to priceless art treasures. Frequent extremes of temperature in Italy mean drought and frost as well as floods. Most landslides result from clay soils that dry thoroughly in the summer and become slippery after absorbing sustained winter rains, and others are caused by earth tremors. Landslides tend to occur near Volterra in Toscana, sometimes causing the loss of entire villages. The landslide that occurred in July 1985 killing about 200 in a resort area in northern Italy near Trento was not a natural disaster but resulted from the collapse of an earthen dam.

Demography

Size, Growth, and Distribution of Population

The 1981 census reported Italy's total population at 56,556,911, and in July 1984 it was estimated to be 56,998,000.

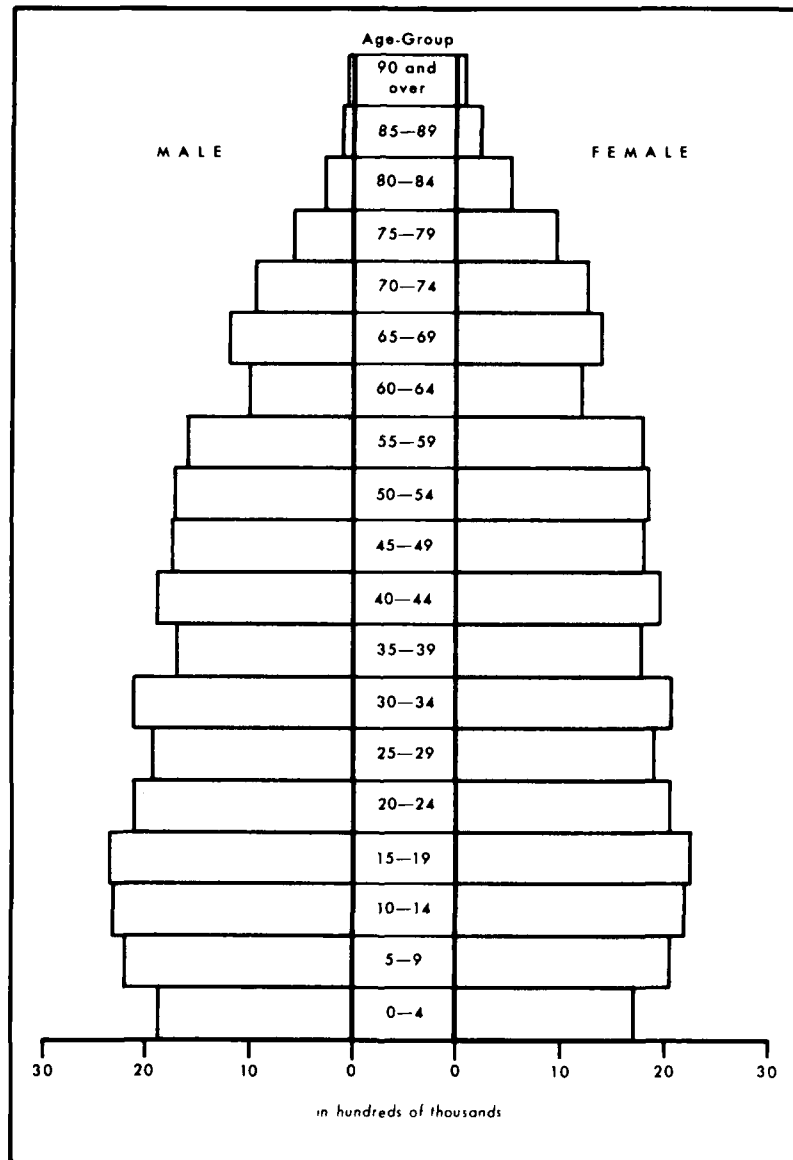
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Overall population density in 1983 was 189 persons per square kilometer, but density varied because three-quarters of Italy is mountainous and only 45 percent of the country is suitable for agriculture. The regions of lowest density were Trentino-Alto Adige, Val d'Aosta, Basilicata, and Sardinia, which have no more than 65 persons per square kilometer; the regions with the highest density, having 300 or more inhabitants per square kilometer, were Lombardia, Liguria, and Campania (see table 2, Appendix A). The two large islands, Sardinia and Sicily, accounted for 16.5 percent of Italian territory but only 11 percent of the population. About 70 percent of the national population was estimated to be urban in 1982. According to the 1981 census the largest urban communes (a local unit) were Rome (2,840,259), Milan (1,604,773), Naples (1,212,387), Turin (1,117,154), Genoa (762,895), and Palermo (701,782).

Italy's demographic structure more closely resembles that of northern or western Europe than that of the rest of southern Europe. At the national level Italy has passed through the European-style demographic transition from high mortality and fertility rates to low mortality and fertility rates, but its migration patterns have been uniquely its own, unlike those of western or northern Europe. Birth rates fell between the 1890s and the 1950s, as did death rates from the 1880s to World War II. Taking into account mortality, fertility, and migration, from 1970 to 1982 Italian growth rates averaged 0.4 percent, according to the World Bank (see Glossary). In 1983 the government reported the crude birth rate at 10.6 per 1,000 inhabitants and the crude death rate at 9.9 per 1,000 inhabitants, showing how close the numbers of births and deaths were. Moreover, the number of emigrants leaving has closely approximated the number of returning emigrants in the early 1980s.

As in northern Europe, the overall Italian population is aging, a fact that carries implications for the size of the work force, the burden imposed by social security, and the number of childbearing women (see fig. 10). The total fertility rate (the average number of births per woman who survives to childbearing age) was low, only 1.5 in 1983. At the same time, life expectancy was high in the late 1970s, at 70.6 years for men and 77.2 for women. About three-quarters of mortality was among those aged 65 and over, and the main causes of death were circulatory, respiratory, and digestive diseases and cancer. The proportion of the population aged 65 and over was increasing, representing 13 percent of the population in 1981, as opposed to 9.6 percent in 1961, and 11.3 percent in 1971.

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Source: Based on information from Italy, Istituto Centrale di Statistica, *Annuario statistico italiano*, Rome, 1981, 9.

Figure 10. Age-Sex Pyramid, January 1981

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National figures mask the important regional differences, past and present, between the Mezzogiorno and northern and central Italy. In 1982 birth rates were 25 to 40 percent lower than the national average in Friuli-Venezia Giulia, Liguria, Emilia-Romagna, Val d'Aosta, and Toscana; birth rates were 30 to 50 percent higher than the national average in Campania, Puglia, Calabria, and Sicily. As mortality rates have fallen in the south and on the islands because of improved health care they have risen in the north because of the aging of the population. There are contrasting trends of overall mortality, rising, for example, from 10.7 to 13.2 per 1,000 in the northern regions of Liguria between 1951 and 1977 and falling from 10.2 to 7.6 per 1,000 in Calabria over the same period. Mortality as a whole has declined in the South and islands, but infant mortality is still higher there than in the north; for instance, for 1982 the government reported a rate of 10.3 per 1,000 live births in Lombardia but 15.2 for Sicily and 15.8 for Campania (where Naples is located). During periods of large-scale internal migration, the smaller natural increase in some areas of the north has been hidden by numbers of incoming southerners.

Migration

Migration has been a traditional strategy for dealing with increased density of population since the nineteenth century. Between the 1940s and the 1970s millions of Italians migrated both internally and internationally. For the period 1946 to 1976 an estimated 7.5 million people emigrated from Italy. Between 1951 and 1975 some 4.5 million migrated from the south alone; over half went to northern Italy while 42 percent emigrated abroad. Migration has not necessarily been a response to the performance of the Italian economy since both internal and external migration continued from 1951 to 1962, the years of the "economic miracle." Patterns of migration are complex because lengths of absence and permanence of migration tend to vary widely. Italian migration has been massive, but it has not been unidirectional; the currents have flowed overseas, within Europe, from southern to northern Italy, from poorer rural areas to richer rural areas and/or to cities, and back home from abroad. The flow has not been steady, but rather has fluctuated widely. The primary motive for migration has always been economic. Workers in underdeveloped areas have been enticed by the more abundant opportunities available in foreign countries or in northern cities and repulsed by the poor conditions and limited opportunities in their own regions. The site of major post-

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war outmigration, for example, southern Italy has been characterized by poor environmental conditions, intense population pressure, and an agricultural economy.

Migration can be divided into the period from the 1860s to World War I, the period between the two world wars, and the period following World War II. In the early postunification period there were some seasonal migrants to French agriculture and artisans and industrial workers to the Federal Republic of Germany (West Germany) and Switzerland. In the second half of the nineteenth century, about 120,000 migrants left Italy each year until 1880 when numbers increased, reaching 872,000 in 1913. At the turn of the century most Italians migrating abroad headed toward the Americas, settling primarily in Brazil, Argentina, and the United States. Between the wars external migration came to a halt because it was forbidden by the fascists in 1928, while internal migration increased. After World War II there was substantial rural-urban migration and migration to West European countries such as Switzerland and West Germany. Restrictions that had been placed on immigration by many overseas countries and a rising demand for labor from Western Europe changed the direction of migration, especially after 1955. Migrants initially came primarily from northern Italy—Piemonte, Lombardia, Liguria, and Veneto—but by 1900 those migrating to the Americas were predominantly from the south and the province of Veneto while northerners went instead to other European nations. By the 1970s southerners from Puglia, Sicily, Campania, and Calabria, and northerners from Veneto, dominated migration to other European Communities (EC) countries (see Appendix B).

In 1982, the latest year for which Italian government figures were available, 98,200 migrants left Italy—77 percent went elsewhere in Europe, and 61 percent were from the south—while 92,400 returned from abroad. The number of emigrants is relatively insignificant given the size of the entire population. In fact, starting in the early 1970s and until 1981, repatriation was proceeding at a higher level than emigration, in part owing to the poor West European economic climate and to the political backlash in host countries against the high number of guest workers. Migration to Europe peaked in 1961, after which massive migration within Italy began to replace it. Italians have had the right to free movement within EC boundaries since 1968, because Italy is a member of the EC. Most recently those migrating have been family members, rather than those officially classified as economically active. Most migrants have been manual workers whose preferred destinations have varied according to home regions. For instance, among

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EC nations, northerners (except those from Veneto) have gone to France, southerners to West Germany, Sicilians to Belgium, and central Italians to Luxembourg.

In 1982 there were 296,200 Italians classified as workers and a total of 601,600 Italians in West Germany; 41,400 Italians entered West Germany, and 81,800 left that country. A favorite destination from 1950 to 1980 was Switzerland, which in 1982 had 233,100 Italian workers with annual contracts, who with their families totaled 412,000. In 1982 some 11,800 Italians entered Switzerland, and 20,200 Italians with annual permits left that country. Certain categories were counted separately, such as the 33,100 Italians who entered Switzerland with seasonal contracts in 1981. France had attracted migrants early and in the 1940s and early 1950s became, along with Belgium, a major target. In 1982 France had 136,800 Italian workers and 441,000 Italians, including family members.

Return migration to Italy has been substantial since the nineteenth century, although not necessarily well-documented. For example, although 3.8 million Italians landed in the United States between 1899 and 1924, some 2.1 million Italians returned home. Italians involved in the post-World War II European migration have neither been expected nor encouraged to become permanent residents where they have worked. One estimate is that 3,011,000 returned out of 4,534,000 who went to Western Europe between 1946 and 1970.

Apart from individual costs to emigrants in cultural shock, discrimination, separation from home and family, accidents or sickness, or poor work or living conditions, the Italian government and optimistic experts expected many benefits, including substantial savings. Consensus is less clear whether unemployment was lessened or whether returnees had acquired new skills or enhanced their socioeconomic development.

In the early 1960s labor shortages developed in Italy, and by the early 1980s there were estimated to be 800,000 foreign workers (many illegal) from North Africa, Ethiopia, Yugoslavia, and the Philippines in Italy. Because returning Italian migrants were not willing to take the jobs in domestic service, hotels, restaurants, and seasonal agriculture with the low wages and poor conditions acceptable to foreign workers, but rather aspired to jobs in factories or the tertiary sector, returning migrants were plagued by unemployment. Job opportunities in the 1970s in new small- and medium-sized industrial firms in Friuli-Venezia Giulia were unusual in permitting migrants to return home yet continue in the less specialized occupations held abroad.

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On their return, migrants spent their savings on building or renovating houses and buying consumer goods; if they invested in an economic activity, it was usually in a traditional enterprise—such as a taxi, a shop, or land—which generated a job only for themselves. Because they usually worked abroad as unskilled or semiskilled workers in the most insecure, unpleasant, or dangerous jobs, migrants did not tend to acquire new skills. An observer in Molise noted that when migrants did return with new skills, attitudes, and savings, such resources were disregarded by local agencies, which left migrants to establish small independent businesses not in keeping with their new skills or local economic possibilities. Although the return of migrants to areas such as Sardinia or Molise could counter depopulation and stimulate commerce and construction, migration has not seemed to make agriculture more efficient or modern; for example, one consequence of migration was the fragmentation of medium and large holdings that were sold piecemeal, and another was the creation of absentee landlords. Generally, migrants were not able to compensate for the very conditions precipitating their departure, particularly because those who returned to rural homes were the more conservative, older migrants.

Although during the 1950s and 1960s internal migration rates were high, by the 1970s the rates were appreciably lower. The decline was attributed to stabilizing government policies and the economic downturn. Figures for internal migration suggest that migration, i.e., changing residence as officially recorded by inscriptions and deletions from local registries, instead of occurring south to north, happened primarily within the Mezzogiorno and within north-central Italy—in 1982 only 96,801 people migrated from north to south while 123,417 people moved from south to north (though such figures are said to underestimate or reflect earlier movement). Compare this figure with those of the decade 1956–65 when 15.8 million people moved, overshadowing international migration figures. Urban growth as separate from all internal migration also diminished from an annual rate of 1.5 percent from 1960 to 1970, to 1.1 percent from 1970 to 1982. Comparisons of the 1971 and 1981 censuses showed the commune of Rome growing by 58,266, Turin by 50,814, and Palermo by 58,968, while those of Naples, Milan, and Genoa declined by, respectively, 14,207, 127,227, and 53,977; unfortunately, such figures are not for metropolitan areas, nor do they reflect the redistribution of population from the historic center to satellite towns.

Internal migration includes long and short distance moves, intra- and inter-provincial moves, and intra- and inter-regional

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moves. It has overwhelmingly been a move from agriculture, from the poorest areas of Italy, and from areas with the highest rate of natural increase and the highest rate of unemployment. It has resulted in the depopulation of mountain communes in both the Alps and the Apennines—some of which have lost 30 to 50 percent of their residents since 1951—and in uncontrolled population growth in northern cities. Incentives have included employment—often at relatively high wages—shorter and better working conditions, and the amenities of urban life.

Regions such as Molise, Calabria, Basilicata, and Veneto, and specific areas such as the Calabrian uplands, interior Sicily, and the Ligurian Hills have declining populations, while shantytowns and crowded schools attest to the strain on big cities. Long-distance urban destinations have been the industrial triangle (Genoa-Turin-Milan), Lazio (where Rome is located), and to a lesser extent, Bologna and Florence; more recently industrial areas attracting migrants have been areas with medium- or small-sized industry in provinces like Modena and Reggio Emilia (in Emilia-Romagna), Pordenone (in Friuli-Venezia Giulia), and Perugia (in Umbria) or expanding urban areas in provinces like Asti (in Piemonte), Pistoia (in Toscana) and Latina (in Lazio). Over the last century, shorter-range migration has meant that urban areas draw inhabitants from the rural hinterland, that provincial capitals draw migrants from the province, and that major cities attract people from the larger region. Provincial capitals have grown because of bureaucratization and the decision to locate industry within such cities. Regional cities in north and central Italy have surpassed other provincial capitals to a much greater extent than in the south. Given alternatives, migrants may choose to stay in the urban area nearest home, whether that means within the province, region, or country. When migration has been rural-to-rural (from one rural area to another), it has been from the higher mountain areas to the foothills, plains, and coast or perhaps to reclaimed areas like the Po Delta or the Pontine Marshes; rural-to-rural migration has also been part of the south-to-north flow, resulting in the influx of southerners to northern Italian agriculture.

Such massive migration has not been without its costs to participants and to their old and new communities. Until the mid-1960s migration was illegal because the fascist laws had not yet been repealed, and officially the migrants needed a job to get housing and housing to get a job. Rural migrants often ended up in dilapidated and crowded downtown housing or shantytowns (called "coreas" because of their notoriety during the Korean War) on the city outskirts. Shantytowns lacked sewage systems, electricity,

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parks, and schools and overburdened nearby medical and educational facilities. Considered cheap, nonunion labor, such migrants were often unemployed or at a disadvantage, working in groups headed by a middleman who subcontracted work in construction, factories, or small businesses in the "submerged economy" but procured no benefits, and offered wages below the going rate (see *Postwar Development*, ch. 3). In the areas from which migrants came, farms were at times abandoned, and the agricultural work force became aged and feminized; the average migrant was young, relatively well educated, and male, meaning rural areas lost their most skilled and best-educated men. In addition to agricultural workers, those who provided services, such as artisans and merchants, also left. Parents may have had to endure separations from their children, either physically or psychologically, since jobs provided children with financial independence and undermined parental authority. Northerners resent and discriminate against the migrants from the south, although in earlier years they have chiefly resented those migrating to Milan from Veneto.

Language

The national language of Italy is called standard Italian and is loosely based on Tuscan, but is actually an amalgam of elements from various regional dialects. Following World War II, the language was most influenced by the dialect of Rome, the capital and center of filmmaking. Standard Italian is the language diffused through the mass media, especially through television, and through the public education system. Regional varieties of spoken standard Italian primarily differ from one another in features impinging on the standard from the dialects, especially pronunciation and vocabulary. In addition to Italian other languages spoken in Italy are French, German, Slovene, Friulian, Catalan, Greek, Albanian, Ladin, and Provençal. Most Italians speak standard Italian and at least one dialect, and many are multilingual.

One dialect may be unintelligible to speakers of a different dialect—say Neapolitan to a Roman. They may be as different from one another as French is from Spanish, and knowledge of a dialect does not automatically imply knowledge of standard Italian or vice versa. Italian dialects can be divided into four groups—Northern, Tuscan, Central, and Southern. Northern includes Venetian and the Gallo-Italian dialects (Piedmontese, Ligurian, Lombard, and Emilian). Within Tuscan dialects there is a central dialect used in Florence; a western dialect used in Lucca, Pisa, and

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Livorno; and a southern one, used in Arezzo and Marche and Umbria. Neapolitan, Calabrian, and Sicilian dialects compose the southern division. Istriote and Sardinian are considered different from northern, central, and southern dialects; Istriote has a Slavic influence, and Sardinian, while it can be classed with Tuscan because of similarities, is often considered a separate language, partly for geographical reasons.

How and when Italian dialects developed are matters for academic debate. A common explanation for the diversity of dialects is that there existed a substratum of languages of pre-Roman inhabitants upon which Latin was imposed. Successive invasions and occupations in various parts of Italy provided a linguistic legacy, leaving, for instance, traces of Arabic on the Sicilian dialect, of Spanish on the Neapolitan, and of French on the Piedmontese. The dialects were only seriously challenged by the standard in the twentieth century, because of the late development of the Italian state (see *The Unification of Italy*, ch. 1). Standard Italian can be traced to the literacy language based on Tuscan, the language of the works of Dante, Boccaccio, and Petrarch (although dialects such as Venetian, Sicilian, and Neapolitan had separate literary traditions). Latin-derived ~~dialects~~ ^{dialects} spoken on either side of present-day borders of Italy are divided by the standard imposed upon their speakers; thus, on the French side dialect speakers have had standard French imposed upon them as opposed to speakers of a similar dialect on the Italian side who have had the Italian standard imposed upon them.

There are also German speakers scattered in the provinces of Trento; in Verona, Vicenza, and Belluno (in the Veneto region); in Vercelli and Novara (in the Piemonte region); in Udine (in the Friuli-Venezia Giulia region); and in Val d'Aosta. The largest group was about 250,000 in 1979 on the border with Austria by the Brenner Pass in Trentino-Alto Adige. The German speakers dominate the province of Bolzano-Bozen (which has about 140,000 Italian speakers), which they call the South Tyrol, and they are said to be increasing in numbers.

Language is the most obvious difference between the German- and Italian-speaking populations. However, other cultural patterns also distinguish German and Italian speakers in South Tyrol, such as the German ideals of inheritance of property by the oldest son, strong attachment to the land as cultivators, and loyalties to and participation in public organizations. There is some feeling against the Italian government and those with the mother tongue of Italian because of the pressure to assimilate and because of problems such as unemployment that are blamed on the influx of Italian speakers.

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The German speakers have supported a political party defending their interest—the South Tyrol People's Party (Südtiroler Volkspartei—SVP). In the period 1956–57 (and renewed in 1978) there were terrorist activities by German extremists discontented with Italy's treatment of them and desiring total independence or reunification with Austria. The terrorism was not negligible between 1956 and 1967, 22 persons were killed and there were over 300 bombings and 30 shooting incidents. The terrorists sought refuge in Bavaria or Austria (which have not accepted Italian sentences for terrorists), and terrorists used these countries as bases of operation. Austria took the part of the German minority to the extent of presenting their case to the United Nations in 1959 and 1960 and negotiations for a new agreement with Italy on their behalf in 1969. In 1972 the Autonomy Statute added new provisions to protect the rights of each linguistic group in the area (Italian, Ladin, German), in the German case including use of German in the civil service and schools, and reservation of government posts for German speakers (see *Local and Regional Government*, ch. 4; *The Opening to the Left*, ch. 1).

The region of Friuli-Venezia Giulia borders on Austria and Yugoslavia and the region's four provinces (Trieste, Gorizia, Udine, and Pordenone) form a multiethnic region, with speakers of Italian, Friulian, German, and two Slavic languages (Croat and Slovene). Despite massacres and persecutions earlier in the twentieth century, since World War II although not completely integrated, the minorities have had peaceable relations, with some degree of self-segregation. The Slovenes may serve as an example. In 1961 it was estimated there were 40,000 Slovene speakers in Trieste province, 15,000 in Gorizia, and 21,000 in Udine. A poll of Slovenes and Italians in the late 1960s found that participants did not join mixed Italian-Slovene voluntary associations and that the majority had acquaintances but not friends of the other ethnic group. There existed a network of political and cultural Slovene associations like unions, a theater group, banks, and sports clubs, as well as a radio station, periodicals, and a daily newspaper, although only in the parishes around Trieste were Slovenes a majority. A problem for this language group was the forced emigration to other parts of northern Italy to find jobs requiring advanced qualifications.

Another group concentrated in the area were speakers of Friulian. Friulian belongs to the Rheto-Romance linguistic subgroup (also including Ladin and Romansch) spoken in southeastern Switzerland and northern Italy. These languages are geographically rather than linguistically close although they are distinct as opposed to other Romance languages. Friulian was spoken by per-

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haps 600,000 Italian citizens in the 1970s, concentrated in the region of Friuli-Venezia Giulia; there has been some support for the Friulian movement, which wishes to make Friuli autonomous with its own university and with Friulian taught in the schools.

In the Mezzogiorno there are still clusters of villages where languages other than Italian are spoken by the older generation (although such languages receive no formal recognition). It was estimated that there were 10,000 to 15,000 Greek speakers in the early 1970s in Calabria and Puglia around Salento (a peninsula forming the heel of the boot) and east of Reggio Emilia. In contrast to the Greek speakers, those of Albanian origin in the provinces of Campobasso, Cosenza, Foggia, Pescara, Taranto, and Potenza and the island of Sicily have not only a tradition of literature but several prominent representatives (including the bishop of the Albanians, Giovanni Stamati, and politician Rosalino Petrotta) and the interest of the better educated in preserving their heritage. In some villages the speakers of Albanian have followed the Greek Catholic rite (so that special religious festivals have provided a convenient vehicle for reaffirming ethnic identity). In the 1970s Albanian speakers numbered about 260,000 but only about one-third were said to use Albanian in their daily lives. Two smaller language groups were those in Alghero on Sardinia, who spoke Catalan, and those speaking Serbo-Croat in Molise.

A substantial population of French origin, speaking a French dialect, can be found in the autonomous region of Val d'Aosta along the Franco-Italian border. Although standard Italian is the official language of the region, French has been named as the second official language. Val d'Aosta, the smallest of Italy's 20 regions in area and population and the least densely settled, had a total of about 109,000 people according to the census of 1971. Estimates of the French speakers that year varied from 67,000 to 100,000.

Religion

Italy is, and has been, considered to be a Roman Catholic country. Within its capital, Rome, is located the autonomous enclave called the Vatican, the headquarters of the Roman Catholic Church. From 1929 until 1984 Catholicism was the established state religion of Italy, and 97.5 percent of the population is estimated to be Catholic. The largest religious minorities are Jews (38,000 in mid-1975), Muslims (45,000 in mid-1975), and Protestants (185,000 in mid-1975), but together they do not account for

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more than about 1 percent of the population. The church has been influential through the faithful, political clout, and the large numbers of charities, schools, and other organizations under its aegis. Its political clout has been exercised not only through its leader, the pope, but also through the Italian Bishops' Conference and the Christian Democratic Party (Partito Democrazia Cristiana—DC) (see *The Italian Republic*, ch. 1; *The Major Parties: Problems and Prospects*, ch. 4). Those baptized, married, or buried by the church include nominal Catholics; those indifferent or antagonistic to the church were estimated to be about 14 percent, or about 7 million disaffiliated people in 1975. Observers have been struck by the postwar trend toward secularization, which some link to the influence of the Italian Communist Party (Partito Comunista Italiano—PCI).

The Jewish and Protestant communities (small as they are) have a long history in Italy, in contrast to the Muslim population, which consists of students and refugees from Bulgaria, Yugoslavia, Albania, and Hungary. The largest concentrations of Jews are in Rome and Milan. Before World War II most Jews were part of the middle and upper classes. They were chiefly employed in commerce, the professions, and trade, and were generally well accepted. About 8,000 Italian Jews perished in concentration camps during the German occupation. More recently, Jews were perturbed by a terrorist attack on the synagogue in Rome in 1982 that killed one and injured 34, afraid that the attack was linked to anti-Semitism. The most important Protestant groups are the Assemblies of God and the Waldensians; the latter began as a movement in southern France and northern Italy and was considered heretical to the Roman Catholic Church. Its members were excommunicated in 1175 and did not formally join the Protestants until 1532. Recently the Waldensians have united with the Methodists. They were the first Protestant group to sign an *intesa* (understanding) with the Italian government since the new concordat and played a major role in the new Italian translation of the Bible.

The formal status of the Catholic church in Italy has been radically altered. Agostino Cardinal Casaroli, the Vatican secretary of state, and Bettino Craxi, the Italian prime minister as of late 1985, signed a new concordat in February 1984, replacing the concordat signed by Benito Mussolini and Pope Pius XI in February 1929. The new concordat was approved by the Senate in August 1984 and by an overwhelming majority of the Chamber of Deputies in March 1985. Indicating the increasing secularization and detachment from temporal affairs by a post-Vatican II Polish-born pope, John Paul II, the concordat did not provoke any great con-

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troversy from the general public, as opposed to the controversy caused when negotiations began in 1967. Nevertheless, the major parties had stipulated adherence to the 1929 concordat in the 1948 Constitution precisely because of feared consequences from the serious split between Catholics and anticlericals.

The concordat included in the 1929 Lateran Pacts had ended the church-state conflict connected with the annexation of the papal states and Rome during the unification of Italy and the establishment of a liberal national state (see *The Fascist Regime*, ch. 1). The concordat in the Lateran Pacts had made Catholicism Italy's state religion, had established the Vatican City as an independent sovereign entity, and had provided for religious education in state primary and secondary schools. According to the 1984 concordat, Roman Catholicism is no longer the established state religion, although it is guaranteed freedom to pursue its charitable, educational, and pastoral endeavors. Rome is no longer a "sacred city" but its "particular significance" was acknowledged; practically, this change removed a legal basis for the Vatican to request Italian authorities to ban films, plays, or books in Rome as objectionable to the church as had happened in the 1960s, the most famous case being that of the play, *The Deputy*, which was especially critical of the pope's relationship with Hitler. Special status had also necessitated consultations over building a mosque. To the distress of many Italian bishops, religion has become an elective in state schools, whereas it previously had been compulsory unless exemption was specifically requested (although one observer noted religious education had been practiced indifferently anyway). In addition, secular courts must confirm church annulments, the Vatican can appoint bishops without informing the state (bishops do not have to swear loyalty to the Italian president), and priests do not have a special status if arrested (although they continue to be exempt from military service).

Ratification was delayed until after further negotiations. As a result, in November 1984 a protocol was added to the concordat. In it the Vatican and the Italian government agreed to eliminate subsidies for clerical salaries by 1990, saving an equivalent of about US\$175 million a year, although generous tax credits were to be provided to taxpayers in return for contributions to the bishops' fund to help defray salaries. Institutions such as seminaries and churches that were open to the public would receive tax benefits, and assistance was promised to maintain religious buildings open to the public and to preserve art. To facilitate stricter tax benefits for church organizations, a census of church property in Italy was mandated.

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Besides the new concordat, there are other signs of secularization, one of the most important trends of the last decades. The Catholic church is no longer necessarily the arbiter of morality for Italians. Referenda on divorce and abortion, in May 1974 and May 1978, respectively, forced realization of this secularization on the church, Italians, and observers of Italy. These two issues, on the one hand, showed that the church has not completely withdrawn from the arena of Italian politics, although not all bishops, priests, or lay persons were willing to campaign against the existing laws on divorce and abortion. The pope insisted on intervening, for example, in the abortion debate as a case of personal morality, although he did not support the DC. On the other hand, the referenda showed that a majority of Italian voters wish to decide such issues for themselves rather than blindly follow church doctrine. Such a stance is reflected in the weakening of Catholic organizations that have become either less politically inclined or more independent, such as Catholic Action (a voluntary association intended to mobilize Catholic lay persons) or Coldiretti (National Confederation of Small Farmers); it is also reflected in the feminist movement, which saw the debates on abortion and divorce as linked to a redefinition of women's role in the family and the larger society, away from subordination to a patriarchal unit.

A controversial divorce law was passed in December 1970, and unable to block it, the bishops' conference supported a referendum in May 1974 to challenge it. The law permitted divorce in a variety of circumstances including separation for five years, incest, criminal insanity, divorce or marriage abroad by one spouse, and lack of consummation. Contrary to expectations, the referendum vote was 59 to 41 percent in favor of the existing law. Despite the bishops' conference's stand that voting for the law would be an act of disobedience, an April 1974 poll indicated that 73 percent thought that being a good Catholic was compatible with being in favor of the divorce law. Polls over time had indicated an evolution in attitudes, so that the enactment of the law legitimized it and made its provisions more familiar to the general public; people may have also been convinced by evidence that in the four years since the law's passage a majority of those taking advantage of it were regularizing an already existing separation. Divergences in opinion seemed to follow age, sex, and educational levels so that respondents who were older, female, and with only an elementary education tended to agree with the church's position, especially before the law passed.

Before 1978 abortion had been a crime under a 1930 law; it was rarely enforced by the 1970s, so there were perhaps 800,000

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illegal abortions and 2,000 associated deaths yearly. After February 1975, when the Constitutional Court found part of the abortion law unconstitutional, new legislation was required. Italian feminists gained visibility in their support of a liberal abortion law. There were various unsuccessful attempts initiated by the left and feminists to revise the fascist law. Then, in May 1978 a new law on abortion was passed permitting free abortions in public hospitals for women over 18 years of age. During the first trimester of pregnancy, grounds for abortion included rape, incest, risk to mother's health, or an abnormal fetus; during the second trimester, only grave danger to the mother, or abnormality of the fetus were grounds for abortion. The church insisted that abortion was always wrong; once it was certain that there would be a referendum, the pope and bishops' conference backed the proposal for a more stringent law that prescribed abortion only to protect the mother's life, provoking discussion over whether the pope should be so involved in Italian politics. The Radical Party also sponsored a simultaneous referendum for a more liberal, less bureaucratic law opening access to abortion. The stricter proposal was rejected by about 70 percent of those voting in May 1981, and the more liberal proposal was rejected by 88.8 percent. In contrast to divorce, the sex of respondents in polls on abortion did not affect attitudes toward abortion or toward a woman's personal choice, but age did, with youth favoring the legalization of abortion.

Aside from these referenda, there are other ways to try to measure religiosity. One way is to ask individuals about the importance of religion in their lives, another is to look at attendance at mass, participation in other Catholic rituals, and the strength of Catholic organizations. An April 1980 poll showed 22 percent of interviewees attaching great importance to religion in their lives as opposed to 39 percent giving it little importance. This 39 percent was a significant increase over the 21 percent polled in 1972, who considered themselves only slightly, if at all, religious. This decline is paralleled by changes in a basic obligation—attendance at mass. About one-third of Italians polled in 1980 and 1981 went to mass weekly and 40 percent on any particular Sunday; in contrast, after World War II and in the 1950s about two-thirds attended mass weekly. Such decline can be partly attributed to urbanization and to generational change. Cities have relatively larger parishes than rural areas, and it may be less noticeable when urbanites do not attend mass; moreover, there is less social pressure to attend church, and urban occupations are less dependent on nature (taken to be under divine control) than agriculture. Generational differences affected the likelihood of church attendance; those most

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likely to attend church were older, female, and rural inhabitants, and those least likely to attend, young urban males. Certain Catholic organizations in the late 1940s and early 1950s were stronger than they were in the 1970s and 1980s. For example, Catholic Action in the 1970s had only 700,000 members compared to 3 million at the end of World War II, and Coldiretti, despite its over 1 million member families, represented a much smaller segment of the economy.

A distinction, however, must be made between attendance at mass and community celebrations, and participation in private, individual Catholic rites of passage, i.e., marking important changes during the life cycle, such as baptism, First Communion, marriage, and funeral rites. A majority of Italians, nominal Catholics or not, are baptized and married by the church. In 1983 about 85.7 percent of all Italian marriages were religious rather than civil, and virtually all religious rites were Catholic, given the small number of Jews, Muslims, and Protestants. Even among Communists, for example, in a working-class neighborhood of Bologna, only the most militant would not baptize children, send them to catechism classes for confirmation and First Communion, mark Christmas and Easter, or celebrate weddings and funerals in church. Nonetheless, Communists and the church in this neighborhood in Bologna did compete for ritual participation in the arena of communal festivities: the Communists' *fiesta* (holiday) of unity substituted for the full cycle of holidays that had been sponsored by the church until the 1930s (celebrating the Madonna, Saint Anne, Saint Agnes, and Saint Anthony).

Competition between the church and the PCI for the people's participation in their respective rituals leads to the question of whether it is a pair of ideologies and/or a pair of social worlds competing for adherents. Nineteenth-century social analysts spoke of *il mondo cattolico* (The Catholic world) and *il mondo socialista* (the socialist world). The leftist thrust was assumed by the Communists after World War II so a new term emerged—*il mondo comunista* (the Communist world). Similarly, contemporary social scientists may refer to political "subcultures"—lay liberal, socialist-communist, or religious-Catholic. In each case what are referred to are parallel organizational structures and associated social networks that may be mutually exclusive. Although there have been a variety of political parties in Italy, after World War II the two surviving Italian institutions, uncompromised by fascism (which also had its own associational network) were the Catholic church and the Communist party (which had led the Resistance in the north) (see World War II, ch. 1). "World" was seen as an appropriate word

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for these two organizational groupings because Catholic organizations have not confined themselves to what could be considered strictly "religious" issues, such as salvation, nor have the Communist organizations restricted themselves to what could be considered strictly "political" issues, such as voting and public opinion. A mid-nineteenth-century movement called integralism sought to infuse all human activities with a Catholic orientation, and hence Catholics established sports clubs, credit associations, youth and women's groups, cooperatives, unions and peasants' leagues, charities, and day-care centers, inspiring Communists to do likewise.

Italians themselves are divided as to whether the Catholic and Communist worlds should be considered mutually exclusive or whether there should be a mixed category of Catholic-Communist. Contrasted to be "red belt," where Communist voters are concentrated in Emilia-Romagna, Toscana, Marche and Umbria, is the "white belt" of northeastern Italy (especially Veneto) and the south (especially Molise-Abruzzi), where practicing Catholics predominate. Anthropologist David Kertzer described a characteristically Communist community, a working class neighborhood in the city of Bologna, where Catholic voters were a minority and Catholic organizations had disappeared, except for the DC and a weekly discussion group, and where now existed an abundance of Communist-affiliated organizations. Given the general acceptance of the PCI and its relationship to social networks in that neighborhood, newcomers to the area would declare allegiance to the PCI to join community life. In contrast to Bologna is the community in rural Veneto studied by political scientist Robert Evans; there the priest played a pivotal role not only as spiritual leader but also as a local broker, arranging business deals, finding jobs for people, and influencing and directing local politics.

Nonetheless, Catholic and Communist allegiances are not as incompatible as this contrast might suggest. Kertzer was careful to point out frequent participation in Catholic rites of passage in the Bologna neighborhood, and to cite a study in rural Emilia-Romagna where voting Communist, attending weekly mass, and taking Holy Communion were readily compatible. It has been estimated that in the mid-1970s 40 percent of Communist members professed Catholicism, and 70 percent of Communist voters considered themselves Catholic. Despite a postwar anti-Communist crusade (especially from 1948 to 1955) by the Catholic church, the Communist party policy since World War II has been at pains to avoid anticlericalism and to separate the church as an institution from personal Catholic beliefs. Although an important source of support for the DC in the 1970s has been practitioners of Catholi-

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cism—as defined by weekly attendance at mass—and though practicing Catholics may see voting as part of their religious obligation, not all of those affiliated with the church vote for the Christian Democrats.

Education

Although many criticisms may be leveled against the performance of the Italian educational system, remarkable progress has been made since the 1930s when over 20 percent of the population lacked rudimentary reading and writing skills. Great strides were made during the 1950s and 1960s when the government began to place the eight years of compulsory education within the grasp of most school-age children. Before the 1960s universal elementary education had been impeded by a lack of facilities; the cost to parents of clothing, books, and supplies; and the lost labor and earnings of children. By the 1960s upper secondary and university attendance had been encouraged by increased urbanization, higher per capita income, and a demand for a skilled and well-educated work force. The illiteracy rate had plummeted to about 3 percent nationally by 1981, although the rate was 6 percent in the Mezzogiorno. Overall, out of a total labor force (age 14 and up) of 22,982 in 1983, 24.9 percent had an upper secondary or university diploma, and 33.8 percent had a lower secondary diploma. Although only 34 percent of 12- to 17-year-olds were in school in 1960, some 73 percent were in secondary school in the early 1980s.

Until the mid-twentieth century education divided Italians into a semiliterate mass and an elite group who progressed to secondary and university levels, acquiring a valued humanistic education and prerequisites for certain well-paying occupations. The problem at the elementary level had been the quality of education and at the secondary level, the quantity. Democratization of the system in itself created more problems. Secondary and university institutions were overwhelmed by the new flood of students. The middle-class values of the system did not match those of many of the new users. Not all university graduates could find appropriate jobs, despite expectations. There remained the problem of how to equalize educational opportunities for all children, regardless of their socioeconomic background or their facility with standard Italian. Infrastructure was still inadequate in certain localities so that children went to school half-days, often in shifts; critics called the system “chaotic” and of “variable quality.” In relation to the prob-

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lems of lag in finding employment, employers complained that new employees were poorly prepared and often had obsolete knowledge. Regionally, southerners had higher rates of students' repeating grades and, along with students from central Italy, a greater likelihood of continuing at upper secondary school because of fewer job opportunities; experiments with full-time school were conducted in northern and central Italy because of the demand from families in which both parents worked. Italian teachers have been characterized as numerous but poorly paid, poorly prepared, and frustrated by the lack of incentives.

In 1985 education was compulsory and free from the ages of six to 13 at the elementary and middle-school levels (see fig. 11). Thirteen years of schooling were necessary before admission to a university—five in elementary school, three in middle (lower secondary) school, and five in upper secondary school. A centralized state system dominated education; overall in 1984 an estimated 14 percent of all children were enrolled in the private schools, which were predominantly Catholic. In the 1983-84 school year there were about 1.7 million preschool students, 6.9 million children in the years of compulsory schooling, and 2.5 million upper secondary school students. In public schools the school year ran from mid-September through June, six days a week for a half-day.

Localities had responsibility only for short vocational courses, educationally associated social services, and varying extras, such as textbooks. The Ministry of Education had central control of curricula, syllabi, hiring and salaries of teachers, and much of the financing; even financing of buildings came from the Ministry of Public Works, as well as the Ministry of Education, although responsibility for spending belonged to provincial and commune authorities. Only the five specially empowered regions (Sicily, Sardinia, Val d'Aosta, Trentino-Alto Adige, and Friuli-Venezia Giulia) were allowed leeway in improvising on the basic structure of the central system, allowing for needs of linguistic minorities. In the rest of Italy, the minister of education appointed provincial school superintendents to administer and oversee primary and secondary schools. Various kinds of advisory councils allowed participation by students, teachers, parents, and community figures; the most important, the school council, dispensed allotted funds, organized classes, and made additions to the central government's prescribed curriculum and extracurricular activities.

Compulsory schooling does not begin until the age of six. Preschools, mostly private, existed for children aged three to five; in 1980-81, roughly 77.8 percent of children that age were in public and private preschools. They emphasized play and were ad-

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Maturita examination at end of last year of school		
↑ COMPULSORY ↓	18	Upper Secondary <i>Linguistic, classical, and scientific lyceums</i>
	17	
	16	
	15	
	14	
	13	Lower Secondary or Middle School <i>(Scuola media)</i>
	12	
	11	
	10	Elementary School <i>(Scuola elementare)</i>
	9	
	8	
	7	
	6	
	5	Kindergarten <i>(Scuola materna or Giardino d'infanzia)</i>
	4	
	3	
	2	Day Care <i>(Nido d'infanzia or Asilo d'infanzia)</i>
	1	
	Age	

Source: Based on information from Joseph P. Capobianco, *Italy*, Washington, 1981, 2.

Figure 11. Preuniversity Education, 1985

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ministered locally, often by the Catholic church or other private and local organizations. For children under three, there were day-care programs called "children's nests" that were administered privately—usually by industry—and were found most frequently in the north.

Primary schools serve children between the ages of 6 and 10. Emphasis has been on mastery of basic skills—reading, writing, and simple mathematics. All subjects are taught by one teacher who may continue with a group of children as they advance. During elementary school, performance is evaluated through observation by teachers rather than numerical or letter marks. Elementary school is broken down into a two-year and three-year component, and successful completion of oral and written examinations at the end of the fifth year is rewarded by an elementary-school certificate, which is needed for admission to secondary school.

Three years of free, comprehensive, middle-school education represented a breakthrough for the educational system when instituted in 1962. It provided a common institution and certificate for all students in the 11 to 13 age-group, regardless of their plans to continue on to preuniversity studies, vocational or technical education, or employment. Establishment of the middle school opened avenues to the university. Although the new middle school reinforced continuing on in school, repeaters of middle-school classes tended to drop out; this drop-out problem could be blamed as much on some children's home environment as on the alleged failings of the middle school.

In the middle school, subjects studied include Italian and foreign languages, social studies, mathematics and sciences, technical and artistic skills, music, and physical education. During middle school there are descriptive, analytical evaluations instead of marks. Weaker students may receive extra help. A state examination upon successful completion of the three years is necessary to receive a diploma and pass to upper secondary school.

The upper secondary schools have expanded and are no longer dominated by the classical lyceums or restricted to small numbers of children of the elite. Although since 1969 all lyceums prepare students for the university, it is at the upper secondary level that choices must be made between differently oriented careers. The upper secondary schools, however, have ceded to the university the key position in career preparation. Cost does not seem to be an issue because public school fees are nominal. The student can choose between classical, scientific, linguistic, and artistic lyceums, technical or vocational schools, specialized schools for music and the arts, or normal schools for kindergarten or ele-

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mentary school teacher training. The classical lyceums emphasize literature, history, and philosophy, while the scientific lyceums provide more hours of mathematics and sciences and the linguistic lyceums permit taking at least two foreign languages. Technical studies include aeronautics, agriculture, commerce, about 30 industrial fields, and tourism; vocational schools differ from them in being narrower and providing a less academic and humanistic base. Normal schools may soon be replaced by university-level training supplemented by refresher courses (the former already the basis of training secondary-level teachers).

The lyceums have been accused of being too broadly and abstractly oriented at the same time that the institutes were overspecialized. Secondary schools in the past were also charged with being out of touch with the job market, but by the 1970s increasing numbers of students studied at the more practical technical and vocational institutes. The number of technical students in 1983-84 was 45 percent of all upper secondary students, and the number of technical diplomas at various levels quadrupled between 1951 and 1981. Children of the upper and middle classes, however, still tended to choose lyceums rather than the vocational or normal schools preferred by the children of salaried workers. Critics claim one by-product of the 1969 reform was to drop standards both in the upper secondary schools and in the *maturità* examination, success at which was needed to provide the diploma for university admission. Although 95 percent passed in 1981, the *maturità* is important because it comes at the end of upper secondary school and consists of a two-day oral and written examination administered by a board of mostly outside examiners. Proposed reform would extend compulsory school until age 16 and create a unified upper school divided into two cycles (with specialization delayed until the second cycle) to substitute for the present diversity and permit transfer between types of studies.

By and large, higher education in Italy means universities (which include university institutes and polytechnics); there were 64 universities in the 1980s according to a government source. Many universities in Italy have long histories—the University of Bologna was founded in 1088, the University of Padua in 1222, and the University of Naples in 1224. There are, however, newer universities founded as recently as the state University of Trieste in 1938 or the University of Ancona in 1969.

Two degrees may be obtained at Italian universities—the *laurea* (so called for the crown of laurels bestowed on scholars in ancient times) and the doctorate. A recipient of a *laurea* can be addressed as *dottore*, and the degree is distinguished from diplomas

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given by special-aim schools or conservatories or schools of fine arts. A *laurea* requires a thesis based on original research as well as success with examinations; classes consist of formal lectures and official examinations given only at the ends of courses. To a lesser extent than at lower levels of education, state universities are under the Ministry of Education, but curricula are subject to approval and many courses are required nationally. Private universities must also submit curricula in order to have legal recognition, so they differ only by being funded by local or regional government or private entities such as the Catholic church, instead of by the Ministry of Education which pays state professors.

Universities can be broken down into units, each of which is called a *facoltà*, which offer courses and grant degrees. Most programs require four years, but some such as chemistry or agriculture require five years, or six in the case of medicine. There are few electives, but within a given field there may be specializations, such as ancient or modern history. In 1983-84 there were 731,807 registered students; students not having passed all examinations, not having written theses, or delaying receipt of the degree were counted separately and called *fuori corso*.

The universities in the 1970s and 1980s were in crisis, hard-pressed by the increase in numbers of students and by new types of demands from new clientele. After 1969 there were open admissions, and crowding was caused by a less than optimal distribution of students among universities. All recipients of *maturità* diplomas could enter any field of study, although drop-out rates made university degrees more selective than otherwise might be expected. The overall drop-out rate was 16.8 percent in 1980 (for freshmen, 32 percent in 1980-81) and tended to affect students of modest socioeconomic backgrounds and graduates of technical or vocational schools. Professors found most university students performed poorly compared with those of earlier decades, and standards for promotion varied according to professor. Because fees were among the lowest in Europe, they did not contribute resources needed to correct deficiencies in laboratories and libraries or to supply counseling for new students. One education expert, Corrado de Francesco, described the universities as lacking competition and accountability, and a 1981 report stated that faculties were polarized, ratios of students to professors were high in some disciplines, student attendance at lectures was infrequent, grades were inflated, and overall performance was inefficient.

A 1980 survey of Milan graduates conducted by de Francesco found that university graduates were widely underemployed, (especially in fields such as law or the humanities). Unemployment of

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university graduates did, however, decline from 1978-81, a period when unemployment among nonuniversity graduates grew. Employers demanded a university degree when it was not necessary, and university graduates were taking jobs formerly refused by degree holders or were retaining jobs held while students. A university graduate's income also fell with inflation between 1967 and 1983 compared with that of a nongraduate.

The 1981 University Act was a partial move toward university reform. As a result, the National University Council (a form of self-government) came to assume initiative for reform, thereby providing greater freedom for innovation by universities. The act provided increased funding for scientific research (although the government had been cutting research funds). Staffs were reorganized to control the number and type of positions; tenured teaching positions were defined as either associate or full professorships, leaving less flexibility for hiring untenured teachers and limiting opportunities at the lowest rungs. The post of research worker was created to be filled by former temporary staff and those to be trained by the new research doctorate program, a three-year program that began in 1983-84 and was limited to 2,000 employees.

Social Relations

Regional Differences

One anthropologist who has worked in Italy, William A. Douglass, has noted: "From both a temporal and cultural viewpoint, then, it is illusory to speak of 'Italy,' for there are indeed many Italys and each differs from the others" No sooner is a generalization about Italy as a whole attempted than an exception may be found. Often social and cultural patterns that are held in common are outlines, not specifics. A loyalty to region or locale is a common trait but one that by its very nature differentiates Italians. Similarly, a tradition of the city as an important source of standards of civility, urbanity, and manners is widespread, although the details of how an Umbrian, as opposed to a Neapolitan, defines that tradition may vary. Family is important to all Italians, but in Pisticci (in Basilicata) that may mean a core of close neighbors who are sisters and cousins, as opposed to married parents living with married children in sharecropping families in Umbria.

The usual breakdown of Italy based on differences such as land tenure, education, social structure, health, or demography is

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into northern, central, and southern divisions. In this division the north includes the regions of Piemonte, Val d'Aosta, Lombardia, Trentino-Alto Adige, Liguria, Veneto, and Friuli-Venezia Giulia; the center (some of which is considered to be transitional between north and south) encompasses Emilia-Romagna, Toscana, Marche, Lazio, and Umbria; the south refers to Campania, Molise, Puglia, Abruzzi, Basilicata, and Calabria. The islands of Sicily and Sardinia are often grouped with the south. National statistics, for example, are often subtotaled for the south versus north-central Italy because of clear differences between the two in birth rates, infant mortality, literacy, or income; levels of economic development are also an important difference. The regions differ in religious and clerical/anticlerical orientations—the red belt in the center and the white belt in the northeast are linked to differing regional roles of the church after the 1860s, after unification and after dissolution of church lands.

As soon as specific studies by social scientists are considered, however, it becomes difficult to characterize even a southern family or a southern social structure. Despite common generalizations about the South of Italy as though it were a homogeneous unit, historian Pino Arlacchi was careful to point out at least three different social-structural types in the south before World War II, an analysis that is important to contemporary social structure. These three areas were the Crotonese, which was socially divided between the landless and the owners of great estates; the plain of Gioia Tauro, with medium-sized agricultural and commercial enterprises affected by the market and the mafia; and the area called the Cosentino, which was inhabited by small subsistence-oriented peasant landowners and characterized by the high rate of emigration. Similarly, migration traditions distinguish neighboring provinces in the southern region of Puglia. Lecce and Taranto differ, the first having high rates of outmigration because of seasonal and temporary labor stints as opposed to the second having low rates because of greater prosperity in the 1960s and 1970s. Even neighboring villages cannot be assumed to be similar because two villages only seven kilometers apart in the Fucino basin in Abruzzi were found to be distinct in terms of the work ethic, clientelism, and collective action. Parallel distinctions occur in the north where, for example, the rural and touristic Alpine valleys of the South Tyrol are quite different from the heavily industrialized and urbanized Po Valley, or where the port of Trieste, with its ties to Yugoslavia, is distinct from its historical rival within the Adriatic, Venice.

A comparison of cities provides a good example of regional and subregional differentiation. Italy has a long tradition of com-

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peting urban centers because of the late political unification of a variety of independent states, each with its own customs union and capital in the nineteenth century. There are about 45 cities with 100,000 inhabitants or more, and 11 with over 350,000. There is still no single Italian city that dominates Italy the way Paris dominates France, although the Po Valley is said to be the largest conurbation in the Mediterranean. Milan and Rome have been classified as the two dominant metropolises.

When major cities are ranked according to a variety of criteria, there are no cities leading in all categories. Called a city of employees and shopkeepers, as the nation's capital, Rome leads only in functions of administration and policymaking, entertainment, luxury commerce, and airline connections. As the leading industrial center, Milan tops the hierarchy for per capita income, employment generated outside the province, foreign trade, and finance and publishing, as well as for premier artistic institutions, such as La Scala, and for the highest newspaper circulation. While also a part of the industrial triangle in the Po Valley (Milan-Genoa-Turin), Turin plays a role different from that of Milan—the latter redistributes industrial activities to secondary centers such as Genoa, Trieste, and Venice, whereas the former absorbs such activities. Turin is also second for wholesaling and transport and is equal to Milan in per capita income. Other northern cities rank high on certain criteria—Genoa, for instance, is ahead of Rome on per capita income and foreign exchange. Southern and central Italian cities, in contrast, do not have as complete a set of functions when compared to the northern urban hierarchy; Naples, for instance, does not rank commensurate with its size in zones of influence, generation of employment outside the province, or foreign trade. The north is better integrated in the sense of more interurban exchange and more urban centers than the south, where there are more economically underdeveloped regions and poorer communication and transportation systems.

Population centers considered to be urban include a multiplicity of towns and cities of varying size and sophistication, each a center for a rural hinterland and some with history and artistic traditions out of keeping with present size. Each is considered unique and referred to as a *paese* (a homeland) with distinctive local characteristics. Generally, although relations between town and country vary regionally depending on local economies, land tenure, and settlement patterns, urban residents in contrast to rural ones have been seen to possess generally a quality called *civiltà*. *Civiltà* as analyzed by anthropologist Sydel Silverman, refers to what is urbane, civic, and civilized, to what makes man most human. It

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glorifies town life and ranks population centers on approximation to the Italian ideals of "urbanness." *Civiltà* refers to linguistic skills, attitudes toward progress, styles of dress, housing, speech, etiquette, and personal attributes such as generosity and gentility. Indirectly it has referred to patterns of patronage and class. The elite have had most access to participation in public life, conspicuous leisure, education, and resources necessary for effective self-presentation, and have transmitted current urban fashions and set an example for others to follow. An important component has been not only public performance, participation in community life, and respect for distinctive local traditions, but also the ability to function in the larger world outside the hometown. The specifics of *civiltà* in regard to dress, kind of community participation, or styles of hospitality have varied by context and over time and space, but the general ideals of *civiltà* have been accepted as typical of urban attitudes in many areas of Italy, not just in the Umbrian town for which they were described.

Depending on regions, Italian cities offer some interesting contrasts in their socioeconomic profiles, as, for example, in Naples and Bologna. Naples is one of Italy's largest cities, but compared with northern cities, it is more dependent on administration, port activities, tourism, and such tertiary activities as street vending and petty trading, than on industry. Naples is densely populated, and its health profile is characterized by a high rate of infant mortality. Unlike Neapolitan politics, which are indisputably corrupt and vertically organized along clientelist lines, Bologna has been a bastion of efficient Communist urban administration. Located in the modern industrial north, its economy is commercial and industrial.

Lacking a sizable stable working class, Naples consists of haves—professionals, landowners, bureaucrats, and merchants—and have-nots—the underclass of street vendors, artisans, petty intermediaries, and marginal wage earners. The poorest of this economically insecure underclass, perhaps one-third to one-half of Naples' population, consider anything ensuring survival as legitimate. Life is seen as a struggle, and being clever, deceptive, self-serving, and manipulative is considered essential for self-preservation. Passionate, aggressive, and opportunistic, these Neapolitans live by their wits; they are forced to be urban foragers, piecing together a living from multiple pursuits. The larger community to which such Neapolitans belong is that of the city of Naples, to which they feel a chauvinistic pride in contradistinction to rural folk perceived as hicks or to residents of other Italian cities; the smaller unit is that of neighborhood defined as much by circuits of commerce and mutual concern as by current residence. Neighbor-

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hood identity is only infrequently apparent during the celebration of the feast day of the Madonna del Arco and the defense of the neighborhood women and boundaries by its young men; the bonds that tie the members of the neighborhood together are by no means all positive because there is suspicion and distrust of those known as well as strangers.

In contrast, the residents of a working-class neighborhood in Bologna practice occupations typical of Bologna—many relating to transport (bus or truck drivers, railroad workers) or to wholesaling (warehouse or stockyard employees). Typical of central and northern Italy but in sharp contrast to Naples, social life revolves around voluntary associations: typical of the Communist-dominated red belt, the principal voluntary associations are the resident-based sections of the PCI and allied youth, women's, pensioners', and labor groups. Communist affiliations or Communist sympathies are not just related to periodic voting, for the male social gathering spots are cooperatives where the party sections are housed; also, the PCI sponsors grocery cooperatives and recreational activities such as films, songfests, and sports. The most respected local figures are party officials, and the party strategy is to identify itself with working-class life and interests; *incoming southern immigrants* soon discover that the center of community life is not the local church but the local section of the Communist party, for example, as shown by PCI-sponsored community festivals. The communist ideology, contrasting with Neapolitan norms, encourages women to participate in political activities and looks on new PCI members as social equals, not as clients.

The cultural attitude toward rural areas varies throughout Italy. In central Italy, for example, land has often been held under a sharecropping system called *mezzadria*: a tenant family lives on a farmstead, producing multiple crops on the basis of a long-term contract, and runs the farm in partnership with the landowners, who direct operations. In southern Italy, landowners of middle- to large-sized units tend to be absent or inactive, and relationships with cultivators are variable and unstable. The view of the countryside in central Italy associated with this system of *mezzadria* is positive, stressing agricultural bounty, rural beauty, mythic virtues of agriculturists, and attachment to the country. Views held in the south are more negative; they might emphasize hardship and isolation from others in connection with the countryside because of the concentration of population in large towns and unstable relationships with the landowners.

Even within a region such as the island of Sicily, urban forms vary from the eastern to western areas, distinguished by differing

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cultural codes and stratification systems. The west contains settlements, typical of various parts of southern Italy, called agro-towns; agro-towns contain 3,000 to 20,000 inhabitants but are not as multifunctional as towns of that size elsewhere in Italy. Although containing some artisans, merchants, and professionals, the majority (50 to 90 percent) of the population has been traditionally engaged in extensive agriculture. The concentration of the agricultural population in town rather than dispersed in the countryside has variously been explained by malaria, scarcity of water sources, preference for urban living, proximity to shops and schools, scattered and fragmented landholdings, seasonal unemployment, and the need for easy availability to potential employers. Highly stratified, the population of an agro-town disdains manual labor and feels no attachment to the soil. In western Sicily these agro-towns are linked neither to market centers nor to intermediate provincial centers. Instead, based in interior mountain towns or large estates and gathering at monasteries, inns, or flour mills instead of cities, there are rural entrepreneurs with access to force and transportation (and often associated with the Mafia); they do not need city elite to mediate for them so, for example, they import livestock directly from abroad and run mills themselves rather than send grain to a mill in a central city.

Social Relationships Involving the Family

The emphasis given the family is shared all over Italy, although the forms the family takes are not; the individual is often expected to defer to the interests of the family unit. It is difficult to generalize from families in small agricultural villages to those in cosmopolitan cities such as Rome and Milan, from sharecroppers to laboratory technicians. Often it is the nuclear family (the parents and unmarried children who share a household) that is most common; relations, however, with kin outside the household may be important for loans, advice, mutual support, sociability, and shared work. Although not automatically likely to do as requested, kin are expected to be more trustworthy or helpful than those who are unrelated.

The Italian term *famiglia* does not always distinguish between members of the nuclear family and other relatives (who may be called *parenti* [parents] or *cugini* [cousins]). To be sure of the kinds of relationships and referents intended (parents, third cousins, in-laws), the terms *kin* or *family* must be placed in a specific context, such as division of inheritance between siblings; a momentous

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gathering such as a wedding or a funeral, which would include various degrees of relatives; or a request for help in procuring a job, which might be directed toward a distant but influential cousin. Residence is an indication, though not a completely reliable one, of intensity of cooperation, shared activities, and affection.

Establishing a separate household with spouse and children has been one common way to assert independence and adulthood and to assure others of predictable, responsible behavior. It is as husband and wife and as parents launching children that reputation may be partly determined. In some parts of Italy, however, there is evidence that the ideal has been a multigenerational household, including not just parents and unmarried children but also married sons with their wives and children. Such a household based on the father-son dyad has served as a production unit whether sharecropping, exercising a profession, managing large landholdings, or producing and marketing as artisans in Abruzzi and central Italy. Also, one study in Bologna in the 1970s found that even when newlyweds established a separate household they did not necessarily move out of a parental home immediately or leave the neighborhood when they did.

It is not uncommon for a widowed parent to share a household with a married child—in the Salento Peninsula in the south the parent usually lives with a child of the opposite sex in order to avoid conflicts over authority. In the northeast and center of Italy a sharecropping family welcomes extra hands of any age, and one researcher in central Italy found the ideal was for sons to put the interests of parents first over those of wives and children. In some poor areas of Italy, however, the elderly may have to turn to neighbors or charity because the children fear losing resources needed for their nuclear family. Normatively, people may agree that help should be given to kin; realistically, offers may depend on the family's economic base. Whenever disinheritance has been a serious threat because there were no alternatives to local agriculture or the family business, parents of means could feel more secure in their old age, while they retained economic control. In the past, before the decline in mortality rates, shorter life expectancies meant that fewer elderly survived until their children left home to marry, and that regardless of the numbers of children born, no parent could assume that any children would survive to offer them security in their old age (see Demography, this ch.). To some extent, migration has had a similar effect, leaving the elderly, the orphaned, and the handicapped with fewer relatives from whom to seek help. Remittances or pensions can only compensate to a certain degree for cultivation of food or needed assistance by children; if pensions were

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sufficient there would not be so many pensioners working in the submerged economy at jobs without benefits. Old-age pensions may mean that the elderly are more likely to live on their own than ever before.

Observers agree that a household should represent a united front to the world, but that does not preclude internal tensions as well as solidarity. Within the family it has been hard to generalize. Siblings' relations have been called "amicable and tender" while they were growing up together in contradistinction to the conflicts over inheritance that might occur as adults. Inheritance in different parts of Italy occurs variously at times of marriage, parental retirement, or parental death, and can either unite or divide siblings. It can persuade married children to live with parents or keep married brothers together after the parents' deaths because of the joint family enterprise. Conflict or cooperation over inheritance can be seen as an outgrowth of earlier relations. Brothers of similar age are said to be rivals and/or companions because of their similar position in the family. Similarly, in Pisticci (in Basilicata), sisters are cooperative neighbors, while in Nicuportu (in Sicily) they can compete for status or be mutually dependent. A much older brother may be authoritative and distant like the father, but an older sister may cater to, rather than assert authority over, her brothers, who are expected to dominate sisters even at the cost of resentment. In Montecastello (in Umbria) sisters are to respect older brothers and nurture younger siblings; there, as well as in Pisticci, brothers are to protect sisters' reputations even after marriage.

Fathers have been described as maintaining an authoritative distant stance, expecting obedience and respect, whereas mothers rule indulgently by affection, interceding with the father if needed. Italians frequently mention a mother's bestowal of life, her nurturing and provision of physical and emotional security. Because a father's work and activities may keep him absent, the relationship between a mother and her children is said to be the strongest in the family; one anthropologist reported from Sicily in the 1970s that she was frequently told "For us the woman *is* the family." Of mother-child bonds, the mother-son bond is said to be the strongest and most easily expressed. According to a classic account from working-class Naples, a husband may not be able to compete with a son for his wife's attention or a wife and children with a man's mother, even though the wife may give a good try (which not surprisingly can make relations between a mother-in-law and daughter-in-law conflictual). Instead of preparing a child for eventual separation and independence, the emphasis may be on enduring ties, and unmarried adults may live with parents. In the case of father-

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son relations this can mean that an adult son will increasingly chafe under his father's authority, in extreme cases perhaps escaping through migration. After a son marries, the new wife may be cast as the perpetrator of an emphasis on the interests of the new unit.

All over Italy there is clear differentiation between the sexes in socialization, patterns of education, economic participation, and the assignment of family responsibilities. At least in the south in the 1960s and 1970s, activities and space were often divided by sex. In a town in Basilicata, women were expected to work as little as possible in the fields to regulate women's contact with unrelated men and to avoid possible sexual temptation. In towns like the one in Basilicata or others in Sicily, rather than being isolated at home, women have been able to form a sociable neighborhood group and sit in the street or doorway, gossiping, watching and listening to neighbors and passersby, and working (sewing, washing, or preparing food). In contrast, when not in the fields, men ran errands, such as shopping, or gathered with male friends at bars or in the piazza.

In central or northern cities, differentiation may not be so blatant, with boys being educated for a future livelihood and girls in an interlude before focusing on children and marriage. If girls prepare for a profession, they concentrate on what are considered women's fields, such as teaching or communications. Differences between the sexes in central Italy may also be apparent in different conversational styles—men's public discourse is developed as an art, broad-ranging, like a verbal contest; women's conversation tends to be more private and indirect, e.g., a running commentary while working or strolling. In a Bologna working-class neighborhood where segregation is not as obvious as in the south, women may be more easily found in church or in the kitchen than men, who are more likely to be politically active and to meet in cooperative recreational clubs with political affiliations. Precisely because it is exceptional, PCI leaders publicly work with wives preparing food at a community festival in Bologna as a symbolic act of equality.

The strength of the informal power of the Italian wife and mother, in contrast to her formal subordination to her husband and other menfolk, is a matter for debate. There is little dispute that within the household women make decisions and have emotional dominance over children or that in many lower-class families women often manage the budget. Indeed, a 1975 family law legitimized women's share in deciding where and by what means a family should live, and also abolished dowries and permitted

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women to retain their maiden names. In the south researchers in such areas as the towns of Basilicata and Naples have found that women will agree with the prevailing ideology that men are the heads of family, should make decisions, and support and represent the family. Nonetheless, at times women seem to use the interests of the entire household or of sons and husbands to justify stepping outside the bounds of motherhood and home by dealing with bureaucracy while husbands are at work, or earning money if the husband is unemployed. Opinions over whether the mother is a matriarch or simply a focal figure vary, although whether the variation is according to circumstances or observer is unclear.

Despite Italy's feminist movement, one observer termed "cosmetic" the changes in women's roles since the 1960s, the so-called biggest single shift in the nature of postwar Italian society. This critic admits that there are young women who may lead an active social life, dating unchaperoned, or show greater sexual freedom, independence, and professional mobility than ever before. The 51 women serving in parliament in 1980, for example, have presumably taken advantage of new opportunities, and women have been politically mobilized and united by issues such as divorce and abortion. A poll conducted in the 1970s found women's priorities to be education, a job outside the home, affluence, and freedom of thought and action. Nonetheless, Italian women in the 1980s have not yet resolved a conflict between family-centered activities and new activities open in politics, the work world, and education. This same critic insists that the average woman has not changed enough to force her male counterpart to change and still accepts dependence on men by marrying young and abandoning school and the work force. Women leave school at men's request, and even though more women were attending universities, in 1980-81 there were only 77 women to every 100 men in higher education in contrast to 92 girls per 100 boys in secondary school.

Surveys suggest that women's goal is to marry a protective, strong husband and that men in the 1970s still had a double sexual standard, preferred sons to daughters, and avoided housework. The numbers of divorces per 1,000 inhabitants might seem to support preference for marriage—at 0.8 per 1,000 married couples it was the lowest in the EC in 1981, as opposed to provisional figures for France of 7.2 or 11.8 for Britain. Despite the 1970 divorce law and the 1974 referendum challenging it few Italians have taken advantage of opportunities for divorce (see Religion, this ch.). In 1982, for example, there were only 14,640 divorces, partly because of the stigma felt by divorced women and, because of undeclared income, the risk of tax penalties from financial dis-

closure needed for a divorce settlement (see Labor, ch. 3). Although Italians seemed to prefer legal separations to divorce, only 33,807 such separations were granted in 1982. Marriages in Italy, however, have fallen from 418,979 in 1973 to 300,855 in 1983, perhaps because of the poor performance of the economy or changing age structure, not just preference for marriage.

While Italian women may be in favor of motherhood, they do not want large numbers of children. In 1981 only Denmark in the EC had legal abortions as a higher percentage of live births than Italy, which had 36.1 percent or 224,377. There were only an average 1.5 births per woman surviving to childbearing age in 1983.

In 1981 the average age of marriage for women was 24.4 years (28.1 for men). Government figures show that only 34.4 percent of the work force were women and that only 27.3 percent of all women were considered to be working in 1983. Despite obstacles to working (shortage of day-care facilities and difficulties in finding part-time work), there is a strong possibility that these figures do not include women who work in cottage industry or in other capacities in the submerged economy. Cottage industry permits women to work at home with their children or relatives; working-class women in Naples often stopped factory work when they became engaged, married, or had their first child at the request of the father, fiancé, or husband, switching to piecework at home, which was more compatible with the emphasis on women's role as mother and wife.

Extrafamilial Ties

Aside from the kinship relations created by birth or marriage, there are some extrafamilial ties that to some extent counter divisive competition and distrust found in the poorest and most familially oriented areas of Italy. One tie common to all areas (although its importance may vary regionally) and social strata has been *comparaggio* (co-godparenthood); it is referred to as ritual kinship or quasi-familial because it is modeled on relations among kin in its expectations of affection, respect, intimacy, and reciprocity and its use of kinship terms, and even in the associated prohibition on marriage. The elements of choice, ritual, and church sponsorship make the bonds similar to those of marriage.

Such ties are created by becoming godparent to a child, most importantly on the occasion of baptism and marriage (although weaker ties were traditionally created at confirmation, ear piercing for girls, first nail cutting, and Saint John's Day in June). Although

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at baptism (when the tie is especially binding) there are both a godfather (*padrino*) and godmother (*madrina*), the godfather is the more important, and his relations with the parents of the child are at least as important as his relation to the godchild. In addition to participating in the baptism or marriage and giving appropriate gifts, the godparent often offers aid (a loan, dowry, or job) to the family in times of crisis and is someone in whom to confide. As a result, although in many cases parents choose equals or near-equals, in the pre-World War II era the poor often picked landlords, physicians, bureaucrats, politicians, or kin of influence; such persons were likely to agree because the request was considered an honor and conferred prestige.

Since any family is likely to have multiple sets of godparents—those of each parent, those of marriage, and those of siblings and children—ties of godparenthood may remain superficial unless they reinforced previous ties between friends, workmates, or kin or cement prior political or economic ties. At their strongest, such ties unite the families of the godparent and the godchild and are inherited by the next generation. One observer of southern Italy in the 1970s stated that less attention is now paid to formalities such as respectful demeanor and greetings, although terms of address, invitations to family occasions, and respectful reception during visits are still important.

Just as *comparaggio*, is modeled on kinship, so relations between friends and neighbors at their most intimate are modeled on *comparaggio* and the terms of address used are those of parents to their child's godparent. In Sicily, for instance, to show that a friend has overcome the distrust assumed to separate family members from outsiders, two women neighbors may exchange vows of Saint John the Baptist; similarly, in central Italy terms of address used for co-godparents, i.e., between the parents of the child and the godparents, are extended to neighbors (*cicini*) who exchange help or to *amici di casa* (friends of the house, meaning a quasi-kin relation between longtime friends), indicating recognition of mutual obligations not present between more casual friends (who may also use kin terms such as aunt or affine).

If, in rural Abruzzi, male friendships seem to encourage emotional expression and sociability, in western Sicily the dinners associated with male friendships also encourage business relationships. To some extent, if Italian women remain at home as housewives, it is easiest for their friends to be women neighbors, equals with whom they share gossip, jokes, company, and errands. Relations between friends of either sex may have some degree of calculation, so that agriculturists, for example, may choose friends likely to ex-

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change labor as well as visits. Traditionally, friendship has overlapped with sex-segregated relationships; for men, courtship may seem an interruption of time with male friends common in youth and after marriage. Although it has become common for couples to go out together, adults may often socialize with those of the same sex—men at bars, women near home. This pattern may partly explain why a study in Naples found friends to be drawn from kin, neighbors, and childhood companions more often than from work-mates or fellow members of voluntary associations.

In various parts of Italy (particularly the south), politics have been based on patron-client relations (also called clientelism), that is, personal relationships that are simultaneously economic, political, and social. Instead of voting on the basis of an ideology or program, a ballot goes to someone to whom the voter is personally indebted. By definition, the relations between patron and client are asymmetrical and based on short-term reciprocity, an exchange of loyalty for favors or services. Critical resources are under the control of a few, with whom the poor or weak seek to establish enduring personal relations in hopes of better ensuring the possibility of access to what the patron controls. Given scarcity and competition, individuals do not feel they can depend on collective action, preferring an individualistic approach, which may give them a personal advantage. Rather than joining with equals with common interests, as in a class-based party or interest group, individuals opt for vertical linkages into national and regional political systems. Often based on past experience, clients distrust government and politicians, even seemingly apolitical voluntary associations (which they assume are political vehicles); clients justify patronage by reasoning that if everyone else is pursuing his or her own interests, they, too, should receive a direct benefit for their vote.

In Italy patron-client relations in politics have taken two forms—that of traditional local notables with personal followings who are, in turn, clients of regional and national brokers with access to decisionmaking and scarce resources, and that of a mass-based party in which voters are linked to representatives of the political machine. A traditional-style patron can put together a following because of his or her attraction as a landowner, an employer, a member of the Mafia (who has controlled use of violence and certain kinds of enterprises), or a priest or professional upon whom many depend for health care, spiritual guidance, or legal advice. In these cases, even if benefits are not guaranteed, there is an incentive to maintain good relations and avoid offense. People stay tied to this intermediary because it is assumed a long-term association will be more instrumental; a kinsman with influence is preferable

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as a patron because of the obligations kinship is thought to impose, but when no such relative is available, clients attempt to overlay initially political or economic relationships of employment or tenancy, or favor procurement with relations of friendship or godparenthood to cement the bond. Indeed, in central Italy until World War II a landowner who played the role of patron for his or her tenants might control marriages by providing dowries, or control emigration by providing money to buy a ticket. He or she might expect not only sharecropping but also domestic service, invitations to family occasions, and favorable public relations. Also the patron-client bond was often extended to the households of the patron and the client. Because such ties were personal, if the patron should see an advantage to switching factions or even parties to ensure access to the group in power or because of a falling-out, the clients would switch too.

With an electoral machine aspiring politicians can work their way up (especially where land is the only other basis for power in the absence of economic development), collecting votes from kin, friends, or those in any way indebted. The votes then can be traded for a job in which more voters can become indebted for granting licenses or contracts, waiving regulatory powers, expediting bureaucratic trammels, or providing a *raccomandazione* (a recommendation by someone with clout). Individuals regard such a "friendship" as essential because they cannot rely on qualifications or the assumption that they have an automatic right to service from an inefficient and politicized public administration. It is a problem especially when government at all levels is increasingly involved in the economy and the delivery of such services as garbage collection, sanitation, health, education, and low-income housing. The machine may vary its tactics depending on the stratum of population—in Palermo in the late 1970s the poor were offered relief from fines and political harassment; the middle class was offered public administration jobs and associated overtime, promotions, transfers, and special loans; and entrepreneurs were offered contracts, licenses, subsidies, credit, and modification in the building code or city plan. Once established, such relations are self-perpetuating, given the size of the bureaucracy that depends on the machine (35.6 percent of the labor force in Palermo) and the number who depend on irregularly granted housing, jobs, licenses, loans, and other benefits. Moreover, the social ties make the relationship often more than merely calculated exchange.

Competition for scarce resources, the distrust of motives of those not linked by kinship, friendship, or ritual kinship, and the instrumental view of voting are associated with the weakness of

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voluntary organizations or other intermediate groups between family units and community in areas such as parts of southern Italy. Those seeking individualistic solutions through vertical ties are not likely to seek solutions through class-based organizations such as unions, peasant associations, or civic groups except insofar as they are vehicles for their patron or a means to accrue prestige; a cooperative might seem impractical where it might undercut intermediaries who were kin, godparents, or patrons. It is becoming harder to generalize about participation in organizations, because of massive migration, restructuring of agriculture, and urbanization. There are reports of increasing numbers of organizations that have been formed to fight pollution, drugs, or destruction of monuments and of cooperatives in villages that had no such problems 14 years before. In addition, those who have observed few voluntary organizations may have ignored the implications of or made value judgments about organizations that did exist, such as religious confraternities, burial societies, or recreational clubs open to selected members; they may have overlooked alternative ways to express civil zeal through local *festas* (festivals), cults to local saints, or support for a community team.

Whether strong community-level organizations exist or not, there is an attachment to the community that Italians call *campanilismo*. *Campanilismo* refers to local chauvinism or parochialism, literally referring to the local belltower and hence to all those within hearing for whom the tower constitutes a local symbol. The local unit is the *paese* and, on the basis of pride, one's community is proclaimed the best on the grounds of beauty and local characteristics. Such pride may be manifested in hostility expressed against a rival community or in a preference to marry within the geographic community. Chauvinism may be related to an emphasis on local folklore, local food, or the local dialects; although they may not follow strict community boundaries, dialects and regional variants of Italian have tended to separate Italians from different regions, at least until they shared standard Italian or a common form of speech (as has evolved among Italian emigrants in the United States or West Germany). The increasing strength of national ties has not necessarily replaced *campanilismo* but supplemented it; national and local loyalties may be complementary and activated in differing contexts.

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Social Class and Stratification

One view of social classes in Italy, still accepted by certain social scientists, is that of Lucino Gallino, an Italian social scientist who identified what he termed three "social formations" prevailing in twentieth-century Italy. Depending upon the economic structure in a given area, the formations are called "traditional agrarian," "modern industrial," and "contemporary postindustrial." The traditional social formation has been said to be typical of parts of the rural south and center, and the modern social formation to be typical of many urban areas of the north where there is industrial development, private investment and ownership of capital goods, and relatively free market conditions. The third, the contemporary social formation, is said to dominate in large urban areas such as the northwestern industrial triangle of Milan, Turin, and Genoa, where a limited number of large producers like Fiat, Olivetti, and Alfa Romeo influence market conditions.

Despite many changes resulting from interaction with the other two systems, the traditional social formation was said to be largely intact in areas of Italy as late as the 1970s. It was a two-tiered system, focusing on the landowner-peasant bond, because the small landowning class controlled access to the primary source of livelihood, land. Horizontal links based on friendship, occupation, and so forth were subordinated to vertical links based on patron-client ties between landowners and their peasant-workers. There was a high degree of congruence among wealth, status, and power: *the elite enjoyed the largest incomes, were the most highly educated, and controlled the channels of local and sometimes national power.* Their values tended to be translated into the desired values of the community. A majority of the population had a limited social horizon and few local reference groups. As a whole, the community was fixed and closed, and positions within it were assigned by virtue of birth.

The industrial era ushered in the modern social formation as money (capital) assumed greater significance in modern Italy and as more people had access to channels of mobility based on achievement and merit rather than on family ties or influence. There was often a lack of congruence in wealth, status, and power, creating tension as individuals strove to achieve a balance among the three. Industry gave rise to additional occupational categories, and horizontal links based on these categories developed across communities and regions. Class groups that recognized and promoted common socioeconomic interests and corporate groups (such as unions and political parties) evolved to represent and play on those

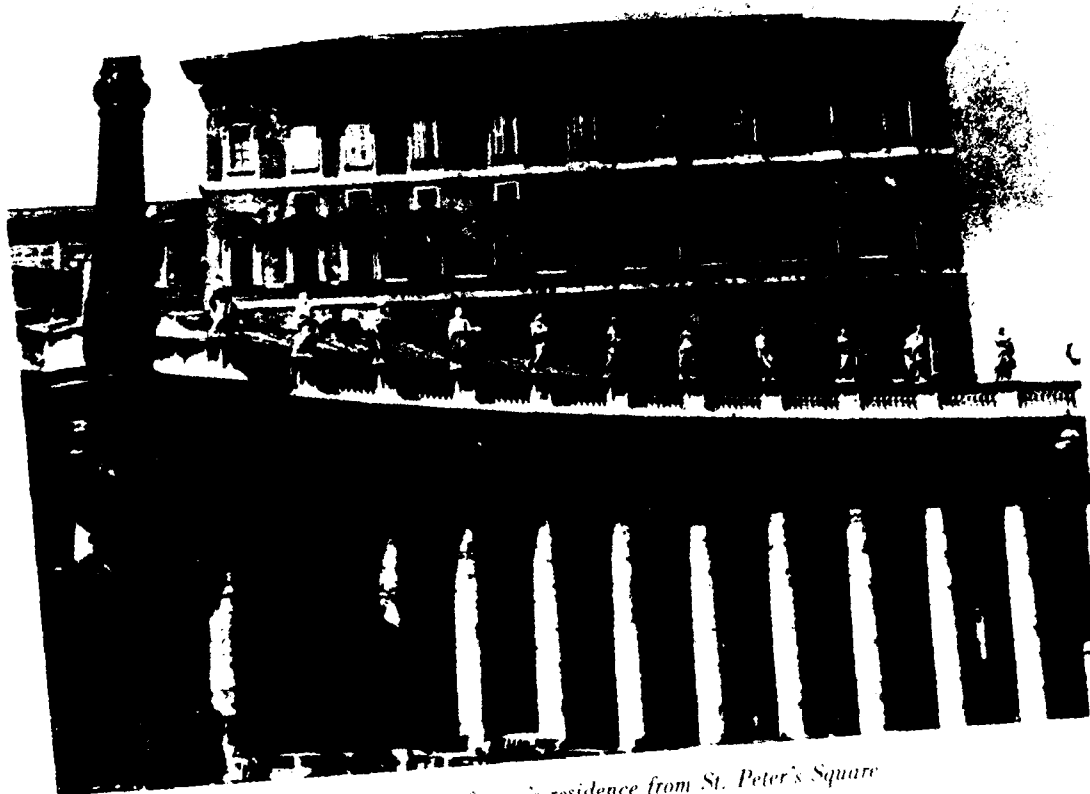
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interests. The middle class grew, often splitting into an upper level (professionals, wealthy entrepreneurs, and medium-scale landowners) and a lower level (peasant proprietors, low-level bureaucrats, small merchants, and artisans). As the prestige and power of the landowning elite declined, relations between the small entrepreneurs and industrial workers formed the pivotal point in the system. A small service class emerged. Reference groups reached beyond the locality toward regional, national, and international models in response to improvements in transportation and communications.

The contemporary social formation was a product of the post-war industrial boom when the large corporate business managers became important; though not powerful as a group, technocrats were part of the elite in terms of prestige and income, and professional politicians were more and more in control of powerful positions. As in the modern formation, relations between management and workers remained the focus, but labor was more organized and articulate, and the shrinking ranks of rural workers were more organized. Occupational groups holding roughly equivalent social positions were not always well integrated, although different occupational groups tended to recognize common interests and unite for social action. Achievement, education, and technical skills were the primary means of social mobility.

The originator of this analytic scheme of three formations admitted that the formations were ideal types and that they were interpenetrated, which meant that the same people moved within more than one system. Italy is often characterized as a country of polarities, both socially and economically—the north versus the south, smallholders versus commercialized agriculture, large unionized firms versus family workshops, the public versus the private sector, the old working class and middle class versus the new working class (technicians and highly skilled workers) and middle class. A tripartite social system then incorporates these polarities; however, these polarities do coexist, tied not only by politics but also by economic interdependence, a shared labor market and educational system, the Catholic church, mass media, and certain linguistic and cultural similarities. Through migration, remittances, subsidies, and the relatively large government work force (24.3 percent of the active population), the standard of living in the south is linked to that of northern Italy and the rest of the EC.

The tripartite scheme to some extent rightly emphasizes the dynamism of Italian social structure and its changing shape. The most obvious changes are the shrinkage of the traditional agricultural group and the increase among those working in the service



View of pope's residence from St. Peter's Square



*Via Condotti (Rome's
Fifth Avenue) leading to the
Spanish Steps*

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sector. In 1952 some 44 percent of the labor force was employed in agriculture, and 57 percent of the population lived in small rural towns of under 20,000; in contrast, in 1983 about 12 percent of the work force was employed in agriculture, and 46 percent lived in towns with under 20,000 inhabitants. In the south in 1981 over 20 percent of the work force was in agriculture as opposed to 7.4 percent in the north and 7.8 percent in the center. Land is no longer a power base, and in fact the upper class has switched its investment away from land for cultivation (for example, to urban real estate). With land reform and the frequent sale of big landowners' property to smallholders, there has been a redistribution of land, although the parcels purchased may not have been sufficiently fertile or large enough to provide economic security or sustain the new standard of living. In 1982 the average farm was 7.2 hectares for the country, although in the south it averaged six hectares, but in some regions, such as Campania, the average unit was only 3.6 hectares.

In past decades the word *peasant* (*contadino*) was used by social scientists to describe lower-class inhabitants of rural areas. The term *peasant* included agricultural manual workers, whether landless day laborers (*braccianti*), smallholders, sharecroppers, tenants, or shepherds. At times it included landowners with medium-sized holdings, who worked their land with family or hired help. These peasants were characterized not only by the wretched conditions under which the poorest lived but also by their attitude of disdain for manual labor, mutual suspicion, hopelessness, dissatisfaction, and frustration and anger (expressed by conflict among themselves). In recent decades the peasants have served as a labor pool, becoming labor migrants to northern Italy or other parts of Western Europe (see Demography, this ch.); migration has led to less competition within the agricultural labor force and even to abandonment of cultivation. Migration offered the first opportunity for opting out of being a peasant, or, if remaining in the rural community, to better oneself by paying for land for economic independence, for a better house, and for secondary or university education for children. Money from emigration created new middle strata in some rural communities in the south and a new sense of self-esteem and faith in the future. The old image of peasant does not fit all these households, nor is it accurate to label as "peasant" a family whose ranks include others beside agriculturists, especially as the over-all context of rural-urban relations has changed.

On a national, as well as a regional level, rural-urban relations in Italy are changing drastically, integrating rural areas in new ways. In many ways rural and urban areas no longer represent op-



Panorama of Rome

posite poles but are part of a continuum. Certain rural areas, i.e., those in the mountains, are becoming depopulated and residual, concentrating the very old, the very young, illiterates, and the most conservative. Even when such areas show signs of modernization, such as tractors, they may be juxtaposed with older traditional forms of agriculture. Such areas are suffering from a common disregard for agriculture and manual labor, based on relative status as well as income relative to other sectors; such sentiments affect occupational choice and aspirations for children. Throughout Italy there are more farms than farmers because many who cultivate smallholdings do so part-time in combination with industrial or service work made available by the spread of government programs (welfare, land reform, state-run industry), industrial dispersion, tourism, commuting (facilitated by improved transportation), and new occupations such as that of garage mechanic.

It has even been suggested that, nationally, many rural inhabitants could be called not "peasants" but "post-peasants," because of the massive changes—even in a relatively isolated region like the island of Sardinia. Rural residents there have benefited from the development of a consumer economy based on expanded credit; mass culture disseminated by mass media (as opposed to the local

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elite); a welfare state (providing unemployment compensation, retirement, disability pensions, and health care); increasing secondary and higher education for rural youth; and the introduction of commercialized, modernized agriculture. Rural inhabitants may not have abandoned nontraditional values and symbols, but they may be relatively cosmopolitan, being migrants returned from the north, Australia, Western Europe, or the Americas. If nothing else, they will have returned with some capital and experience with new ways of living.

In taking account of the transformation of agriculturists and rural dwellers into industrial proletariat and the expanding middle strata, there are some broad considerations. As Italy has become more prosperous, the standard of living, level of education, and number of pensions have risen. The working class in the 1960s finally began to catch up with the prosperity the middle strata had been enjoying and could aspire to the same kinds of housing, appliances, education, and medical care. By the 1970s the middle strata were setting the tone for Italians.

Income of an individual, then, is not necessarily an accurate basis by which to place him or her within the class system. It is necessary to know how the income is spent (kind of clothes and housing, consumer goods, pastimes, public conduct) and to know in what occupational category the individual fits as occupations are ranked—manual labor versus a profession, agricultural versus laboratory work. Whether the individual is self-employed determines whether the person can be assigned to the "old" middle classes (a pivotal political group) as a middle peasant, a rich capitalist farmer, an artisan, a shopkeeper, or a service provider. If not self-employed, the opposing category would consist of those who are salaried or wage-earning, possibly members of the working class and some white-collar groups who are protected by unions and work for big industry (and hence part of a group with recognized shared interests that they are trying to promote). Because of Italy's dualistic division into large industry and small workshops, center and periphery, there are those in the weaker sector whose income is not steady. They may find their socioeconomic position precarious and only be able to keep afloat by working multiple jobs or relying on the paycheck of another family member (who may not necessarily hold jobs with equal social prestige); for this reason, consideration might better be of the unit to which the individual belongs rather than of the individual. Students who delay entry into a poor job market, discouraged housewives who no longer actively seek a job, and those who are unskilled and unqualified may

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find themselves marginalized individually but not as part of a household.

Refinements of the social classes of the traditional, modern, and contemporary formations are suggested by social scientists Sabino Acquaviva and Mario Santuccio. In their scheme of classes, if class is understood to be closely related to the economic division of labor, there are four strata—upper, upper middle, lower middle, and lower. The recent additions to each category they discuss for Italy in the mid-1970s give an idea of the changes that have occurred in the Italian social system as a whole.

The upper stratum basically included those who were owners of the means of production—in the traditional social formation this meant large landowners and in the modern social formation industrialists, real estate speculators, bankers, and those with sizable commercial interests. To this group were added those with special skills and knowledge and control of important institutions. Thus, included were important public functionaries or professionals with power as well as wealth, mass media personages (television, films, advertising), and a group of authors, scientists, and professors with multiple opportunities to accrue income and capital through patents and consulting. In this group were not only those most obviously in positions of power, such as those who were top military or police officials, but also those in management of industry and bureaucracies. In addition to those who inherited such a position or obtained it through access to necessary education or connections, there were the new rich (*padroncini*), who might have worked their way up from the lower classes through ownership of a small or medium-sized industry (perhaps dependent on and complementary to larger industry). In a similar category were those who started as workers who created important facilities for tourists, a hotel chain for example.

The upper-middle stratum originally included those in the bourgeoisie whose income was comparable to that of office workers and who might work as well as live off what they owned. Office workers were also included because they earned a monthly salary from those in the upper strata. By definition the "new" middle classes were included because they depend on a salary and are not autonomous or self-employed. In this category are priests of large parishes and middle- and lower-grade police and military officers. An important component that is still growing, which was emphasized by Acquaviva and Santuccio, is Italy's large bureaucracy.

A particular social characteristic of Italy is the relatively low percentage of private white-collar employees and the relatively high percentage of publicly employed white-collar employees, especially

if those in government-run industry and schools and universities are included. The bureaucrats have made themselves a self-perpetuating group by using their positions to increase the resources they control; they are politicized because a number of the unemployed with a secondary or university education may obtain a government post through patronage. Another white-collar group is the *quadri*, senior white-collar employees and middle management, who have formed unions because they feel denied the privileges of the senior managers, although they have taken on some of their administrative and technical functions. The upper-middle stratum is expanding because of the increasing importance of patronage and technical skills, education, and new kinds of information as industry becomes more specialized and organizationally complex. Because of the importance of education to the salaried and to those in the more traditional independent liberal professions, such as physicians or lawyers, education has become an important channel for social mobility; in a southern town, for example, a returned emigrant might ensure that a child attended a university to become a teacher or a physician.

The lower-middle stratum in the Acquaviva-Santuccio scheme includes factory workers and others who do skilled, semiskilled, or manual labor in the most economically productive enterprises in agriculture, commerce, or industry; their security and income would depend on the size and economic strength of their employer, on their skills, and on whether they were protected by a union. Others might call this group the stable working class, for it is opposed to the fourth stratum, the lower stratum. In the lower stratum are those whose earnings are insecure and based on sources marginal to the principal administrative and productive structures. For this group life has often been seen as a struggle. Breadwinners seek a *combinazione* (called *arrangiarsi* in Campania and Calabria), a viable combination of economic pursuits: for example, cultivating land and also working in construction, or being a junkman by day and a chauffeur by night. This group suffers relative and absolute deprivation in relation to the rest. The working class in Bologna who might work in transport or wholesaling would be an example of the lower-middle stratum. Because artisans, poor peasants, and small shopkeepers are often increasingly insecure economically and peripheral to technological advances and investment, they may be included in the lower stratum when they are underemployed or displaced from their former economic position.

The broad class groupings in Italy have not changed from 1881 to 1971 (the latest date for which a breakdown is available), except for the peasantry and urban working class. From 35.6 per-

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cent of the working population, agricultural labor dropped to 6.2 percent, whereas the industrial proletariat grew from 13.2 percent to 33 percent of the work force by one calculation. The upper and middle bourgeoisie (including professionals) between those two dates rose only from about 2 to 2.5 percent of the total working population; the middle strata also showed considerable continuity, varying from 45.9 to 49.6 percent. What changed were the old middle classes, shrinking from 41.2 to 29.1 percent, and the new middle classes, rising from 2.1 to 17.1 percent of the labor force.

Life in the mid-1970s still did not offer equal life chances to all Italians. To say that many of the former lower ranks of the peasants have left agriculture is not to say that poverty has disappeared. The poorest 10 percent of the households in 1948 had 2.8 percent of the total national income as opposed to 2 percent in 1975. The poorest households were those with heads of household who were not working because of sickness, disability, retirement, or being a housewife, and those in agriculture. Aside from the remaining peasants, shantytowns and slums have offered testimony that the benefits of an industrial economy have not yet reached all Italians.

Although the same standards in regard to prestigious conduct may not be exacted of individuals from differing social strata, Italians of all regions and classes share a concern with avoiding a *brutta figura* (making an embarrassing impression), instead creating a *bella figura* (a good impression). These are concerns that emphasize all kinds of positive self-presentation in terms of physical appearance, dress, a pleasant manner, ability as a conversationalist, etiquette, and formalities, such as use of appropriate terms of address or properly offered hospitality. Except perhaps in the case of close kin and friends, lapses are avoided in order not to appear ridiculous or lose face before a social audience of extended kin, neighbors, those in the hometown or home neighborhood, and friends or associates at work, bars, or political organizations; such an audience evaluates the conduct of others when commenting upon it among themselves. Considered important, for example, is judgment exercised as to an individual's or family's rank in order to deal accordingly. This concern for self-presentation extends from birth to death—from the jewelry, outfit, and presentation of babies at baptisms to details on tombstones. A good image is not contingent on wealth or status, although the upper classes have at their disposal relatively more money, education, and social contacts, which are useful in maintaining a desirable image.

Concern for self-presentation and defense of reputation can extend to concepts of honor, although concern for honor per se

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seems to be more pronounced in the south. There it often refers not only to the performance of family roles but also to defense of property, status, and women. The unit for reputation or honor is the family, and men are expected to take an active role in defense of honor, whereas women may be expected to keep an eye on everyone, with gossip serving to enforce conformity to the sexual code and to standards of performance of family roles, such as those of husband and daughter. If gossip is not sufficient to stimulate more circumspection in relation to the opposite sex or to social expectations in general, ridicule, scorn, or avoidance may shape behavior. In Sicily the community may exert pressure on kin outside the nuclear family who will in turn protect the extended family's reputation by putting pressure on the errant. Comparison of honor or reputation is one way of ranking among equals or near equals when it is hard to distinguish fine gradations of prestige and when material resources are scarce. Despite the link commonly made between honor and sexual misconduct, in the broadest sense Italian honor has been evaluated by a family's response to its allotted fate and by its attention to family needs as permitted by economic possibilities. In areas of poverty, families could not afford the luxury of confining women to activities in the home as opposed to mingling with unrelated men at the workplace. It is not clear to what extent honor is still expressed in the traditional fashion, for in the Fucino area in rural Abruzzi, for example, the old traditional honor was said to be merely a "historic curiosity" by the early 1980s.

Health

The National Health Service, which began functioning in January 1980, was established to solve one set of problems but also caused new ones. It was to provide free care by the health service physicians and in public hospitals for all Italian citizens and resident foreigners, thereby incorporating 3.5 million Italians hitherto not covered under the complicated system of occupational sickness funds. It was to replace uncoordinated, fragmented public and private care by public health measures with community control. Central budgeting would pinpoint national priorities and place the biggest financial burdens on the level of government most able to handle it. The National Health Service, modeled on Britain's system, would restrain costs and yet remove regional and social inequities. The local public health unit (*Unità Sanitarie Locali*—USL) was to be the new unit of the system and was to gradually replace the sickness funds, manage public hospitals, and contract with pri-

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vate hospitals and with physicians, dentists, and pharmacists who were not health service employees.

The new problems were varied. The local public health units were to answer to the local mayor, to a lay committee ensuring consumer participation, to the regions that allocated funds among the local public health units and set regional plans, and to the Ministry of Health, which allotted funds according to national policy. Political realities made it difficult to close or reduce hospitals having too many beds or switch funds from existing sectors to needed prevention measures. Budgeting and planning were difficult to coordinate among local, regional, and national levels, and local public health units could force an increase in budgets (undermining cost containment to some extent). New political actors and issues were brought in by the new system and the growing numbers of physicians and other hospital personnel created pressure to refrain from cutting salaries, a major cost. Critics complained about drugs and laboratory tests that were not free, about conflict of interest between the public and private practices of physicians under contract, and about continuing regional disparities in which the south lagged. Crises occurred over delays in payment to pharmacists, a strike of hospital personnel, and a hiring freeze in 1983, which impeded surgery and overloaded some maternity wards.

Other problems in Italy's health care system included an oversupply of physicians, because of the political repercussions of curtailing enrollment in medicine at the universities: in 1981 there was one physician for every 301 people, the lowest ratio in Europe, even though nurses and paramedical staff were in short supply. Because of the oversupply of hospital beds, occupancy of hospitals was only 67.8 percent in 1980, although hospital stays were long and rising in number. Regardless of possible improvement through future introduction of peer review and the regulation of salaries and new technology, the system will still have the problem of planning for increasing numbers of elderly.

Communications

In 1985 Italy had both private and public radio and television networks. A government-regulated joint stock company in which the state owned a majority interest, called Italian Radio-Television (Radiotelevisione Italiana—RAI), owned the concession to provide noncommercial radio and television programming. Government-sponsored stations were politicized administratively but presented a variety of views. A constitutional ruling in 1976 declared that the

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monopoly on television restricted the freedom of speech; since then about 200 competitive private television stations have appeared. In 1985 the three private national networks, reputed to have a wider viewership than RAI on occasion, were legalized by a decree approved by the Senate. Prior uncertainty had led to a magistrate-ordered stop in transmission in some areas in late 1984. Because one-half of Italian advertising appears on television, it was an important issue. Since 1975 about 1,000 private local radio stations have been established as a result of a court case guaranteeing citizens the right to free local information. There were about 14 million radio receivers and 13.5 million television sets in 1982. Regional programs were broadcast in minority languages as well as in Italian.

In the early 1980s there were about 72 daily newspapers with a total readership of 5.5 million. Circulation was difficult to estimate because daily newspapers and most periodicals were sold at newsstands rather than delivered to subscribers, and overruns were common. Reading most newspapers, however, was difficult for most Italians, not only because of their below-secondary school level of education but because the newspapers were highly politicized and full of special vocabulary and esoteric language. As a result, newspapers could not compete with news reporting on television. Almost without exception newspapers were unprofitable and depended on government subsidies; government control was further exercised indirectly through licensing of journalists and purchasing of advertising. *Corriere della Sera* and *La Stampa* outstripped all other Italian dailies in terms of their news coverage and rank among the most prestigious newspapers in Europe. The most important party daily in circulation and influence is the communist *L'Unità*, and the authoritative newspaper of the Holy See is *L'Osservatore romano*. Much of the potential market for tabloids is served by illustrated weekly magazines, and sports dailies command a large readership (see table 3, Appendix A).

Operating from the studio complex, Cinecittà, near Rome, the Italian film industry has been regarded as one of the best organized and most profitable in Europe, benefiting from a large export market as well as an enthusiastic domestic audience. The mid-1980s were not kind to the industry, however, with continuing drops in numbers of theaters and ticket sales. Instead of the peak of 294 films a year in 1968, since 1980 there have been between 100 and 120 films a year. The place of films in popular entertainment was being taken by television; despite the acknowledged genius of Italy's best directors, by the early 1980s the economic

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crisis in the industry had become familiar news (see Contemporary Arts, this ch.).

Contemporary Arts

Painting and Sculpture

Set out in 1909 by Filippo Marinetti in his "futurist" manifesto, futurism encouraged a new sensibility and allowed for the possibilities of giving plastic form to the preoccupations of the twentieth century—speed, motion, violence, technology—as well as to its psychological concern with alienation. As an experimental movement it was quickly exhausted, its objectives preempted by film. Few Italian artists who came to creative maturity between the world wars could be untouched by the influence of futurism in some way, even if in reaction to it.

The starting point of contemporary Italian art is usually considered to be the sculpture of Umberto Boccioni, who with Carlo Carrà, Gino Severini, and Giacomo Balla subscribed to the futurist manifesto. Boccioni's work is considered to be the most concrete representation of the movement's artistic philosophy put in practice. His effort to create the new spatial relationships advocated by the futurists is demonstrated by the subject matter of his mature work—*Development of a Bottle in Space*, *Unique Forms of Continuity of Space*, and *Muscles in Rapid Action*. Boccioni ranks as one of the most original and innovative artists of the twentieth century; his works have universal appeal even outside the restraints of their guiding philosophy.

The most decisive influence on modern painting in Italy was that of the futurist Carrà and the metaphysical surrealist Giorgio de Chirico, whose often disconcerting works were closely linked in style and purpose. In their naturalist styles they set out to represent metaphysical forms—Carrà in romantic landscapes or with mechanical characters, de Chirico with a stark and very personal architectural view of reality that was carried over from his work as a stage designer. Although associated first with the futurists and then with the metaphysical school, Giorgio Morandi was an individualist known for his still lifes, especially those of bottles, that are characterized by architectonic form, pictorial definition, and communication of formal essence.

Some cosmopolitan Italian artists, such as Amadeo Modigliani, living outside their homeland rejected futurist principles out of

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hand. In his brief career Modigliani distilled the new ideas of the Paris avant-garde into both the compact form of statues inspired by African art and the elongated portraits and nudes that were his characteristic mannerisms.

The futurists were for the most part absorbed into the movement called *novecento* (twentieth century) in the 1920s and 1930s. Patronized by the fascist regime, the *novecento* style was a response to a call for a return to order in art after years of innovation that was thought to have distorted reality and emphasized "plastic values," or purity of form in art. The spirit of *novecento* is best seen in the paintings of the futurist Balla, a master of light and color, and of Fortunato Depero, a master of movement, whose mechanical marionettes danced on canvas to "plastic rhythms," but it is also disturbingly evident in the monumental polemical art that reflected the official taste of the fascist regime.

One of Italy's most outstanding sculptors is Giacomo Manzù. Some critics saw in the meditative quality of his neoclassicism, which he translated into twentieth-century idiom, a "Catholic opposition" to the *novecento* and a protest against the fascist regime. From a nonpolitical standpoint his work and that of his contemporary, Marino Marini, have been interpreted as giving modern form to humanist values in art. Manzù's style matured in the 1930s and reached preeminence in the early 1950s. He revived relief sculpture in the twentieth century, for example, with his portal to Saint Peter's, and one of his most characteristic efforts is *Girl on a Chair*. Marini (who died in 1980) is known for his vital horses and riders. A third sculptor is Arnaldo Pomodoro, whose work has progressed from expressive abstraction to concrete art oriented toward machinery. In addition, Francesco Messina is acclaimed for his neo-Renaissance portraits in bronze and terra cotta, and Alberto Viani for the plasticity and sensuousness of his marble nudes and egg-shaped forms.

After World War II, established traditions were questioned, replaced by movements such as post-cubism and abstract painting. An example of the Roman School, hailed as the finest Italian painter since de Chirico, Mario Mafai painted calm but mysterious Roman cityscapes. Examples of the New Arts Front based in Milan were Renato Birolli and Renato Guttuso. The former has based his reputation on abstract paintings that rely on color for their form. The latter emerged as Europe's foremost social realist in the visual arts in the 1950s.

By the 1960s and 1970s abstractionists like Mafai and Birolli (in addition to Fausto Pirandello and Antonio Corpora) were the most popular contemporary painters in Italy. Abstraction by the

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1960s had gone in various directions, some quite novel such as the art of Alberto Burri. Burri's shocking collages of rubbish materials imitated bleeding wounds and communicated anguish, menace, and the decay of a corrupted world. Other directions taken by abstract painters are indicated by the use of signs by spatialists such as Lucio Fontana or figurative and fantastical elements used by Cesare Peverelli.

Among painters with an international reputation in the 1980s was Nino Longobardi. His home, Naples, has been the inspiration for the layers of meaning, immutable refinement, and sense of movement in his monochromatic paintings. Other outstanding artists of the 1980s are Francesco Clemente, Sandro Chia, and Enzo Cucchi. After the 1980 Venice Biennale, together with Mimmo Paladino they were called the new expressionists. To some sensual and to others scandalous, the intense emblematic paintings of Clemente are full of his moods and emotions, intended thus to differentiate him from the others; his paintings are full of apocalyptic visions of sex and violence. The mythological subjects of the paintings and sculptures of Chia place him in the European tradition of Marc Chagall, Pablo Picasso, and Claude Monet, and he draws on the possibilities of such subjects for transformation and ambiguity to represent broken ideals of man and nature.

Literature

The trends dominating Italian literature in the early twentieth century were expressions either of artistic revolt against tradition or of disillusionment and alienation in the modern world. Gabriel D'Annunzio, an erratic and imaginative writer who became closely identified with fascism, led the futurist revolt in literature against the liberal, cosmopolitan values of the nineteenth century. The futurists, in keeping with the principles of the movement, sought to give literary form to the noise and violent motion—and the vitality—of an age of machines. Their flamboyant rhetoric was in sharp contrast to the modest, colloquial style in which the *i crepuscolari* (twilight writers) recounted memories of a gentler past. A third school, hermeticism, represented a retreat from the reality of fascism in the 1920s and 1930s for Eugenio Montale, Giuseppe Ungaretti, and Salvatore Quasimodo (three of Italy's greatest modern poets, the first and third were winners of the Nobel Prize for Literature in 1975 and 1959, respectively). Under the influence of French symbolism, they produced *poesia pura* (pure poetry), experimenting with obscure word combinations in an attempt to cut lan-

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guage down to its essentials and convey immediacy. Umberto Saba, also a poet with an international reputation, had a more eclectic and original style, drawing from the *i crepuscolari* and his Italian contemporaries, as well as from the French symbolists.

In terms of international acceptance the two most significant Italian writers between the world wars were playwright Luigi Pirandello, winner of the 1934 Nobel Prize, and novelist Italo Svevo (pseudonym of Ettore Schmitz). Pirandello's work represented a separate school; introspective and pessimistic, he saw the limitations of realism as a means of describing life in an absurd world, and he set out in his plays to destroy conventional dramatic structures. His most frequently performed work is *Sei personaggi in cerca d'autore* (Six Characters in Search of an Author) and his most tragic, *Enrico IV* (Henry the Fourth). Svevo's self-analytical novels—of which the best known is *La coscienza di Zeno* (The Confessions of Zeno)—made no impression in Italy until discovered by critics elsewhere in Europe in 1928, two years before his death.

Young Italian writers of the 1930s—Alberto Moravia, Vasco Pratolini, Cesare Pavese, Ignazio Silone, and Elio Vittorini—took their cue from the narrative literature of John Dos Passos, Ernest Hemingway, and John Steinbeck. Social alienation was the theme running through all their work. Moravia, who has remained one of Italy's most prolific authors, held up a mirror to his generation with the publication of *Gli indifferenti* (The Time of Indifference) in 1929, a novel that was interpreted by fascist officialdom as an attack on their regime. His later novels have been characterized by cold objectivity and a continuing concern with alienation, incorporating sex to symbolize violence and spiritual impotence. Several of his plots were translated to film, including *The Conformist*. Silone's novel, *Pane e Vino* (Bread and Wine), written in exile and regarded abroad as one of the works most representative of the generation of the 1930s, appeared in Italy only after the end of World War II; *Fontamara*, considered his best novel, described the plight of southern peasantry. Vittorini and Pavese are classed as neorealists, because of their conversational style, lowly characters, and tendency to plunge the reader into the narrative. Pratolini was also a neorealist who retained traditional elements and wrote of Florentine lower-class youths at the end of the fascist era.

World War II and its aftermath were the preoccupation of many of the best writers throughout the 1960s. Carlo Levi inaugurated the postwar trend to realism and the documentary novel with the sensitively written *Cristo s'è fermato a Eboli* (Christ Stopped at Eboli) in 1945. Giorgio Bassani, among the leading writers of the 1960s, portrayed the life of the Jews of Ferrara during the fascist

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era in *Il giardino dei Finzi-Contini* (The Garden of the Finzi-Continis). Carlo Cassola achieved narrative objectivity by deliberately creating uninteresting characters and by using threadbare language as exemplified in his minor classic, *La ragazza di Bube* (Bebo's Girl). Primo Levi wrote an account of life in a German labor camp in *Se questo è un uomo* (If This Is a Man) and more recently, a novel on the resistance. Also popular was the narrative historical novel published in the late 1950s by Giuseppe Tomasi di Lampedusa, called *Il gattopardo* (The Leopard). The novels and poetry written in the 1950s by writer-filmmaker Pier Paolo Pasolini showed his interest in Antonio Gramsci, in dialects, and in the folklore of the lower classes.

Among the post-1960s writers, in addition to Bassani, is Natalia Ginzburg, who has drawn on memories of middle-class life. Acclaimed by the critics, Leonardo Sciascia is the conscience of Italy, progressing from presentation of typically Sicilian problems, such as the Mafia or small-town attitudes, to a reconstruction of the death of Aldo Moro. Beginning as a semiotician, Umberto Eco had great success with his novel *Il nome della rosa* (The Name of the Rose), which can be read on a variety of levels. Alfonso Gatto and Mario Luzi were poets of the 1970s, the former influenced by Quasimodo and the latter by Montale. Still writing in the 1980s, Andrea Zanzotti was influenced by the traditions of hermeticism and semiotics, although his approach was primarily experimental.

In a different tradition was the work of others still writing in the 1970s and 1980s. Italo Calvino, who died in 1985, was a writer of fantasy, fairy tales, and science fiction as exemplified, for example, in a book of the early 1970s, *Le città invisibili* (The Invisible Cities). Elsa Morante gave her novels like *L'isola di Arturo* a dreamlike structure and atmosphere but balanced the fantastic element with realism. A representative of the avant-garde who belongs with the younger experimentalists is Carlo Emilio Gadda, whose masterpiece of the 1950s was *Quer pasticciaccio brutto de Via Merulana* (That Awful Mess on Via Merulana). Also avant-garde were two playwrights, Edoardo Sanguineti, who was also a poet, and Dario Fo.

Music

The two factors conditioning the evolution of Italian music in the early twentieth century were the romantic opera of the nineteenth century and the nationalist movement, which took its inspiration from an even older heritage. The direct influence on Italian

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opera of Gioacchino Rossini, Giuseppe Verdi, and Giacomo Puccini—whose careers spanned more than a century of Italian history—was carried 50 years into the twentieth century. Other composers, looking for authentic Italian alternatives to developments in modern music in the rest of Europe, worked to recover Italy's brilliant seventeenth- and eighteenth-century baroque heritage in a modern context. Gian Francesco Malipiero made scholarly adaptations of the works of Antonio Vivaldi and Claudio Monteverdi. Alfredo Casella, an artistic collaborator with D'Annunzio, also reworked antique music into contemporary settings and created compositions such as the nationalistic rhapsody "Italia" or the folkloric "La giara" (The Jar). The best known composer of the nationalist period, however, was Ottorino Respighi, who transcribed a large body of antique music for the large modern orchestra in his "Antiche danze e arie per liuto" (Ancient Dances and Airs for Lute) and wrote lyrical descriptive music such as the symphonic poems called "I Pini di Roma" (The Pines of Rome).

A younger generation of composers in the period between the world wars found the nationalists' attachment to antique themes too limiting, and they explored musical developments from outside Italy—particularly the work of Igor Stravinsky and Paul Hindemith—as well as futurism. Goffredo Petrassi became famous in the 1930s with his orchestral "Partita" with its hints of jazz and its dissonance. His later masterpiece was "Noche oscura" (Dark Night), written in a style comparable to that of his contemporary, Ferruccio Busoni. Busoni, a composer more popular with musicians than with audiences, interpreted for them the aristocratic orchestral heritage of Gustav Mahler and Anton Bruckner, bridging the gap between Germanic and Italian traditions. From roots such as these an avant-garde school of composers grew to maturity after World War II, experimenting with 12-tone music and with electronic and serial compositions. Luigi Dallapiccola was a leader of the avant-garde along with Luciano Berio and Bruno Maderna. They earned a place among the best postwar European composers. The versatile Niccolò Castiglioni, who worked extensively on television and was noted for his flawless imitations of antique music, was also recognized as one of Italy's most original composers in the 1960s.

Virtually every major twentieth-century composer has written for the opera, but few have been more visible or aroused greater controversy than Luigi Nono. A master of stage presentation and specializing in mixed-media productions, Nono claims that his compositions are documents of social protest and inseparable from his political beliefs. Far removed from Nono in style and intent, Gian Carlo Menotti works in the United States as well as in Italy. His

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operas—"The Medium" and "Amahl and the Night Visitors"—prominent among them—have been popular on both sides of the Atlantic. Best known for his film scores, Nino Rota has also composed a large body of chamber music, symphonic pieces, liturgical music, and several operas, but his rather conservative musical language is very much in opposition to contemporary trends.

Film

With the efforts of a handful of neorealist directors in the immediate postwar years, the Italian film industry regained the international prominence that it had lost in the 1920s and 1930s. Roberto Rossellini's *Roma, città aperta* (Rome, Open City), which appeared in 1945, is considered the first in a school of neorealist films that influenced the tastes of audiences and the techniques of filmmakers around the world. This school included other films since regarded as classics, such as Luchino Visconti's *La terra trema* (The Trembling Earth) and Vittorio De Sica's *Sciuscià* (Shoeshine) and *Ladri di biciclette* (The Bicycle Thief). Trained as documentary artists, the neorealists—Rossellini, Visconti, De Sica, Federico Fellini, and Michelangelo Antonioni—rejected the studied theatrical quality of prewar cinema to set their films in honest social settings, devoid of technical paraphernalia that had gotten in the way of contact with reality. Often using nonprofessionals in their casts, they were as committed to accurate characterization as to plot structure. Inspired by the reinauguration of Italian democracy, they wanted to include current social problems in their films. Although Rossellini's talents appeared to wane, other neorealists came to their artistic maturity in the 1950s—Fellini with *La strada*, *Le notti di Cabiria*, (Nights of Cabiria), and *La dolce vita*; Visconti in *Rocco e suoi fratelli* (Rocco and His Brothers); Antonioni in *L'Avventura*; and De Sica with *Il Generale Della Rovere* and *Umberto D.*; the latter, released in 1953, was considered one of the best of the neorealist films for its portrayal of daily life.

Fellini and Antonioni led the shift away from neorealism starting in the 1950s. To develop a modernist cinema, they moved away from simple narrative toward a more abstract, more pessimistic, more personal vision. With the gulf widening between popular and artistic tastes in films, the temptation of directors to sacrifice critical acceptance for commercial success explains the uneven quality of new films by Visconti and De Sica in the 1960s. The established directors seemed more self-confident in the early

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1970s—for example, De Sica with *The Garden of the Finzi-Continis* and Fellini with *Amarcord*.

Among the generation succeeding Fellini, De Sica, and Visconti (De Sica and Visconti died in 1976) and working in the 1960s and 1970s were directors with strong left-wing political sympathies that they brought to the screen in their work. A sense of the view of cinema as the vanguard of the revolution and part of the debate on the future of Italian society in the 1960s was nowhere more strongly felt than in the semidocumentary political films of Marco Bellocchio, Elio Petri, or Gillo Pontecorvo, director of *La battaglia di Algeri* (The Battle of Algiers); some critics, however, have remarked that their work seems to languish in an ideological rut. The best of their generation, Bernardo Bertolucci and Pier Paolo Pasolini (who died in 1975) also have mixed ideology—especially Marxism and psychoanalysis—with filmmaking. Bertolucci is known for films like *Il conformista* (The Conformist) and *Last Tango in Paris*, the latter both a commercial and critical success. The death of Pasolini, a writer and theoretician as well as director, seems tragic in view of the legacy of films—intellectual, like *Edipo re* (Oedipus Rex), bawdy, like *I racconti di Canterbury* (Canterbury Tales), or despairing, like *Salò—o le 120 giornate di Sodoma* (Salò—or 120 Days in Sodom).

The years from 1958 to 1968 could be called a golden age for Italian films because of their reception at international film festivals and the market success of comedies and so-called spaghetti westerns. Sergio Leone is the best known director of westerns, and examples of directors of popular parodies of sexual manners are Dino Risi and Luigi Comencini. Part of the comic filmmaking tradition, Ettore Scola left screenwriting of comedies to direct, beginning in the 1960s. Liliana Cavani also began at the same time, one of a pair of female directors important in the 1970s. Cavani's exploration of guilt and human degradation during the holocaust in *Il portiere di notte* (The Night Porter) was paralleled by Lina Wertmüller's tragicomic film on the same subject, *Pasqualino Settebellezze* (Seven Beauties), one of a number mixing politics and comedy.

In the 1980s, while the more established figures like Bertolucci or Antonioni moved on to highbrow television or international coproductions, a new group of young filmmakers came to prominence through independent provincial productions, at times both directing and acting in the films. Maurizio Nichetti, Nanni Loy, and Nanni Moretti have come this route. Nichetti and Loy, for example, are creating black comedy, in Nichetti's case using a Chaplinesque, silent form of humor as in *Ho fatto Splash* (Splash) and

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in Loy's *Mi manda Picone* (Where's Picone?), using humor to illuminate social problems. Although some directors such as Cavani and Wertmüller seem to have lost the momentum necessary to maintain box office or critical appeal, there are still both lavish big-budget productions such as Bellocchio's version of Pirandello's play *Enrico IV* and the staple films of the police adventure genre. The brothers Vittorio and Paolo Taviani, who began directing in the early 1960s and reached international acclaim in the 1970s with *Padre, Padrone*, continued to make important contributions to Italian film in the 1980s, for example, with *La notte di San Lorenzo* (Night of the Shooting Stars.)

Architecture

Modern architecture in Italy can be said to have begun with Antonio Sant'Elia and the avant-gardists called Nuove Tendenze, all allied with the futurist movement in art and poetry. Sant'Elia, an antitraditionalist, made a clear break with the past in his 1914 Città Nuova project, which tried to suggest an architecture for the future. Partly because of Sant'Elia's death during World War I, little of importance by the futurists was actually built; futurism, however, did influence interwar industrial design and the internationally known architect Le Corbusier and, with its rationalism, paved the way for the Movimento Italiano per l'Architettura Razionale, the rationalist group formed between the two world wars.

Important during the interwar period was a cultural movement encouraged by the Fascists called *novecento*, which had both neo-classical and rationalist currents; Milan and Rome served as important centers (see Painting and Sculpture, this ch.). Marcello Piacentini was Mussolini's principal architect. His work was neoclassical, including a triumphal arch at Genoa and an Olympic sports stadium. Despite his lack of interest in new technology or design, Piacentini's 1931 plan for Rome to improve traffic movement and provide settings for Renaissance and Roman buildings was well regarded, as was his plan for the Città Universitaria (University City) of Rome. Giuseppe Terragni, who died in 1942, was a major Italian link to the International Style; his apartment house, Novecomum at Como, was typically rationalist, and his Casa del Fascio (now called Casa del Popolo) was considered a masterpiece of the novecentist style. In 1926, at the time that Gruppo 7, a group of architects, was founded (including Terragni, Luigi Figini, and Carlo Pollini), it represented Italian rationalism; it was antifuturist.

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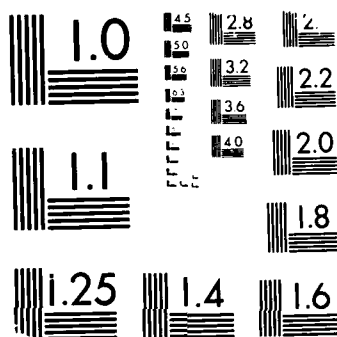
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advocated an Italian version of the modern style, emphasizing regional characteristics and order, logic, and clarity.

Some of Italy's important modernist architects had careers spanning the periods before and after World War II and figured in the flowering of Italian architecture after World War II. The BBPR studio (so called because of the initials of the founders), consisting of Gianluigi Banfi (killed in a concentration camp), Lodovico Belgiojoso, Enrico Peressutti, and Ernesto N. Rogers, was founded in 1932; initially captivated by the fascists, its members were modernists who showed sympathy for the past, for example, in the Velasca Tower in Milan built in the 1950s, which in its design commemorated the destroyed historic district. The tower shows the influence of Frank Lloyd Wright (integration with the environment, use of local traditions), who was much promoted by Bruno Zevi, a former United States resident. Uninvolved with particular ideologies, Ignazio Gardella, whose career has extended beyond the 1950s, is a modernist without being a rationalist; he is best known for the 1930s Anti-tuberculosis Dispensary at Alessandria, which followed local tradition in its materials and techniques and showed his interest in relating the building to its environment.

Also isolated from ideological currents, although he started with rationalist and neoclassical motifs, was Gio Ponti; his buildings stand all over the world in his humanistic, personal style, which has even been called poetic. Perhaps most famous is his Pirelli skyscraper in Milan, which is a boat-shaped and hexagonal tower that has been described as a "floating fantasy." Associated with Gio Ponti for the Pirelli building was Pier Luigi Nervi, the structural engineer, a pioneer in the use of prestressing of reinforced concrete, which enabled him to avoid the International Style steel columns and show strength through form, creating soaring vast roofs for beautiful buildings such as the Palazzetto dello Sport in Rome from the 1950s.

The 1960s were described by one observer as a period of "reflection and rethinking" in which individuals like Gardella or Franco Albini continued elaboration of their personal styles and in which figures like Ludovico Quaroni, Carlo Aymonino, or Giancarlo de Carlo participated in discussions on city and urban planning. By the 1970s interest had grown in radical architecture in what has been called "an active user-involvement" or in restructuring of architectural language. By the 1970s Post-Modernism had reacted to the ahistorical aspects of the International Style, to the lack of congruity between buildings and their settings, and to the incongruity between what the architects had intended to convey and what users understood. Both a historian and an architect,

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Paolo Portoghesi in the 1970s showed a grasp of history in the Islamic-style minaret and domes and the references to seventeenth-century architect Francesco Borromini in his Mosque and Islamic Center in Rome. Characteristically Post-Modernist, his structure is said to be metaphoric, with shafts resembling praying hands. Aldo Rossi also reacted in the 1970s against Modernism with his interest in monuments and the collective urban memory; his floating theater in Venice referred to a Renaissance theater, a medieval tower, and a famous Venetian church's dome.

Collectively, postwar Italian architects have become involved in a diversity of projects. After World War II modernists were necessarily concerned with reconstruction. Using a variety of approaches, architects such as neorealists Mario Ridolfi and Quaroni have been involved in low-cost housing such as the Tiburtino project in Rome. Their neorealism was similar to that of the filmmakers in its interest in popular building traditions and in communicating with the poor. Museums have been outstanding vehicles for architects since the 1950s—Castello Sforzesco designed the BBPR; Gardella, the Gallery of Modern Art at Milan; Albini, the Treasury of San Lorenzo; and Carlo Scarpa renovated the Castelvecchio in Verona. In addition to churches, such as the Autostada del Sole in Florence designed in the 1960s by Giovanni Michelucci or the Church of the Madonna of the Poor outside Milan by Pollini and Figini, architects have been interested in religious designs such as the stark and lonely Modena cemetery by Rossi. Examples of industrial works are the buildings for Olivetti at the Ivrea complex, executed by a variety of architects and the Leonardo da Vinci Airport built in Rome in 1960. Italians have had important commissions abroad; for example, Renzo Piano collaborated on the controversial Centre Pompidou (also called Beaubourg) in Paris. Carlo Scarpa and Ettore Sottsass, Jr., are but two examples of Italian architects who have been involved in Italy's famed design and interior decoration movements.

* * *

Most of the books available on Italian society continue to be on the rural south. Of the most recent books on the south, *Patrons and Partisans* by Caroline White, *Mafia, Peasants, and Great Estates* by Pino Arlacchi, and *Patronage, Power, and Poverty in Southern Italy* by Judith Chubb are outstanding. Less rigorous but no less insightful are the books on southern Italy by Ann Cornelisen of

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which the most recent is *Strangers and Pilgrims*, a study about migrants. For areas outside the south, there are the classic accounts of a central Italian town, *Three Bells of Civilization* by Sydel Silverman, and *the Hidden Frontier* by John W. Cole and Eric R. Wolf on the south Tyrol; a historic comparison of four rural communities in Sicily, Campania, Calabria, and Emilia-Romagna called *Fate and Honor, Family and Village* by Rudolph M. Bell; and a local-level description of politics, *Life and Politics in a Venetian Community* by Robert H. Evans. As a counterbalance to all the descriptions of rural Italy, the best general overviews of urbanization and rural-urban migration are provided by the articles by David I. Kertzer and William A. Douglass in *Urban Life in Mediterranean Europe*; specific ethnographies are *The Broken Fountain* by Thomas Belmonte about Naples and *Comrades and Christians* by David I. Kertzer about Bologna. For some background on class and power relations, there is *Social Structure in Italy* by S.S. Acquaviva and M. Santuccio. For an idea of social inequality in Italy, there is the article, "Poverty and Inequality in Italy," by David Moss and Ernesta Rogers.

As a recent volume, *Italy: A Geographic Introduction* by Jacques Bethemont and Jean Pelletier is quite useful, more up-to-date than other available geographies such as *Southern Europe: A Systematic Geographical Study* by Monica and Robert Beckinsale or *Western Europe: A Geographical Analysis* by Aubrey Diem. For information on Italian migration patterns there are a number of articles by Russell King; the most general is, "Long-range Migration Patterns Within the EEC: An Italian Case Study" or, to place Italy in the context of southern Europe, "Population Mobility: Emigration, Return Migration, and Internal Migration." On education, there is a volume *Italy* by Joseph Capobianco in the World Education Series sponsored by the American Association of Collegiate Registrars and Admissions Officers. An assessment of Catholicism in Italy is offered by Douglas A. Wertman in "The Catholic Church and Italian Politics: The Impact of Secularisation." A survey of Italian literature is provided by Ernest Hatch Wilkins in *A History of Italian Literature*; a view of the Italian language is given in *The Italian Language Today* by Anna Laura Lepschy and Giulio Lepschy. Italian film is discussed in Peter Bondanella's *Italian Cinema*. Clear but only covering through the 1960s is *A History of Architecture in Italy* by T.W. West. (For further information and complete citations, see Bibliography.)

Chapter 3. The Economy



Venetian gondola

AS MEASURED BY gross domestic product, Italy was the sixth largest economic power in the noncommunist world in the mid-1980s. On a per capita income basis, however, it ranked seventeenth among the 24 industrial nations represented in the Organisation for Economic Co-operation and Development.

Italy's economy has been characterized as dualistic because it is marked by divergent levels of economic development between northern and southern Italy and is based on highly modern enterprises as well as small, backward enterprises. Whereas certain vibrant industrialized northern provinces were as prosperous as rivaling areas in the Federal Republic of Germany, there were still numerous pockets of decay and deprivation in the southern half of the country, known as the Mezzogiorno. In a similar vein, although Italy was recognized for its engineering prowess and its multinational companies like Fiat and Olivetti, which competed successfully in international markets by using the latest production technologies, a considerable portion of the work force remained in either low-productivity agriculture or in small, traditional, family-run enterprises dependent on marginal labor.

Since the early 1970s the Italian economy has shown significant transformations in its industrial structure as entrepreneurs have sought to adapt to changes in the foreign and domestic markets that previously had contributed to rapid economic growth. Because of sharply rising labor costs, increased union militancy, and an expanding social welfare burden shouldered by larger firms, a process of decentralization of production was set in motion. Industry spread from the established industrial center bounded by Milan, Turin, and Genoa into the mainly rural areas of northeast and central Italy, then down the Adriatic coast as far as the region of Puglia. Growth in these areas was concentrated in small-scale industrial enterprises that have bridged the gap between artisanal and modern production methods by adapting the latest technologies to their special needs. The remarkable flexibility of such firms allowed them to adjust quickly to the vagaries of consumer demand and to fill small but lucrative niches on the international level. By the early 1980s a new dichotomy appeared to be emerging between western and eastern Italy; some of western Italy's large industrial cities were no longer propelling forces in economic growth because of the world crisis in heavy industries like steel, chemicals, and shipbuilding, while eastern Italy's smaller and more manageable towns attracted a wide variety of small, innovative firms.

Generally, the bureaucracy and political processes have proved too cumbersome to provide effective direction or adequate services to a modern economy in flux. The diffuse nature of politi-

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cal power in Italy, the frequent changes of government, and the incapacity of various social groups to mediate conflicting interests have inhibited medium- to long-term efforts to deal with the economy's most serious structural problems, let alone high inflation, rising public debt, unemployment, and balance of payments instability.

After two and one-half years of recession the appointment of Bettino Craxi, a Socialist, as prime minister in August 1983 provided a certain degree of political stability and decisive government action necessary for putting the economy back on sounder footing. The Craxi government—as of October 1985 the longest government in Italy's postwar history—circumvented the time-consuming parliamentary process by resorting to decrees to push through a temporary reduction in wage indexation and an important tax reform measure to stem tax evasion by the self-employed.

By contrast, however, the Craxi government failed to develop a clear program for reducing the growth of government expenditure. Thus, by mid-1985 the government's only notable economic success was in reducing inflation from an average 14.6 percent in 1983 to 8.8 percent, still much higher than the average level in the European Communities, but the lowest level Italy had experienced for 11 years. For the remainder of its term, the Craxi government's performance in handling two crucial economic policy issues—reform of the wage indexation system and reduction of the public sector budget deficit—would have a decisive impact on the development of the economy in the coming decade.

Postwar Development

The relatively slow growth of the Italian economy since the early 1970s contrasts with the rapid expansion of the two preceding decades. During the 1950s and 1960s economic growth was remarkably high and stable both by international and prewar standards. Over the 1951–71 period industrial output roughly quintupled, and per capita income at constant prices increased more during this period than during the 90 previous years. The southern half of Italy, however, did not participate fully in these gains, and the problem of regional underdevelopment still plagued policymakers in the 1980s (see *The Southern Problem*, this ch.).

At the end of World War II Italy still had a largely agrarian economy. In addition, the war had heavily damaged the industry that had existed, but Italy recovered quickly to become a major industrial power in less than 25 years. United States aid, totaling

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nearly US\$2.7 billion in the 1946–52 period and US\$540 million in the 1953–61 period, facilitated industrial recovery and development through investment in railroad construction, public works, and basic industries. In addition, Minister of the Budget and Economic Planning Luigi Einaudi's tight monetary policy stabilized prices and forced many Italian firms to rationalize their operations on a more competitive basis. Production in most economic sectors regained prewar levels by 1950. Although much remained to be done in infrastructural development, the elimination of unemployment, and the technological upgrading of industry, the economy was positioned to gain from the economic growth enjoyed by much of Western Europe in the 1950s.

The years 1951–63 represent the most dynamic period of Italy's economic history. The term *economic miracle* has often been used to refer to this long boom, but many economists restrict the designation to the last five years of the period when the growth rate of the gross domestic product (GDP see Glossary) averaged 6.6 percent per annum. There was no single engine behind this growth, which initially was largely of internal origin and later was increasingly influenced by external developments as foreign trade grew. Postwar political and economic conditions led to the rejection of the prewar policy of autarchy in favor of an open economy.

The two main internal factors of growth were low wage rates, made possible by underemployed labor moving out of agriculture, and substantial investment, encouraged by favorable profit developments, the counterpart to restrained wages. Over the 1951–63 period investment rose by close to 10 percent per annum, and as a share of GDP it rose from 18 to over 26 percent—one of the highest levels recorded by any West European country in the postwar years. High investment in turn allowed productivity gains to surpass the modest average annual wage increases. Unemployment of 7 to 8 percent in the 1950s and a weak, divided, trade union movement enabled employers to keep wages relatively low.

Low wages helped to hold down the price of Italian manufactures, improving international competitiveness. A steady increase of exports, which accelerated after Italy joined the European Communities (EC) in 1957, provided the demand necessary to sustain growth (see Appendix B). Italy responded well to the challenge of European economic integration in spite of the comparatively underdeveloped state of its economy. The combined share of exports and imports of goods and services in GDP, which had risen from 23 to 24.5 percent between 1951 and 1957, increased to 29.5 percent by 1962. Among the original six member states of the EC, Italy experienced the largest increase in trade within the EC and was

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the primary beneficiary of grant loans from the European Investment Bank.

International monetary stability limited speculative influences on prices, and over the 1958-63 period the terms of trade were particularly favorable. Export prices for Italian manufactured goods rose 3.8 percent per annum while the costs of imported raw materials and semimanufactured inputs fell by an annual average of 2 percent. These conditions reinforced the specialization of Italian industry in the primary transformation of raw materials. Chemicals, steel, and paper products witnessed greater output increases than the manufacturing sector as a whole.

Although the Italian economy continued to grow at a relatively rapid pace from 1963 to the early 1970s, growth was more sporadic and slowed substantially in the 1963-65 and the 1970-72 periods. After a sharp drop of the GDP growth rate in 1964, gross fixed investment failed to recover; it grew at an annual rate of only 1.6 percent between 1964 and 1971. The fall in investment was partly related to the beginning of a period of sharp increases in industrial wages and associated labor costs.

In 1963, when the unemployment rate reached a record low of 3.6 percent, unions began to press more aggressively for major pay concessions. Wage increases in excess of productivity growth squeezed profit margins, and consequently investment declined. Private consumption was stimulated, which tightened the balance of payments constraint and increased inflationary pressures. These two problems were handled by a restrictive monetary policy at the same time that higher levels of government expenditure were widening budget deficits and taking greater shares of available financing. The reaction of entrepreneurs was to utilize more intensively existing labor and capital resources rather than to make new investments.

A turning point in the industrial relations climate was reached in 1969. Before 1969 trade union policy had been concerned primarily with defending jobs rather than pressing for improved wages and employment conditions. However, deteriorating working conditions and the heightened politicization of the labor movement caused unions to become more militant. In addition, newly urbanized migrants from the rural south were increasingly frustrated by inadequate housing and the poor infrastructure of schools, shops, transportation, and other services in the rapidly expanding cities of the north. Conditions led to an accumulation of unfulfilled aspirations that finally erupted in an explosion of strikes and violent demonstrations during the "hot autumn" of 1969, when more than 300 million hours of work were lost through work stoppages, a

combined work loss nearly equal to that of the four preceding years.

Since the early 1970s, Italy has experienced a significant deterioration in economic performance. First, the economy had to absorb the effects of the "hot autumn"—very sharp increases in labor costs, substantial reductions in hours worked, and new legislation restricting the layoff of redundant workers—all factors that increased the rigidity of labor markets. Second, Italy had to cope with the international monetary crisis, deteriorating terms of trade, and two oil price shocks that seriously hurt the economy, reflecting its heavy reliance on energy imports.

When the first oil crisis hit in 1973, Italy had already begun the transition from fast and relatively steady noninflationary growth to cyclical inflationary conditions. Then in 1974 the current account deficit on the balance of payments increased fourfold as the full effects of the oil price shock began to be felt. The following year, for the first time since World War II, the economy contracted. Increasing integration into world markets had made Italy quite vulnerable to economic developments elsewhere. Moreover, the wage indexation system instituted in 1975 transmitted the sharp rise of oil and other raw material costs to wage costs.

Since 1973 Italy's economic performance generally mirrored that of most other West European countries except in the years 1979, 1980, and 1984. After the second oil price shock of 1979, Italy refrained from instituting deflationary policies longer than its West European neighbors; thus, the 4 percent growth of GDP recorded in 1980 was the highest in the EC. However, Italy subsequently experienced three years of stagnation and recession. Recovery began toward the end of 1983 and gained strength in 1984, when GDP grew by 2.6 percent. Although growth was among the brisker in the EC, employment increased by only 0.3 percent.

Recovery was fueled by a large increase in exports combined with a surge of investment expenditure. These two sources of growth reflected an ongoing transformation in Italian industry whereby firms were reorganizing productive structures, which meant the reduction of labor requirements and investment in the latest technologies. The resulting productivity gains and improvements in quality enabled Italian industry to remain competitive in international markets, even in many traditional industrial branches, such as the clothing industry.

Economic forecasts for 1985 were not as favorable, however; prognoses on GDP growth ranged from 1.1 to 2.5 percent. The persistent upward rise of the massive public sector deficit, the maintenance of a wide inflation differential between Italy and its

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major trading partners, and the creation of a significant current account deficit on the balance of payments reflected accumulated weaknesses in the economy, which, if not dealt with decisively, would constrain future growth.

The Role of Government

Few observers of the Italian political and economic scene have failed to note the elaborate structure of government ministries and agencies that deal with economic affairs. The three principal economic ministries are the Ministry of the Budget and Economic Planning, the Ministry of Finance, and the Ministry of the Treasury, with a theoretical separation of functions between the planning, collection, and spending of state revenues.

These ministries are supplemented by ministries in charge of autonomous agencies (transport and civil aviation, the merchant marine, and the posts and telecommunications); the Ministry of Government Holdings, which addresses operational issues regarding state holding companies; and separate ministries in the functional areas of industry, commerce and artisan enterprise, labor and social welfare, agriculture and forests, tourism and entertainment, public works, and foreign trade. Italians and foreign observers agreed that this bloated bureaucracy, further impaired by departmental jealousies, political rivalry, and government instability, often causes inordinate delays in decisionmaking vital to industry and to the country's economic well-being.

The State Holding Sector

A substantial segment of the Italian economy is either owned or controlled by the state, but there is little agreement over the actual percentage of national output that can be ascribed to the public sector because of the multiplicity of instruments through which the government plays an economic role. Coordination is theoretically in the hands of the Interministerial Committee for Economic Planning (Comitato Interministeriale per la Programmazione Economica—CIPE), whose functions include approval of the programs of the state holding companies and supervision of programs for the economic development of the Mezzogiorno.

A large state holding sector has played an important role in Italian industrial development, particularly in heavy industry. Among the key industries in which the state is involved are iron

and steel, shipbuilding, heavy engineering, petroleum refining, and petrochemicals. These industries were major sources of growth during the first 25 years of the postwar period, but many have experienced heavy losses in recent years. Other sectors in which the state participates include nuclear energy, motor vehicles, electronics, computer software, construction, communications (telephone, radio, television, and postal services), banking, and retail distribution. State participation is administered through five *enti de gestione* (state holding companies) and their subsidiaries.

The largest state holding company is the Institute for Industrial Reconstruction (Istituto per la Ricostruzione Industriale—IRI). IRI was established in 1933 by the fascist regime (see *The Fascist Regime*, ch. 1) with the initial purpose of disengaging the Bank of Italy from the assets it had acquired as a result of successive bank rescues. IRI ended up controlling the three largest banks in Italy—the Italian Commercial Bank (Banca Commerciale Italiana), Italian Credit (Credito Italiano), and the Bank of Rome (Banco di Roma)—and in the late 1930s expanded into industrial areas strategic to the regime's imperialistic ambitions.

In spite of IRI's pre-World War II origins, the government maintained the holding company in the postwar period because there were no private investors able or willing to take over its industrial assets, many of which had suffered severe war damage. IRI was the only institution with adequate resources to engage in certain activities that the state considered paramount to Italy's development effort. IRI thus took over the state's share of Alitalia, which became the national airline, the concessions for the construction and operation of the network of national highways, and other infrastructural services.

The size of IRI in terms of employment, investments, GDP, and exports illustrates the significant weight of the group in the country's economy. In 1982 there were over 500,000 IRI employees representing 71 percent of total employment in state holdings and 3.7 percent of total Italian employment. IRI's capital investments, at L5.3 trillion (for value of the lira—see Glossary), accounted for almost 6 percent of the country's total investment, while the group had a 33-percent share of expenditure on research and development by Italian industry. Over two-thirds of IRI investment was concentrated in services, primarily telecommunications. IRI's output in 1982 represented 64 percent of the GDP produced by state holdings and nearly 4 percent of the national figure. IRI also provided 11.5 percent of industrial exports and 8.7 percent of total exports.

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The second major state holding company is the National Hydrocarbons Agency (Ente Nazionale Idrocarburi—ENI). Although ENI was not established until 1953, it also had its roots in fascist Italy, taking over from the state petroleum agency formed in 1926. Under the dynamic leadership of Enrico Mattei, a former anti-fascist partisan, ENI was formed to engage in the exploration and exploitation of the hydrocarbon potential of the Po Valley. During its first decade ENI became one of the world's largest international petroleum concerns. Mattei's aggressive practices led to clashes with other international oil companies when ENI became one of the first to import oil from the Soviet Union and to offer developing countries a share in the exploitation of their oil resources. ENI also diversified into nuclear energy, petrochemicals, and non-energy-related manufacturing activities, controlling about 160 companies in the mid-1980s.

Although considerably smaller than IRI or ENI, the Shareholding and Financing Agency for Manufacturing Industry (Ente Partecipazioni e Finanziamento Industria Manifatturiera—EFIM) was important in that it controlled a wide range of medium-sized firms, with significant holdings in the armament and aluminum industries, and had spearheaded the development of smaller firms in the south (also referred to as the Mezzogiorno). The other state holding companies were the Agency for the Administration of Hot Springs (Ente Autonomo di Gestione per le Aziende Termali—EAGAT) and the Agency for the Administration of the Cinema (Ente Autonomo di Gestione per il Cinema). A sixth holding company involved in metallurgy and mining was disbanded in 1977, and its shareholdings were passed to IRI and ENI.

To the extent that there is a distinction between the state holding companies and the nationalized industries, it lies in the degree of state control and the nature of financing. The nationalized industries usually involve monopoly control over a basic sector and are financed entirely from government funds or operating revenues. From the financial point of view, the state holding companies are also state-controlled, but their subsidiaries can seek equity capital from the public. Given the fragmented nature of private shareholding, government control can be achieved in some instances with as little as 15 percent of equity capital.

The state holding companies have the more dynamic responsibility of stimulating and sustaining economic growth, whereas the nationalized sector exists to provide basic infrastructural services and manage the state monopolies in tobacco and salt. Because the state holding companies often compete with private enterprise, they are supposed to act as pacesetters in labor relations, technological

innovation, and the development of managerial expertise. Critics have pointed out, however, that politics has often played a key role in managerial appointments, sometimes depriving companies of the best talent.

Nonetheless, the state holding sector has played a major role in Italian postwar economic life and in the development of the south. The sector's operations in basic industries like steel, oil, and chemicals have made for lower costs in other industries dependent on these products. In addition, the goals of full employment and balanced regional development were linked in many ways with the growth of the state holding sector.

Since 1957 state holding companies have been required by law to place 40 percent of all investment and 60 percent of their industrial investment in the south. These percentages were raised in 1971 to 60 and 80 percent, respectively. Even though the required investment levels were never met, there were impressive additions not only to the industrial plant in the south but also to the transportation and telecommunications infrastructure. Although the increases in ancillary private industrial development that were expected to follow state investment have been disappointingly low, there was a consensus that without the investments of the state holding sector, the south would have fallen further behind.

On the national level, the state holding sector has had responsibility for the maintenance of employment in failing enterprises through the injection of capital and managerial expertise. Between 1968 and 1982 IRI acquired 70 ailing companies with 87,000 employees, while ENI acquired many of the unprofitable chemical holdings of Montedison, the country's largest chemical concern. To supplement the rescue activities of IRI and ENI, a new state finance company, the Industrial Participation Administration (*Gestione Partecipazione Industriali*—GEPI), was established in 1971 to provide capital and managerial expertise to small and medium-sized firms that were performing poorly.

Among the criticisms of the state enterprise sector was its failure to pay its way. Self-financing was the major source of capital, but sizable transfers came from the state. Transfers to enterprises increased as a percentage of GDP over the past 15 years from an average 3.3 percent in the 1965-72 period to nearly 6 percent in 1982. The increase was mainly attributed to transfers to public and semipublic enterprises, which amounted to about 40 percent of transfers in the 1965-72 period and almost 75 percent in the early 1980s.

As economic growth slowed and the state holding sector's losses mounted, criticism of the sector's bloated size and manage-

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ment practices spread. The sector had once been exalted as a model mixed-enterprise system for achieving important economic and social objectives without sacrificing economic efficiency or the benefits of a market economy. Growing political interference by the Christian Democrats, who used expansion of the state holding sector to increase their powers of patronage, had, however, tarnished its image. Although some of the sector's difficulties could be attributed to the involvement of IRI and ENI in fields such as oil, petrochemicals, textiles, steel, and shipbuilding that were in a state of international crisis, in other sectors, such as food processing and automobiles, IRI firms experienced large losses while private firms remained profitable.

To rationalize the state holding sector the Craxi government appointed a nonpolitical expert, Professor Romano Prodi, as chairman of IRI. In 1985 Prodi appeared determined to divest IRI of loss-making subsidiaries in nonstrategic sectors and to recapitalize other subsidiaries through partial privatizations. Although privatization generally proceeded slowly but smoothly, political controversy and a potential bribery scandal had held up the proposed sale of IRI's food manufacturing and distribution company to the Buitoni food group, underscoring how certain state-controlled companies served as political fiefdoms.

Fiscal Policy

For most countries belonging to the Organisation for Economic Co-operation and Development (OECD see Glossary), the 1970s witnessed rapid growth of the public sector and the development of a large public debt. In Italy this trend was particularly marked, beginning in 1960 and persisting into the mid-1980s. The main factor behind the imbalance in public finance was the expansion of social insurance coverage to all segments of the population against conditions that were not conducive to financial equilibrium. First, the nature of the country's tax system and a large submerged economy (see Glossary) limited the government's ability to collect revenues. Second, sharp economic downturns in the wake of the worldwide oil crisis of 1973 and 1979 placed additional demands on public funds. As a result, large annual borrowing requirements caused the public debt to swell from the equivalent of 37 percent of GDP in 1970 to 91 percent in 1984 as the growth of the public sector deficit became one of the most serious economic problems in Italy.

The public sector deficit widened very rapidly from 1976 to 1984. From 1983 to 1984, owing to a revival in economic growth, the public sector deficit—which included the deficits of the central government, regional and local authorities, autonomous agencies, and social insurance institutions—increased in absolute terms from L74.8 trillion to L90.1 trillion. Yet as a proportion of GDP the public sector borrowing requirement declined slightly from 17 to 16.7 percent, reversing the upward trend of the previous five years (see table 4, Appendix A). However, in 1985 it appeared that as a proportion of GDP the borrowing requirement would resume its steady rise.

A consequence of the rapid increase in the public sector borrowing requirement was that by 1984 interest payments of the debt alone equaled close to 10 percent of GDP—double the average in the seven largest OECD countries—and 18 percent of current public expenditure. The growth of interest payments was worrisome, for it imparted a built-in momentum to the growth of public expenditure. The OECD estimated that interest payments would rise to 10.1 percent of GDP in 1985 and 13.6 percent of GDP by 1989 if drastic measures were not taken to hold down the annual budget deficit.

One of the principal causes of increased public expenditure was the necessity for the government to assume increasing portions of the cost of social security and other welfare programs that were insufficiently supported by employer and employee contributions. The growth of this kind of expenditure and its high level—almost 20 percent of GDP in 1984—paralleled developments in other West European countries.

Retirement and other pensions were the largest component of transfer payments to households, accounting for 13 percent of GDP in 1982, or one-quarter of total public expenditure. The inordinate size of pension programs was related in part to the use of pensions as substitutes for other inadequate forms of social welfare. Pension expenditure was expected to increase further owing to demographic trends and to regulations governing the pension system. Reform of the system was a pressing issue but was difficult to implement owing to political obstacles (see Social Insurance, this ch.).

Two other forms of social expenditure, health and educational services, have shown significant growth. Their combined share of GDP doubled from approximately 6 percent in 1960 to 12 percent in 1982. The functional categories in which expenditure grew least over this period included justice, defense, and general public services. However, compensation of public employees has increased steadily as a result of the growth of numbers employed and wage

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adjustments for inflation. The wage bill has typically been the second largest component of public expenditure after social services; between 1976 and 1984 it rose from 12.6 percent of GDP to 16.4 percent. In recent years the public sector has played an employment support role as evidenced by the fact that in northwestern and central Italy, where the growth of public sector employment was the most and least rapid, respectively, private sector employment showed opposite trends.

Additional weaknesses in Italian public finance on the expenditure side were the automatic nature of appropriations in many areas and the delays in the expenditure of funds as a result of administrative inefficiency and legislative bottlenecks. Both factors limited the scope of expenditure policy as a tool of demand management.

Since the early 1970s the growth of general government revenue has not kept pace with expenditure despite the 1973-74 tax reform that introduced the value-added tax. Some progress was achieved, however, in shifting the tax burden from indirect to direct taxes, which are more progressive. In 1970 direct taxes accounted for only 27 percent of tax receipts. However, by the end of the 1970s their yield was greater than that of indirect taxes. Over the 1974-83 period personal income tax was the most dynamic component of direct taxation, attributable primarily to withholding on wages and salaries.

Ten years after the tax reform, evasion still appeared to be rampant; estimates ranged up to L64.7 trillion annually, equivalent to over 70 percent of the public sector deficit in 1984. Income tax evasion was highest for self-employed professionals, artisans, and small shopkeepers, whose accounts were difficult to verify. At the end of 1984 the Craxi administration issued an important decree, later approved by parliament, to reduce tax evasion by the self-employed. The controversial reforms drawn up by Minister of Finance Bruno Visentini sparked several strikes by those opposed as well as by those in favor of the legislation. Both trade unions and big business supported the legislation, arguing that Italian wage-earners—among the most heavily taxed in Western Europe—shouldered more than a fair share of the tax burden, which included social security contributions that equaled 43 percent of GDP in 1984. The unions stressed that any concessions they would make in the future on wages and work conditions would depend on equalization of the tax burden.

The most radical aspect of the new law permitted tax inspectors to estimate a business' income based on the goods and services being sold, the location, the size of its offices, and other indicators.

In addition, the common practice of sharing profits among members of the family was limited to 49 percent of profits, and then only if the other family members worked full-time in the business. It was estimated that the reform could raise L10 trillion in additional revenue. However, the success of the reform would depend on effective implementation by the chronically underpaid tax official. If efficiently collected, the tax could force some of Italy's small corner shops out of business and fuel inflationary pressures as firms pass on the cost of higher taxation to consumers.

In its June 1985 annual survey of the Italian economy, the OECD expressed concern that Italy would be tempted to delay action to cut the public sector deficit in the face of political obstacles. In 1985 the government's ability to take strong measures to bring the deficit under control was hampered by concentration of local elections and a Communist-supported referendum on wage indexation (see *Wages and Inflation*, this ch.). In July the government appeared to have temporarily postponed action on budget reform measures until after the summer holiday period.

Control of the deficit has usually focused on stopgap measures rather than on long-term reform. It was common for political parties to seek greater regional support by arranging for subsidies, extra state employment, and other forms of expenditure. Because no general elections were scheduled until 1988, the incumbent government had a chance to take some strong remedial measures under less immediate political pressure. In mid-1985 Minister of the Treasury Giovanni Goria was calling for a political and social consensus on development of a cost-cutting program to cover the years 1986-88.

Monetary, Credit, and Exchange Rate Policy

Given the weaknesses in Italian public finance, monetary policy has been the most important tool of demand management since at least the early 1970s. Monetary policy is the province of the Bank of Italy, which fulfills all the usual functions of a central bank but which also, largely by default, has become one of the most important institutions in guiding the Italian economy. In the face of government instability, the Bank of Italy, which has had only seven governors in the twentieth century, has come to be universally trusted as the seat of the most authoritative, consistent, and impartial economic management advice in Italy. The bank's main policy goals have been to finance the rising public debt in

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the least inflationary way and to preserve a favorable balance of payments position.

The annual budget deficit is financed almost entirely from domestic sources. Up until 1969 the Bank of Italy provided most of the Ministry of the Treasury's finance requirements, but during the 1970s an extensive government securities market developed. The pattern of treasury financing shifted radically after 1980 when the Bank of Italy adopted a more restrictive monetary policy and was freed from requirements to finance treasury debt automatically. Thus, whereas between 1970 and 1976 monetary financing accounted on average for 72 percent of the financing of the public sector deficit, by the 1982-84 period it represented only 10 percent.

According to some critics, pursuit of a tight monetary policy has contributed to the crowding out of the private sector by pushing up interest rates and making the cost of loans prohibitive for many borrowers. Yet overall domestic credit targets were constantly exceeded in the 1975-83 period. Small loans, lending by special credit institutions, and foreign currency credit were not subject to controls, reflecting the Bank of Italy's concern not to let its efforts to offset overruns on the public deficit interfere with private sector activity.

The substantial increase in government securities issued did, however, have major implications for the banking system. The share of private savings flows to the commercial banks declined from a high of 96 percent in 1974 to 38 percent in 1983. In 1983, according to the International Monetary Fund (IMF see Glossary), approximately 51 percent of savings were absorbed by the government and public agencies. Fortunately, Italy had an exceptionally high personal savings rate and a low level of private investment compared with other industrialized countries. Of the seven largest economies in the OECD, only Japan had a higher savings rate.

Commercial banks, which handle short-term loans, and special credit institutions, which handle medium-term and long-term loans, are the mainstay of Italy's financial system. There were 1,085 financial institutions in 1984, and around 90 percent of the system was state-controlled. Commercial banks included a large number of ordinary banks, savings banks, rural banks, and artisan banks, but the banking system was dominated by the three banks of national interest, that is, those whose majority share of capital was held by the state through IRI and by the six large public law banks.

A pattern of heavy bank involvement in industrial financing was established early in the twentieth century. As a result, the

commercial banking system was particularly vulnerable to shifts in the fortunes of large industry, laying the groundwork for state intervention in industry through the banking system in the 1930s. Recognition of weakness in the banking structure led to the passage of the Banking Act of 1936, which limited all commercial banks to short-term credit operations. This restriction has been continued in the postwar period, but the larger commercial banks nonetheless participate indirectly in longer term lending.

The other major sector of the banking and credit system consisted of about 80 special credit institutions, most of which were, like the major commercial banks, under public or semipublic ownership and control. The largest of these institutions was the Istituto Mobiliare Italiano, which was set up by the government in 1931. Other special credit institutions specialized in industrial, agricultural, real estate, or construction financing. These organizations usually raised their investment funds through long-term bond issues in both domestic and international capital markets. In the 1980s the authorities were also trying to promote the rise of merchant banking to combat the problem of undercapitalization in many medium-sized Italian companies.

The large role played by the commercial banks and the special credit institutions in financing the economy was related to the relatively underdeveloped state of the equity capital market. There were 10 stock exchanges located in the major cities throughout the country, but the largest in Milan quoted only around 180 companies in 1984. Typically around 75 percent of share trading took place away from the official market in private dealings through banks and insurance companies.

In 1984 a number of major Italian firms were turning to the stock market to strengthen their balance sheets. A 1.675 billion (slightly less than US\$400 million) share offering by Fiat was the largest in the history of the Italian bourse. Two developments further enhanced the potential of the stock exchange in 1985: a 1983 law permitting the formation of mutual funds, which was after 20 years of political debate, and the planned privatization programs of the two giant state holding companies, IRI and ENI. Indeed, in the first six months of 1985 the Italian bourse advanced sharply.

The dramatic flow of investment to mutual funds underscored the lack of investment options for Italian savers. Transfer of funds for portfolio investment outside of Italy was restricted by the existence of a highly complex exchange control system, the tightest in the EC. Partly owing to mounting pressure from the Commission of the European Communities to relax controls, restrictions relating to

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overseas investment, foreign travel allowances, and trade finance were liberalized in 1984.

Exchange controls and the temporary financing of deficits on the balance of payments have been the two preferred means for coping with external imbalances. Italian authorities have traditionally assigned great value to exchange rate stability, being skeptical about the ability of exchange rate movements to correct balance of payments problems. After exchange rates were allowed to fluctuate freely in February 1973, Italy experienced depreciation of the lira in the 1973-74 and 1975-76 periods. Very rapid price inflation ensued because of Italy's dependence on imported energy, food, and industrial raw materials.

In July 1985 Italian authorities devalued the lira by 7.8 percent following the sudden and rapid decline of the currency against the United States dollar and the West German mark, triggered by ENI's purchase of US\$125 million in foreign exchange markets. Before the lira plummeted in foreign exchange trading, devaluation had gained support among some prominent Italian industrialists, although it was resisted by the Bank of Italy. The inflation differential between Italy and its main trading partners had caused the lira's real effective exchange rate to rise with regard to West European currencies as a whole. Combined with high production costs, the overvalued lira had made Italian goods less attractive in West European markets.

Because of the persistent devaluation of the lira since 1971, the idea of a "heavy" lira equal to 1,000 units of the present lira had been discussed in recent years. Prime Minister Craxi hoped to begin the transition to the heavy lira in 1985, but by mid-year parliamentary approval had not been obtained, and no official plan for implementation existed.

The Southern Problem

Indicative economic planning on a national scale has not been fully realized in spite of the increasing scale of government operations in the economic realm. As early as 1955 the so-called Vanoni ten-year plan came into being, but it was not so much a plan as a loosely connected set of proposals and projections. When the economic upsurge of the late 1950s and early 1960s made the goals of the Vanoni Plan obsolete, the subject of national planning was shelved until February 1962, when the fourth cabinet of Prime Minister Amintore Fanfani came to power and involved the government more actively in economic coordination.

The powers of the Ministry of the Budget and Economic Planning were expanded to include economic planning, and CIPE was set up (see The State Holding Sector, this ch.). It was intended that CIPE would play a key planning role, but the conflicting interests of its staff, composed of economic experts as well as representatives of the three major labor confederations and the major employer and financial groups, meant that decisions have usually been compromise solutions couched in ambiguous terms. In addition, disagreements between various ministries, the relative independence of state holding companies, and the tendency to cope with new problems by creating new agencies or passing laws specific to the circumstances, have reinforced the lack of common purpose in economic planning. As a result of these bureaucratic deficiencies, postwar industrial growth has been promoted mainly through market forces and private initiative, except in the south.

The relative underdevelopment of the Mezzogiorno—basically the six southernmost regions of the Italian peninsula plus the islands of Sicily and Sardinia—has been a major structural problem of the Italian economy since unification in 1961. In 1984 the south, with 40 percent of the country's land area and 30 percent of its population, accounted for only 24 percent of GDP. The lagging development of the south stems from the combination of geography and natural environment of the area as well as historical and social factors. The topography—only 21 percent of the south is classified as plain—aridity, poor soil, and erosion have disadvantaged agricultural activity. The southern half of the country has also been less favorably disposed because of its isolation and distance from the industrialized and prosperous markets of northern Europe.

In addition, the south was subjected to foreign rule and exploitation numerous times between the fifteenth century and the Risorgimento. Colonialism imposed a strong tradition of class rigidities, reinforced by the presence of a powerful and oppressive feudal organization that was abolished late relative to those of other European countries, creating certain sociocultural barriers to development. After unification, national economic policy was primarily concerned with industrialization, and the south's special needs tended to be overlooked.

In the early years after World War II a consensus emerged that the problem of southern development demanded attention and massive financial aid. Thus, the Italian government initiated one of the largest and most ambitious regional development programs in Western Europe. The single most important institution to become involved in the program was the Fund for the South (Cassa per il Mezzogiorno), founded in 1950. Its main source of funding was the

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state budget, but it also drew on foreign loans. Initially, the fund concentrated on infrastructural projects in agriculture, sanitation, and transportation, but in 1957 the focus of the development fund shifted as the effort to industrialize the south gained steam. That year legislation was passed, obliging state holding companies to locate a substantial share of new investment in the south and providing one of the most generous investment incentive packages in Western Europe. However, public enterprises ended up with a larger share of investment in the south than in the north, especially in industry.

In 1971 responsibility for industrial development in the south was officially transferred to the regions. Access to credit subsequently became more susceptible to clientage manipulation, and local political disputes slowed the disbursement process. The ratio of overall expenditure to commitments fell from 0.7 to one in the 1960s to 0.6 to one in the 1970s.

Nonetheless, public expenditure in the south since the early 1950s appears to have been substantial. Over the 1951-80 period the Fund for the South spent no less than L47.7 trillion at 1980 prices on southern development projects. Approximately two-fifths of this expenditure went to public works, the remainder being allocated primarily to investments in agriculture, industry, and tourism. The ratio of annual development fund payments to southern GDP typically ranged between 3 and 3.5 percent in the 1950s and 1960s, rising sharply to an average of 4.3 percent in the 1970s. In addition, over the same period the central government provided over L26 trillion to state holding companies located in the Mezzogiorno. About 64 percent of these funds went to steel and petrochemicals plants.

In light of the resources directed toward the Mezzogiorno, the results of southern development policy have been mixed. While per capita income in the south increased significantly between 1951 and 1983, the income gap between northern and southern Italy remained wide. In 1951 per capita income in the south was 53.2 percent of the average for the rest of the country; by 1983 this proportion had risen to only 61.7 percent. At current rates of growth the gap would take many decades to bridge, because between 1974 and 1983 it only narrowed by 0.4 percent.

The pattern of industrial development within the Mezzogiorno also sharpened regional income disparities within the south. The richest five provinces, out of 34 southern provinces, had output per capita 70 to 83 percent of the average for the rest of Italy in 1983. In contrast, the income of the poorest four ranged between 45.6 and 55.6 percent of the northern average. However, because of the



Small farmer in upper Lazio



Cattle breeding in Toscana

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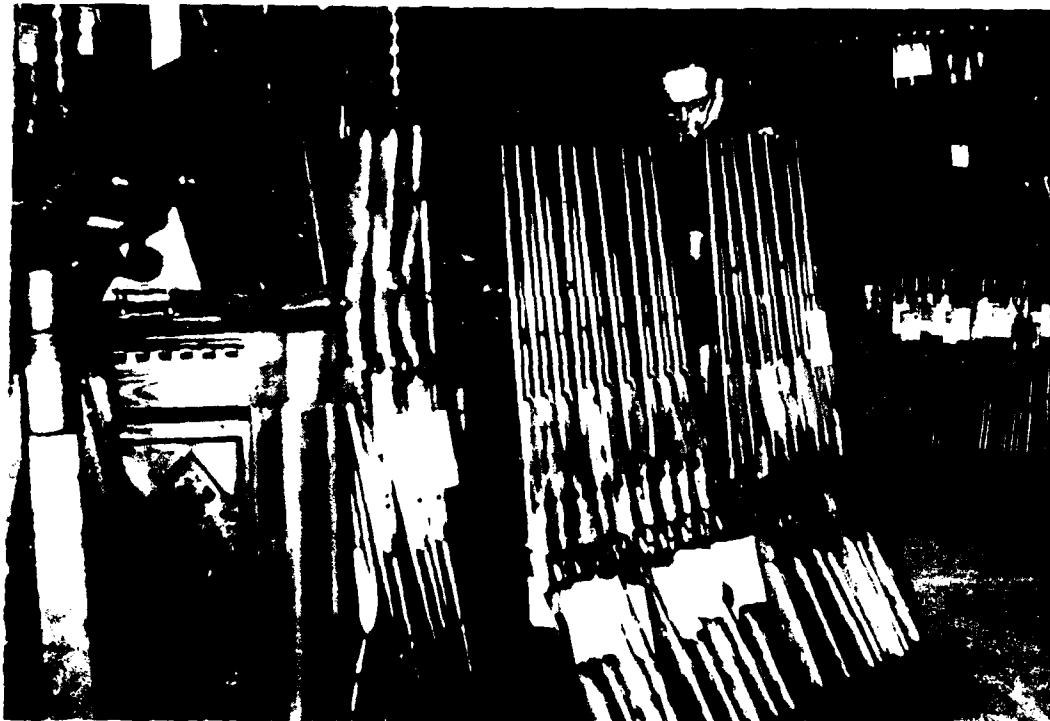
scope of illegal and unreported economic activity in a number of southern regions, the standard of living was higher in some areas than income figures indicated. Palermo, for example, ranked eightieth in income among Italian cities, but it ranked fifth in per capita consumption.

Regional incentives attracted a fair amount of industry to the Mezzogiorno. By 1980 about 2,400 new factories employing over 305,000 persons had settled in designated industrial estates. New industrial jobs were concentrated in a limited number of sectors, however; 73 percent of southern factory employment in 1980 was in the chemical, mechanical, or metallurgical industries. Most of the firms in these sectors were large, state-controlled, capital-intensive units. In 1982 IRI accounted for 52.5 percent of employment in southern manufacturing plants with over 1,000 workers. Other state holding companies represented another 11.5 percent of employment compared with 36 percent for the private sector.

Industrial development in the south was confined not only sectorally but geographically as well. The bulk of development was concentrated in three main areas: Naples and its neighboring provinces, the Bari-Brindisi-Taranto triangle, and the Syracuse-Augusta axis of eastern Sicily. Spending under the Fund for the South reinforced this pattern, for more than 80 percent went to only four regions—Puglia, Sardinia, Sicily, and Campania. Spending was also extremely concentrated within the regions. For example, two-thirds of Puglia investment was directed to Taranto.

There has been only limited development of small- to medium-sized labor-intensive manufacturing units even though since 1976 development policy has focused on smaller firms. It is said that potential entrepreneurs have been wary of organized crime and the customary exaction of protection money from businesses. As a result, most industrial development in the south has been restricted to large industries in a few areas without the satellite smaller industries and service facilities that would be expected to follow. Only Abruzzi and Puglia have witnessed the growth of a dynamic sector of small firms similar to those that have developed in northeastern and central Italy. A classic example is the Val Vibrata Valley of Abruzzi, a largely agrarian region that in 1970 successfully established a light manufacturing base.

In the economic climate of the 1980s the Mezzogiorno was faced with greater difficulties than other parts of the country, for its industry had a greater proportion of subsectors in crisis. Furthermore, the south's share of national industrial investment fell from 32 percent in the 1970-75 period to 20 percent in 1979-81. The south experienced competition from low labor cost countries



Beretta gun factory



The hand-built Lamborghini

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outside the EC in traditional manufacturers and from the established industrial areas of northern Italy in technologically advanced goods. Moreover, the characteristics of growth in southern, small-scale industry tended to differ from those in the north. In the south many small- to medium-sized firms concentrated in traditional subsectors did not upgrade their production processes or diversity into more technologically based industries. The dynamism of southern firms was based more on the exploitation of surplus and marginal labor than was that of the north. Profits were often not reinvested but flowed instead toward traditional southern investments like real estate speculation.

In 1985 the institutional structure for promoting development in the Mezzogiorno was undergoing change. In August 1984 the parliament had failed to renew the mandate of the Fund for the South, which had originally expired in 1980, but was considering legislation for a new regional development fund. Instead of managing the construction of projects, it would function more as a development bank, approving and funding projects proposed and managed by the regional authorities in collaboration with state and private companies. According to draft legislation, the new body would be composed of the ministers of the treasury, finance, government holdings, industry, and the budget and economic planning, as well as the presidents of each region in the Mezzogiorno. This structure would draw the regions more fully into decisionmaking and could lead them to assume greater responsibility for economic development. In the past, once the Fund for the South carried out public works projects, it had seldom been able to transfer ongoing management responsibilities to regional or local authorities. This diverted resources from new industrial promotion efforts. For example, nearly 75 percent of the fund's 16,000 employees oversaw vast water supply and solid waste management systems.

Labor

The Italian labor force has been steadily increasing since the early 1970s owing to the combined effects of population growth and a rise in the number of women entering the job market. Between 1972 and 1983, some 2.7 million persons were added to the labor force; over three-quarters of these were women, who by 1983 represented 34.4 percent of the labor force. In 1984 the total labor force included around 23 million persons, and the average unemployment rate was 10.4 percent (see table 5, Appendix A).

Analysis of the sectorial breakdown of employment in Italy suggests the reversal of a long-term trend. Until 1978 industry and the tertiary sector increased their proportion of the working population in a parallel fashion, absorbing the movement out of agriculture. Since then, however, the services sector, which exceeded 50 percent of the labor force for the first time in 1982, has been the only sector whose relative share of employment has grown. The growth of the tertiary sector was related to the expansion of both the tourist industry and state bureaucracy as well as the decentralization of some services previously performed inside industrial enterprises. In particular, employment grew in accounting, market research, advertising, and data processing.

By 1984 agriculture accounted for 11.6 percent of the employed labor force, industry for 34 percent, and services for 54.4 percent. Nearly half of those employed in the services sector worked in public administration, whose share of total employment was 17.4 percent. Employment in industry fell 8.4 percent in the 1981-84 period, reflecting the severity of the lingering recession. The trend was likely to continue in the long term because recovery and reindustrialization plans envisaged a streamlining of the industrial work force. At the same time, the growth of job opportunities in the services sector would be inadequate to absorb new job seekers and would reverse the trend in unemployment for at least a decade.

At the regional level there were striking differences to be found in the distribution among the various sectors. In 1983, 20.6 percent of the labor force in the south was in agriculture, 26.2 percent in industry, and 53.2 percent in services. The important role of industry in northern regions was confirmed by the fact that 40 percent of employment was in industry and 51.4 percent in services, compared with 8.6 percent in agriculture.

Considering the fluctuations in GDP growth, the unemployment rate was relatively stable and rather low during the 1970s, although an upward tendency was evident after 1974. This pattern was related to the increased job security that unions obtained for their members and to temporary paid layoffs. After the onset of recession, 1981 unemployment worsened substantially, moving from an annual average of 7.6 percent in 1980 to 10.4 percent by 1984, a post-World War II high of 2.4 million persons.

The average unemployment rate disguised wide differences in rates among age and gender groups as well as among regions (see table 6, Appendix A). Since the late 1970s persons in the 14 to 29 age group have accounted for about three-quarters of the unemployed. Although Italy's youth unemployment rate, at 33.7 percent

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in 1984, was above the average of other industrialized market economies, the 1.9 percent unemployment rate for men between the ages of 40 and 59 was significantly below the average. The union strategy of defending the jobs of the employed, coupled with slower economic growth, harmed job prospects for the younger generation. Young women had the highest rate of unemployment, while the overall female unemployment rate was 17.1 percent compared with 6.8 percent for men. Unemployment was significantly higher in southern Italy and the islands—14 percent compared with 9.4 percent in central Italy and 8.4 percent in the north.

Unemployment among adult males and in the northern industrial regions was tempered somewhat by the operations of the Wage Supplementation Fund. The fund permitted workers who had been laid off or placed on reduced hours to collect up to 80 percent of their previous wages for an often indefinite period. It contributed to disguised unemployment because workers supported by the fund were considered in official statistics as employed. If these workers were counted as unemployed, as many of them actually were, the average unemployment rate for 1984 would have stood at 12.3 percent—1.9 percentage points above the official rate.



*An engineer working
at the headquarters
of the telephone company
in Rome*

Successive governments considered the mass dismissals associated with industrial restructuring in the 1980s to be politically and socially unacceptable, so they supported the Wage Supplementation Fund in the interest of labor-management peace. The growth of the fund since 1980 has functioned as a rough barometer of the crisis in Italian industry and has been one factor in the widening of the public sector deficit. Both public and private firms, such as Alfa Romeo and Fiat, used the Wage Supplementation Fund as a means to streamline their work forces.

In the mid-1980s the Italian labor market, known for its rigidity and strict hiring and firing regulations, was becoming more flexible. A report published by Censis, one of Italy's foremost social science research centers, stated that during 1983 some 5 million Italians passed at least temporarily from the ranks of the employed to the unemployed or vice versa, and another 3 million changed jobs. Moreover, income tax records revealed that over 4 million people had more than one job and that the figure probably would have been much higher, had undeclared income been included. In 1984 parliament passed several measures designed to promote a more fluid labor market including training schemes, direct selection of staff rather than selection by state-run employment agencies, and encouragement of part-time employment.

A large number of employers, such as independent farmers and small, specialized manufacturers, already used few regular full-time employees. They depended instead on seasonal or part-time help, who, particularly in textiles and clothing, worked mainly at home. Many of these small operations and their employees concealed production and income from the public authorities to avoid taxes and social security contributions. In August 1983 the International Labour Organisation calculated that between 10 and 35 percent of the Italian work force engaged in undeclared work. The submerged economy functioned as a kind of social safety net, especially in times of economic recession.

Trade Unions and Employer Organizations

Article 1 of the Italian Constitution states that "Italy is a democratic republic founded on labor," while subsequent articles provide a basic charter for labor's rights and a pluralist industrial relations system. The Constitution recognizes unions, guarantees the right to strike within the statutory limitations, and provides for the legal recognition of labor-management collective bargaining. It also declares the rights to an adequate wage, equal pay and rights

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for women, social security, and paid vacations. These fundamental rights, among others enumerated in the Constitution, have been elaborated by subsequent legislation, of which the most sweeping was the Labor Law of 1970—later known as the Worker's Charter—which restated and extended workers' rights and the role of unions.

There are three major labor union confederations in Italy, all with varying degrees of political affiliation with one or more political parties. The largest, the Italian General Confederation of Labor (Confederazione Generale Italiana del Lavoro—CGIL), with about 3.2 million active members in 1984, was politically aligned with the Italian Communist Party (Partito Comunista Italiano—PCI), although it had an important Socialist minority. It had the strongest representation among blue-collar workers and as such offered the strongest resistance to wage indexation reform. The second largest, the Italian Confederation of Workers' Trade Unions (Confederazione Italiana dei Sindacati dei Lavoratori—CISL), was a Catholic movement and had 2.3 million members. Most of the leadership was not affiliated with any political party, but a large minority consisted of members of the left wing of the Christian Democratic Party (Partito Democrazia Cristiana—DC). Both the CISL and the smaller Italian Union of Labor (Unione Italiana del Lavoro—UIL), which numbered 1.2 million members and was aligned toward the Italian Socialist Party (Partito Socialista Italiano—PSI), generally represented better paid workers than the CGIL.

Autonomous unions, unaffiliated with political parties, represented as many as 2 million other workers. The autonomous unions were composed primarily of government employees and workers in transportation, health care, and other public services. Since the mid-1970s different kinds of employee organizations have been formed to represent *quadri*, an imprecisely defined category of employees generally including senior white-collar and middle-management employees, as well as some technicians. Leaders of the *quadri* movement claimed at least 1.5 million members, but the several *quadri* groupings numbered around 150,000 members in 1985. In 1985 *quadri* finally succeeded in receiving recognition as a separate class in labor law. A common objective of the *quadri* organizations was to preserve the status of their members and resist the trend toward equalitarianism in the factories. In 1980 the union movement received a blow when an impressive march through Turin by 40,000 *quadri* insisting on their right to work helped the Fiat management break a major strike.

Between 1972 and 1984 the three major union confederations were loosely joined in a united federation to present a common

front in national-level wage negotiations with employers. The UIL, the confederation most evenly represented across economic sectors, frequently acted as a mediator for the other two confederations, seeking to convey an image of moderation and pragmatism. Once the PCI was excluded from the government coalition in 1978, the federation encountered problems, and collective bargaining reached an impasse in the 1979-82 period. In 1984 the federation finally dissolved after the Communist members of the CGIL refused to sign the national wage agreement. Throughout the postwar period, coordination efforts by the unions have been hampered by regional, sectorial, and political differences.

Trade union membership passed through two phases between the early 1970s and the mid-1980s. Up until 1978 membership increased steadily, and the unionization rate climbed to almost 50 percent. The trend was then reversed, and between 1978 and 1983 the unionization rate dropped by almost 4 percent. In recent years the strength of the organized labor movement has been declining, a trend connected to the economic recession and the changing sectorial nature of the labor force.

Italy had a reputation for losing many hours to strikes, but strike activity was on the decline in the 1980s, reaching in 1984 its lowest level in 20 years. Italy was one of the few countries in the world in which the right to political strikes was recognized. Since 1975 official statistics have shown hours lost to causes such as protests concerning economic policy and social reform goals. Strikes were commonly of short duration because unions lacked strike funds, and work stoppages meant pay losses. Staggered work stoppages were a common labor practice during periods of collective bargaining. Strike activity therefore tended to follow a three-year cycle, with the greatest number of strikes occurring during years when contracts were up for renewal.

The overall high level of strike activity engendered periodic debate on the need for legislation to set limits on strike action, but no regulatory laws had been passed as of 1985. In the 1980s government ministers, public prosecutors, and provincial prefects showed a growing tendency to investigate or issue injunctions against strikes in public services. These actions reduced the frequency of duration of such strikes, and the transportation unions even adopted self-regulatory codes to minimize inconvenience to the public. Should self-regulation prove unsatisfactory, pressure could mount for parliament to finally enact specific legislation.

Nearly all private industrial employers are organized into industrywide or regional associations. Most are members of Confindustria (Confederation of Industries), the most powerful voice of

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private industry in Italy, which defends and promotes interests of its members in regard to industrial relations and general economic policy. Those industrial enterprises under state control join either Intersind or the Association of Petrochemical Plants, both of whose competence is limited to industrial relations. Other management associations represent owners or operators of agricultural enterprises and employers in the commercial field. During the 1960s and into the 1970s Intersind tended to pursue a more accommodating policy toward the trade unions and often signed collective agreements before Confindustria was ready to do so, thereby splitting the employers' front. Since 1980, however, the gap between the industrial relations policies of the two organizations has narrowed considerably.

Wages and Inflation

The primary collective bargaining agreement is a national, industrywide contract, which sets forth minimum wages and terms of working conditions, although each contract varies according to conditions within the industry concerned. Agreements are generally valid for three years and are negotiated nationally by representatives of the unions for a given industry or sector and their management counterparts. In addition, since the mid-1960s plant-level bargaining has developed so that the terms of the national contracts can be elaborated in supplementary local agreements to respond to local conditions.

Unlike trends in other industrialized Western economies, average Italian wages, after accounting for inflation, rose every year from 1973 to 1982. Union pressure for ever higher wages and other benefits had been acute since the late 1960s. Italy's subsequent economic troubles were partly attributed to the wage settlements that resulted after the labor unrest of 1969. In addition, wage indexation laws designed to keep workers' purchasing power more or less constant resulted in wage increases that outran the price index and tended to make inflation self-perpetuating. These developments virtually wiped out the low labor cost advantage enjoyed by Italian industry in the years of the economic miracle.

The system of wage indexation in use in 1985 dated from a 1975 labor-management agreement. The *scala mobile*—literally translated as escalator—covered all wage and salary earners. Workers with pensions also benefited from indexation of their benefits. Indexation was a contentious issue between unions, employ-

The Economy

ers, and government, but all three sides concurred on the need for reform to curb escalating labor costs.

In the 1980s government influence in the collective bargaining system had increased to ensure compatibility of wage settlements with the goals of containing inflation and public expenditure and promoting industrial competitiveness. Collective agreements in 1983 and 1984, therefore, sought to keep wage increases within the limits fixed by the targeted rate of inflation. The means included a reduction in wage indexation coverage and a ceiling for wage increases granted in 1983.

A labor cost agreement reached in January 1983 produced a modest slowdown in the rise of contractual wage rates and reduced by some 15 percent the index-linked portion of wages. When in 1984 negotiations to introduce further reductions in indexation foundered, the government set by decree a six-month ceiling on automatic indexation increases designed to achieve the official 10-percent target for price and wage growth. The decree aroused the bitter opposition of the Communists and pushed to the breaking point their relations with the Socialists in the labor area, where cooperation had been strongest. The CGIL forced a referendum in June 1985 to restore the points that the government had cut from the *scala mobile*. The results were an important victory for the Craxi government, which had made the referendum a vote of confidence. The rejection of the Communists' position by the voters could weaken long-standing Communist influence in the union movement and its de facto veto over the government's social and economic policies.

In mid-1985 further battles over the *scala mobile* seemed likely, for the referendum did not resolve the future of wage indexation. Confindustria gave formal notice on the day of the referendum that its members would cease paying indexed wage increases in February 1986. Although Confindustria's unilateral move could possibly force progress on indexation reform, it served to strain management-labor relations.

Social Insurance

Even though Italian social security programs date from the end of the nineteenth century, it was not until the early 1970s that social welfare coverage was extended to all segments of the population. Piecemeal development of social security programs resulted in the creation of an extremely complex and unwieldy system. In 1984 more than 90 percent of insured persons were covered under

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funds administered by the National Social Insurance Institute (Istituto Nazionale della Previdenza Sociale—INPS) for old age, survivor, and disability benefits. Separate programs covered health care, worker compensation, unemployment benefits, and family allowances. There were also special funds for senior management personnel as well as sailors, transportation and communications workers, and others in specific fields.

To finance increasing social security benefits, contributions have become a major portion of employers' labor costs. In 1984 industrial employees paid 8.7 percent of their earnings into INPS and the national health service, while employers paid the equivalent of 45.9 percent of workers' earnings. High cost was one of the more frequently heard criticisms of the social insurance system. The cost of programs, particularly that of the pension system, constituted a considerable burden on the economy because the huge annual deficits from such programs represented a large portion of government expenditure (see Fiscal Policy, this ch.).

In 1984 the Italian pension system was on paper one of the more generous in the world. The retirement age was the lowest in Europe—age 60 for men and 55 for women. Civil service benefits were even more generous; for male employees could retire after 20 years of service and women after only 15 years (11 years if a woman had minor children). As a result, retirement from government was not unheard of for people in their thirties. Another category of pensions, disability pensions, was also liberally granted, at least up until 1984, when tighter eligibility requirements were legislated. These pensions were used largely as welfare or supplemental income by many recipients, especially farm laborers and small landholders in the south, who continued to work. One in every 10 Italians received a disability pension, and figures were as high as one in five in Molise, where such pensions were often arranged as a form of patronage.

Discussions regarding reform of the pension system began in the late 1970s and continued into 1985. It was difficult, however, to arrive at a consensus regarding pension benefit ceilings or an increase in the pensionable age. The political reality was that pensioners were a strong force representing about one-third of the electorate. In the south, pensions were a particularly volatile issue, giving their welfare and patronage functions.

Industry

Italian industry, including manufacturing, mining, public utilities, and construction contributed 39.1 percent to the GDP and employed 35.6 percent of the work force in 1983 (see table 7, Appendix A). By comparison, a decade earlier industry represented 41.6 percent of the GDP and employed 43.6 percent of the work force. The decline was related to the growth of the services sector as well as the process of rationalization and restructuring evident in industrial enterprises since the early 1970s. Over the 1970-83 period the average annual growth rate of industrial production was nearly 3 percent, compared with 2 percent for European members of the OECD. However, while growth was very high between 1977 and 1980, most industrial sectors stagnated or contracted during the 1981-83 recession. Industrial activity increased 2.8 percent in 1984, yet output was still about 5 percent below its prerecession level in 1980.

The largest Italian corporations have responded to the economic problems of the postboom period and to increased international competition by seeking to reduce staffing requirements and improve productivity. As Italy emerged from recession, investment in machinery and equipment increased by 9.5 percent in 1984 and continued to rise strongly in the first half of 1985. A significant share of new investment went into automation and labor-saving equipment. As a result, employment in industrial enterprises with more than 100 employees fell by 17 percent between 1980 and 1984. In addition, efforts to gain access to new technologies, capital resources, and markets led to a rise of mergers and associations with large foreign companies, giving Italian heavy industry a more multinational character.

Most major Italian corporations listed on the Italian bourse started out, however, as family ventures. These included Fiat—the largest private Italian firm—founded in 1899 by the Agnelli family as the Italian Automobile Factory of Turin (*Fabbrica Italiana Automobili Torino Fiat*), as well as firms identified by the name of the founding family, such as Pirelli in tire manufacture and Olivetti in office machines. Indicative of the structural duality in Italian industry, the great mass of firms continued to be small family-run enterprises. Of the world's 200 largest non-American companies in terms of sales in the mid-1980s, Italy had only eight. According to the 1981 industrial census, 75 percent of manufacturing establishments had from one to five employees, and 85 percent had fewer than 10.

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In spite of the diffusion of industrial activity into central Italy, industry, particularly large-scale manufacturing, remained concentrated in the northwestern triangle formed by the cities of Turin, Milan, and the port city of Genoa. Milan is Italy's industrial, financial, and international trade promotion center. Milan, together with the surrounding Lombardia region of which it is a part, accounted for around one-third of Italy's GDP and exports in the mid-1980s. Farther south there are significant industrial concentrations around Rome and Naples and smaller ones around Bari, Brindisi, and Taranto on the southern Adriatic coast, Palermo and Catania in Sicily, and Cagliari in Sardinia. Much of southern industry is of postwar origin and has resulted from programs to increase the economic importance of the south.

Another characteristic of Italian industry is its dependence on external resources and markets. Thus, raw materials, intermediate goods, and energy accounted for 65.1 percent of imports in 1984. Capital goods represented another 14.7 percent of imports, while consumer goods represented 20.2 percent. Italian exports were overwhelmingly manufactured products, 97 percent being so classified in 1984. The total value of manufactures exported that year was equal to 69 percent of the industrial sector's output, excluding construction.

Small-Scale Industry

In recent years Italian small-scale industry has received international attention because of its resilience and dynamism in a generally unfavorable economic climate. The center of small industry growth in the mid-1980s was spread through the villages and small cities of northeast and central Italy, particularly in and around Bologna, Florence, Ancona, and Venice. The Italians called this area the "third Italy" to distinguish it from the older industrial triangle and the south. Comparison of average wage levels, investment per employee, and unemployment rates in acknowledged regional centers of small-scale industry, such as Emilia-Romagna and Veneto as opposed to other industrial regions, reveals remarkable prosperity in the former.

Decentralization of production through subcontracting to small-scale industry has been a distinguishing feature of Italian manufacturing since the early 1970s. The delinking and spread of productive activities into small, specialized factories and cottage industries was a common strategy pursued by entrepreneurs to contain labor costs and increase operational flexibility in the face of

strong international competition. Companies employing fewer than 15 people were not required to have a union organization and tended to have more freedom in the hiring and firing of employees.

Field studies of small-scale industry in the 1970s and 1980s have revealed the growing significance of modern, highly innovative firms rather than sweatshops that depend on marginal labor and outdated equipment. Although it is difficult to determine how many small industrial firms are advanced, comparison of the 1971 and 1981 censuses indicates that production was probably moving out of households into small, modern shops. Over the decade there was a substantial increase in the share of the labor force employed in firms having between six and 19 employees, whereas corresponding reductions were recorded in the shares of the labor force in firms of more than 50 or fewer than five employees (see fig. 12). As a result, the mean number of workers in the manufacturing establishment moved from 8.4 to 8.3, reversing a long-term trend toward gradually increasing firm size.

The movement of small industry out of the household had led to the surfacing of much of the submerged economy in northeast Italy. In some places, such as Prato, the number of recorded industrial workplaces relative to the number of inhabitants was so high that there could not be much scope for unregistered businesses.

Many small producers have escaped dependence on subcontracting to larger Italian firms by carving out niches in foreign markets and developing new, specialized products. Small enterprises have also adapted the technology and managerial techniques of larger enterprises to the peculiar needs of small-scale production, reducing the need to farm out work to home workshops. Constant innovation, especially as manufacturing units have become more specialized, has reinforced the emergency of various forms of technical collaboration between firms. Moreover, to gain economies of scale in administration, there has been a blossoming of cooperative service organizations in areas such as purchasing, marketing, and accounting. This pattern of development has fostered geographical specializations such as ceramics in Sassuolo near Bologna, plumbing equipment in Lumezzane near Brescia, and textiles in Prato.

Manufacturing

Manufacturing output rose by 3.1 percent in 1984, the first increase in output since 1980. Above-average production increases were recorded by precision instruments, office equipment, artificial

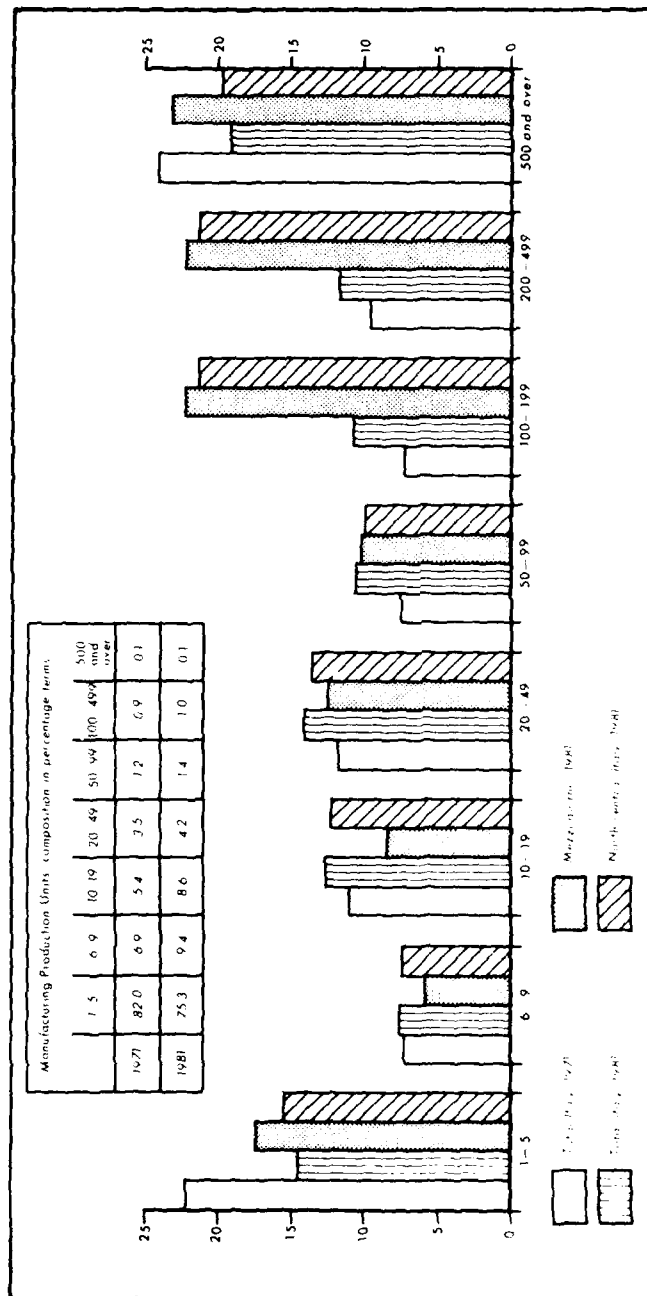


Figure 12. Manufacturing Production Units Classified by Number of Workers, 1971 and 1981

Source: Based on information from Giovanni Zanetti, "The Industrial Structure and Efficiency of the Italian Economy: Trends and Planning Aspects," *Review of Economic Conditions in Italy*, No. 2, June 1983, 278; and Banca d'Italia, *Annual Report, 1984*, Rome, May 1985, 89.

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fibers, rubber, clothing, pharmaceuticals, and textiles. In contrast, production fell in shoes, petroleum products, and miscellaneous metal products.

The manufacturing subsector that the Italians called *metalmecani* (metal mechanical), which includes most forms of metalworking and all kinds of engineering, overtook textiles as the largest manufacturing subsector by the beginning of the 1960s. In 1983 the *metalmecani* output accounted for 30 percent of manufacturing GDP and 32.5 percent of the labor force engaged in manufacturing. Machinery contributed 25 percent to total *metalmecani* output; electrical and electronic equipment, 23.5 percent; transportation equipment, 21 percent; and varied types of metalworking, the remainder.

The automobile industry was one of the major contributors to the *metalmecani* subsector of machinery and an important consumer of goods from other fields of manufacture. It was dominated by the Fiat company headquartered in Turin. Fiat had a 54-percent share of the Italian market in 1984 and a 13.5-percent share of the European market, making it the number one automobile company in Western Europe. Imports from Japan have been practically excluded by an extremely low annual quota instituted before Italy agreed to join the European Economic Community (EEC) in 1957. The fact that Italian producers had been spared one source of potential competition helped them capture 63.4 percent of their home market in 1983.

Fiat has been mentioned extensively in the international media as one of the prime examples of the restructuring taking place in Italian industry. Once Fiat broke a critical strike in 1980, it directed its efforts toward eliminating serious overstaffing and introducing automated production equipment. Investment in the 1980-86 period was projected to total L13.5 trillion for designing new car models, plant automation, and robotics. By 1985 Fiat had pushed up productivity dramatically while lowering production costs and the break-even level of production. Altogether over 70,000 employees were laid off between 1981 and 1985—some 23.4 percent of Fiat's work force.

Alfa Romeo, accounting for 7.3 percent of the Italian automobile market in 1984, was the only other major car producer in Italy. Its operations were also being restructured, but the company continued to exhibit massive losses. Because Alfa Romeo was state-owned, it was politically impossible to close the factories though in 1984 they collectively operated at less than half of capacity. Alfa Romeo did, however, succeed in laying off around 6,000 employees—17.6 percent of its labor force—and boosting productivity.

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The remaining automobile companies specialized primarily in luxury cars and racers. Like Fiat and Alfa Romeo, a number of them were pursuing or had concluded design consulting and joint production agreements with major foreign automobile companies.

The electrical and electronics industry was the second largest subsector of *metalmeccani* in 1983. The majority of electrical firms were small in size and fairly well distributed geographically, but a few large firms, most notably Olivetti and Zanussi, dominated the subsector. In the 1980s Italy's consumer electronics industry was experiencing difficulties, although in certain investment goods sectors, such as machine tools, Italy was a world leader. Foreign suppliers captured over half of the domestic consumer electronics market with products like color televisions, radios, and video recorders because Italy's strength was in white goods—heavy consumer durable goods, like refrigerators and washing machines. The production of white goods expanded phenomenally in the 1960s but slowed in the mid-1970s as West European markets became saturated.

Zanussi, Italy's largest manufacturer of white goods, mounted an enormous investment program to diversify into consumer electronics. However, the company experienced heavy losses on many of its new ventures, particularly in the manufacture of color televisions, where losses were caused by government delays in deciding which system to adopt. In contrast, Olivetti, which specialized in data processing and office automation equipment, recorded a net profit in the first six months of 1985, its revenues rising over 50 percent. Olivetti was aggressive about penetrating international markets through distribution agreements with major multinational companies like Xerox and Toshiba. The data processing equipment sector was the largest sector in the Italian electronics industry in 1984, its sales totaling L3.651 billion, of which 59 percent was exported.

The second largest subsector of the electrical and electronics industry was telecommunications, even though a dearth of government orders in the 1970s caused telecommunications development in Italy to slip behind that of other West European countries (see Communications, this ch.). Total output in this sector was worth L3.358 billion in 1984, of which 12 percent was exported. The third largest subsector of the Italian electrical and electronics industry was systems electronics, with applications in defense equipment, aerospace engineering, factory automation, and other equipment. Over half of systems electronics sales were in the field of defense equipment, and 46.5 percent of systems electronics production was exported in 1984 (see Italian Defense Industry, ch. 5).

Italy was the world's third largest producer of industrial robots and had a number of firms designing and building electronically controlled flexible manufacturing systems. The largest, Fiat's subsidiary, Comau, built the world's most comprehensively automated plant at Termoli in southeast Italy, where it produced car engines. A large market existed in Italy for factory automation because of the high cost of labor and the readiness of Italian managers to innovate.

In an attempt to stimulate the consumer electronics industry, the government set up a state-controlled financial company—Electronic Restructuring (Ristrutturazione Elettronica—REL) in 1982. REL was owned by the Ministry of Industry and IRI and could take up to 49 percent of the equity stakes in companies and make loans at subsidized interest rates. By 1985 REL had approved plans in companies making car radios, high-fidelity equipment, video recorder equipment, and color televisions, but few funds had been disbursed. Meanwhile, the association of electronics manufacturers was pressuring the government to become more involved in the encouragement of technological innovation in microelectronics and data transmission as well as in consumer electronics.

On the West European front, the Italian government and the electronics industry were heavily committed to Esprit, a research and development program in information technology being coordinated and 50 percent funded by the Commission of the European Communities. Italy also let it be known that it wanted a substantial part in the development of the United States Strategic Defense Initiative, viewing the French Eureka plan for a similar European research program as a parallel, rather than a substitute, competing project.

Although the importance of the textiles, clothing, and footwear subsectors in the Italian economy has declined over the years, they retained second place after *metalmeccani* in terms of manufacturing employment, output, and exports. Although Milan was one of the world's leading centers of haute couture, fashions from the leading designer houses—Versace, Missoni, Krizia, Fendi, Valentino, and Armani among others—were in great demand in major markets, making Italy the world's third largest textile exporter.

The textile and clothing industries, perhaps more than any others, illustrate the phenomenon of small-scale industrialization. Their backbone, many small- to medium-sized family-run enterprises, invested heavily in automation in response to being undercut by low-cost Asian labor. The competitiveness of those firms derived from successfully reducing costs, producing innovative designs, and dominating particular market niches, such as

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knitwear. In contrast, the footwear industry had not responded as well to competition from manufacturers in countries with low labor costs and was slower in spotting market trends. In 1984 footwear output dropped 6.4 percent, the largest decline registered in a single manufacturing subsector.

The food processing, beverages, and tobacco industry was the next largest manufacturing subsector, followed by mineral processing and metallurgy and the chemicals industry. Strong investment in chemicals, iron, and steel up to 1974 proved to be in excess of requirements. In the chemicals subsector, excess supply caused prices to fall, which led to serious financial losses despite large productivity gains.

Mining, Minerals, and Metallurgy

Italy's mineral resources are generally poor, but the value of processed minerals represented about 12 percent of manufacturing output in 1983. Metals and ores are, therefore, major items in Italy's import requirements, particularly iron ore, and iron and steel scrap. In 1983 mineral imports, fuels excluded, were about 8 percent of all Italian imports.

The more prominent minerals extracted in Italy, with production expressed as a percentage of world production, in 1983 were pumice, 53 to 54 percent; feldspar, 22 to 23 percent; bentonite, 4 to 5 percent; and fluorspar, asbestos, and magnesium, 3 to 4 percent each. Other minerals included workable reserves of bauxite, mainly in Abruzzi, Campania, and Puglia, as well as bauxite, lead, and zinc in Sardinia. In addition, world famous marble quarries were located at Massa and Carrara.

Because all subsurface assets belong to the state, the government has had an important role in the mining and processing of minerals. Private enterprises operate in the mineral industry, but the government controls most of the sector through ENI and Finisider, the holding company for IRI's steel interests. In 1982 the parliament approved a law charging ENI with basic exploration at the state's expense, thereby strengthening government involvement in the identification of new mineral deposits.

Metallurgy is dominated by iron and steel in terms of employment, output, and share of exports. The steel industry's postwar growth was based principally on high domestic demand; steel consumption more than tripled between 1960 and 1980 as the country industrialized rapidly. Exports grew also, rising to about one-quarter of production by the late 1970s. A key agent in the expansion

of the steel industry was a former president of Finsider, Oscar Sinigaglia. His plan for the industry, presented in 1950, proved that Italy could produce steel at competitive prices even though it did not have significant coal or iron ore resources. Development was concentrated on integrated works in prime coastal locations, and plant specialization was encouraged. The single most important project was the huge Taranto plant, which had an annual capacity of 10.5 million tons and was the largest steelworks in Western Europe. By the end of the 1980s Italy had become the second largest producer of steel in Western Europe behind the Federal Republic of Germany (West Germany).

In total, the Finsider group accounted for 55 to 60 percent of Italian crude steel production in the mid-1980s. The rest of the industry consisted of a number of small, private concerns. The best known were the small, export-oriented, electric-powered steelworks of the Brescia province in northern Italy. Italy has not been immune from the world steel crisis that began in the mid-1970s, and by 1979 Italsider, Finsider's main operating company, was reporting heavy annual losses. In 1981 Finsider applied for about US\$5 billion in government aid for the 1981-85 period, but in 1984 it was forced to lay off over 15,000 employees. Under EC policy, subsidies to the steel industry must be discontinued after 1985.

Energy

Among the industrial countries, Italy is one of the poorest in domestic energy resources, importing over 80 percent of its energy requirements. It is heavily dependent on oil, which accounted for 20 percent of imports and nearly 65 percent of primary energy consumption in 1983. The remaining components of primary energy consumption were natural gas, 16.4 percent; coal, 9.5 percent; hydro and geothermal electricity, 8.1 percent; and nuclear power, 1.5 percent. As a proportion of GDP, energy consumption peaked in the early 1970s. In absolute terms it quintupled in the 1955-79 period, rising to a high of 149 million tons of oil equivalent in 1979. Because 1979 and 1983 consumption declined steadily, reflecting the crisis in energy-intensive industries, it reached 138.8 million tons of oil equivalent in 1983, but the downward trend was expected to be reversed as the economy recovered from recession.

In response to Italy's vulnerable energy situation, the Ministry of Industry drew up a National Energy Plan, which was approved

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by the parliament in December 1981. The plan's main goals were to promote energy conservation and reduce oil's share of energy consumption to 50 percent by 1990 through greater use of coal, natural gas, and nuclear power.

However, the energy plan was slow to be implemented, and in 1983 the government had to revise its original targets. The revised version forecast an energy requirement of 155 million tons of oil equivalent in 1990 of which 54.8 percent would be met by oil, 20 percent by natural gas, 14.2 percent by coal, 10.3 percent by electricity, and 0.7 percent by renewable resources. The major change was a downgrading of the importance of coal's contribution in favor of natural gas, which is more environmentally acceptable.

Domestically produced oil has never represented much more than 1 percent of oil demand in Italy. ENI, therefore, became very active in developing and securing oil supplies from abroad. In recent years ENI has sought to diversify its sources of crude imports. Estimates for 1984 indicated that although Saudi Arabia held its place as Italy's top oil supplier, its share of oil imports dropped from 20 percent in 1983 to 14.7 percent. The volume supplied by Iran was nearly equivalent, while imports from Libya accounted for 14.2 percent of total volume. Other major suppliers included the Soviet Union, 12.8 percent; Egypt, 10.7 percent; and Nigeria, 9.2 percent. Smaller suppliers included Iraq, Mexico, Britain, Venezuela, and Dubai.

In 1985 Italy had the largest refining capacity in Western Europe and exported a large portion of the refined product. The collapse of international oil prices and growing competition from Middle Eastern refineries had, however, caused heavy financial losses. The government was, therefore, seeking to reduce refining capacity from 140 million tons in 1983 to 80 million tons by 1990 and to promote production in more profitable light petroleum products. The restructuring of the oil industry caused a number of multinational oil companies to withdraw from the country; their share of the Italian market dropped from 60 percent in the early 1970s to 30 percent in the mid-1980s.

The only significant domestic source of energy was natural gas primarily from fields in the Po Valley and secondarily from fields in central and southern Italy, Sicily, and offshore in the Adriatic Sea. Reserves were estimated at 174 billion cubic meters in 1983. Around 12 billion cubic meters were exploited annually, covering some 45 percent of domestic demand. Snam, a subsidiary of ENI, was responsible for the purchase, transport, and sale of natural gas and had extensive development plans that would likely permit it to meet the goals of the National Energy Plan before 1990. Italy's

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biggest gas project was the construction of a 2,500-kilometer Transmed pipeline to carry natural gas from Algeria to the Bologna area. It was completed in 1981 and Italy subsequently signed an agreement to receive 12.3 million cubic meters of gas annually for 25 years. In the mid-1980s contracts have also been signed with the Soviet Union, which is to supply 30 percent of the gas consumed in Italy by 1990, as well as with the Netherlands and Libya. Before Italy can take full advantage of these supplies it must complete construction of its gas distribution network expected to cost nearly L9 trillion.

The shortage of coal reserves and hydroelectric potential in the Alpine waters and parts of the Apennines encouraged Italy to pioneer in the field of electrical power. Electric and nuclear power production was largely fragmented among some 1,200 companies until it was nationalized in December 1962 and placed under the control of the National Electric Power Agency (*Ente Nazionale per l'Energia Elettrica*—ENEL).

According to United Nations (UN) estimates, at the end of 1981 installed electricity capacity was 47,616 megawatts, of which nearly 18 percent was private industrial capacity. In 1984 thermal capacity accounted for 70 percent of domestic electricity generation, hydroelectric for 24.7 percent, nuclear for 3.8 percent, and geothermal for 1.4 percent. Electricity consumption totaled 11 percent of electricity demand. ENEL attributed rising imports to delays in implementing the National Energy Plan, particularly in the opening of nuclear plants.

In 1985 there were only three nuclear plants in operation with a combined capacity of 1,260 megawatts. The National Energy Plan's goal of 12,000 megawatts of installed capacity by 1990 was unlikely to be achieved, given strong public opposition to the further development of nuclear power. Of a new wave of eight paired 1,000-megawatt plants to have been originally built by the mid-1980s, only one plant, Montalto di Castro in Lazio, was under construction in 1985, and the date for it to come on line had been moved from 1986 to 1989. Another plant, to be located next to an old plant at Trino Vercellese in Piemonte, had also received approval. In 1984 a number of other regions appeared interested in housing nuclear power stations after substantial financial incentives were introduced.

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Agriculture

Agriculture's role in the national economy as measured by its contribution to the GDP has been declining since the mid-nineteenth century. This downward trend accelerated in the 1960s with dramatic growth of the industrial and service sectors, so that in 1970 agriculture's share of the GDP was only 8.8 percent, compared with 21.5 percent in 1960. By 1984 agriculture's contribution to the GDP had fallen to between 5.3 and 5.5 percent, but agricultural production had increased significantly, thanks to improved yields. Productivity gains were owing in part to increased use of fertilizers and mechanization, land reclamation, irrigation, and drainage measures. Because of significant underemployment in agriculture, these gains were also related to the sharp decline in the agricultural labor force from 6.2 million in 1960 to an estimated 2.4 million in 1984—a decline of over 60 percent. The age structure of the agricultural labor force, which was still dominated by older age-groups, made further reductions in farm employment likely.

Although approximately 80 percent of Italy is classified as hilly or mountainous, 58 percent of the land area was devoted to agriculture in 1983. In many respects the agricultural sector continued to be backward. Even after substantial reductions in the number of farms and the area under cultivation, small farms still predominated. According to Italy's latest agricultural census, there were close to 3.3 million farms in 1983, covering some 23.6 million hectares. The average farm size was therefore 7.2 hectares, the smallest average in the EC, with the exception of Greece, but regional averages ranged from 19.6 hectares in Val d'Aosta (also spelled Valle d'Aosta) to 3.6 in Campania. For the country as a whole, 75 percent of farms were smaller than five hectares, whereas only 5 percent covered more than 20 hectares. By the mid-1980s the introduction of new technologies and advanced techniques witnessed in other sectors had not spread to the same extent in agriculture. Farm investment declined in 1984, for the fourth consecutive year, to its lowest level since 1971. If this pattern continued, it could jeopardize increases in agricultural output and aggravate Italy's trade deficit in food items, which was equal to 7 percent of total exports in 1984.

The Po Valley is the country's richest and most fertile agricultural area. Its varied agriculture has been a vital component in the regional economy and has aided the growth of industrial towns. Wheat, corn, rice, fodder grains, tree crops, olives, wine grapes, sugar beets, and vegetables are grown in various sections of the

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plain, which is also the country's principal area for livestock and dairy farming. Intensive cultivation in the region is made possible not only by favorable terrain and climate features but also by extensive drainage and irrigation facilities, some of which date back to Etruscan times. An elaborate network of canals started in the fifteenth century formed the basis for the land reclamation projects of the nineteenth and twentieth centuries. The upper Po Valley and most of Lombardia have been the most prosperous areas, characterized by capital-intensive farming using hired laborers on contract instead of day laborers.

Agriculture in central Italy is handicapped by the Apennine ridge of mountains, which limits arable land to the narrow coastal plains, the mountain valleys, and some plateau areas. It is an area of mixed farming, dominated by cereal grains and vineyards, as well as some livestock, olive groves, and other tree crops, including figs and almonds. Sharecropping used to be the predominant system of farming, but in 1964 legislation was enacted to phase out the practice.

Although agriculture has been more important economically in southern Italy and on the islands than in the northern regions, southern farming has generally been disadvantaged by poor soils, rugged and steep terrain, and summer aridity. The hilly interior of the southern peninsula has supported only limited agricultural activity based on sheep and cereal grains. However, along the coasts there are relatively fertile belts that permit the cultivation of labor-intensive crops such as garden vegetables, fruits, wine grapes, olives, almonds, tobacco, and cotton. In the lower coastal regions citrus fruits are a principal crop. The large estates formerly owned by absentee landlords and worked by landless day laborers have largely disappeared under the impact of land reform. Many have been replaced by small, independent farms, resulting in more intensive cultivation and an improved use of land.

In 1984 agricultural labor represented 11.6 percent of the total employed labor force, but there were considerable regional variations in employment patterns. Agriculture accounted for 8.6 percent of the work force in the north-central half of Italy and 20.6 percent in the south. The size of the agricultural work force relative to its economic contribution continued to constitute a major social problem, particularly in the Mezzogiorno. The rate of underemployment was high in agriculture because of its seasonal nature, and the average income of farmworkers was considerably below that of industrial workers. Around one-third of Italy's farmers worked their land only part-time, supplementing their incomes by

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working for larger farm operations, a practice more common in the south and in nonagricultural sectors.

Production

Italy has the second lowest livestock-crop ratio in the EC after Greece. In terms of value, animal husbandry made up 41 percent, and crops, 59 percent, of total agricultural production in 1983. Like other Mediterranean countries, Italy lacks a suitable topography and climate to develop a low-cost livestock sector. Sheep raising tends to become progressively more prevalent moving south through the peninsula.

On the national level, the livestock sector is generally underdeveloped, but in northern Italy there is extensive grazing land for a limited number of specialized beef herds and integrated livestock agriculture resembling that of continental Europe. Many small landholders in the north have invested heavily in intensive hog and poultry operations, creating some of the most modern livestock complexes in Western Europe. The greatest advances have been made in pork production, which increased by 76 percent between the 1970-74 period and 1984. Poultry production increased 22 percent over the same period, securing Italy's place as the second largest producer of poultry meat in the EC. Poultry is the only livestock sector in which the country is nearly self-sufficient.

Wheat is the principal grain crop grown throughout the country. Durum wheat production, both in absolute terms and as a share of total wheat production, has increased substantially in recent years, reflecting Italy's position as a world's leading exporter of durum semolina and pasta products. Durum production rose from 32.7 percent of the total wheat production in 1982 to 45.9 percent in 1984, or from 2.9 million tons to a record 4.6 million tons. Corn is the second major grain crop, but it is produced primarily in the northern regions because of water requirements. Similarly, rice is cultivated in some areas of Piemonte and Lombardia. Annual production of over 1 million tons—of which about 50 percent is exported—ranks Italy as Western Europe's leading rice producer. Other grains include barley, which has taken away acreage traditionally planted in wheat and corn, as well as oats and rye.

Italy is the EC's leading producer of fruits and vegetables. Horticultural and orchard crops are produced in considerable variety and abundance, contribute significantly to export earnings, and provide major elements of the national diet. Tree crops—grapes,

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olives, citrus, other fruits, and nuts—accounted for 26.3 percent of agricultural production in 1984, while vegetables and potatoes represented another 15.5 percent. Fruits and vegetables in processed and unprocessed forms, wine, and nuts earned L3.4 trillion in export revenues in 1983, about 3 percent of total export earnings.

The most important of the tree crops are vines. Italy is the world's largest producer of wine—contributing around one-fifth of the world's output—and has a serious problem of over-production, which has been a source of tension with France. Consumption has been declining in Europe at the same time that high-yielding vineyards have come into production. Annual per capita consumption of wine in Italy dropped from 113 liters in 1970 to about 80 in 1984, forcing producers to pursue sales in the growing United States market. Corrective measures being pushed by the EC and the Italian government to reduce the surplus included distilling alcohol as a fuel additive. The surplus was most acute in Puglia and Sicily, where much of the wine produced was low-priced "bulk" wine used for vermouth and some sparkling wines.

Although Italy had always been politically committed to expanding the EC, its producers' interests were threatened by Spain's growing potential for horticultural exports. Therefore, Italy, in light of Spain's, as well as Portugal's, accession to the EC, sought the longest possible transitional period for free trade in olive oil, fruit, and vegetables to protect the interests of Italian producers. Greece's membership had caused some competitive problems, particularly in the peach market, but among Mediterranean countries Spanish production was much more significant. Under the Integrated Mediterranean Program (IMP) unveiled by the Commission of the European Communities in February 1983, Italy, along with France and Greece, would receive aid for regions that would be negatively affected by EC enlargement.

Italy is a net importer of major agricultural commodities but is a significant exporter of fresh and processed fruits and vegetables, including wine. Since World War II the annual agricultural trade deficit has tended to increase; in 1983 it was close to L11.5 billion. The growing food deficit reflected not only an increased caloric intake but also a rising dietary standard that emphasized meat and other protein products. Italy's degree of self-sufficiency ranged from 60 to 80 percent for various meats, dairy products, and seed oils. Meat was the most significant food deficit item in cost followed by dairy products and eggs, cereals and cereal preparations, live animals, coffee, tea, cocoa, spices, and animal feeds.

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Agricultural Organizations and Policies

Italian farmers can join both cooperatives and producer associations. Cooperatives are largely engaged in production, processing, or marketing, while producer associations work to advance farmers' common political interests. The strength of the cooperative movement varies by sector and appears to be correlated with export orientation, being strongest in the wine, fruit, and vegetable sectors. Cooperatives have generally been favored by the loan policies of rural banks, and their growth has helped to cover some of the diseconomies inherent to small farms with low levels of mechanization.

There are three producer associations in Italy: Confagricoltura, Coldiretti, and Confcooperatori. Strictly defined, they are not political organizations, but Coldiretti, an association of small family farmers, is aligned with the Christian Democrats, and Confcooperatori is aligned with the Communists and Socialists. Confagricoltura is independent, but its members, owners of medium- to large-sized farms, lean toward the center-right. The regional strength of the associations has varied with the political strength of their respective parties. Moreover, the associative mentality is strongest in northern and central Italy, where almost 80 percent of farmers belong to an association compared with 30 to 40 percent in the south. Numerically, Coldiretti, whose members composed three-quarters of the agricultural labor force in 1983, is stronger in the south where small farms predominate, yet exercises greater political influence in the north.

Since 1979 the associations have not succeeded in halting the decline in average farm income caused primarily by the failure of producer prices to keep pace with inflation or with increasing input costs. According to Coldiretti, from 1979 to 1982 the income loss for Italian farmers caused by inflation was 14 percent. In 1983 the difference between cost and return was 6.5 percent, and in 1984, 5.2 percent. The loss of income has been reflected in declining purchases of farm machinery and production inputs, such as fertilizer and pesticides, as well as in reduced farm investment. Because Italy is subject to common EC farm price decisions, farm income will continue to be severely eroded as long as Italian inflation runs substantially above inflation in the rest of the EC. Thus, Italian farm policy spokespersons, rather than focusing solely on larger price increases, have pressed for a realignment of the pricing system—viewed as biased toward the grain and livestock farming patterns of the northern EC members—to favor Mediterranean products.

Since 1961 agricultural planning has been guided by a series of so-called Green Plans, which generally aimed to increase productivity through farm enlargement, mechanization, rural electrification, and improvement of animal husbandry and crop specialties. Theoretically, regional governments have full competence in agricultural matters, and the central government merely sets general guidelines that conform to the Common Agricultural Policy (CAP) of the EC. In practice, however, regional governments seldom initiated policy on their own. Instead, they more commonly administered the distribution of national budget monies already earmarked for specific purposes.

Only in recent years have policymakers begun to consider agricultural development as an integral part of overall economic development at the national level. In mid-1985 the Ministry of the Budget and Economic Planning, in conjunction with national and regional agricultural associations, was reviewing a long-awaited agricultural plan to cover the 1985-89 period. Its fundamental objectives were to guarantee farmers' incomes and to reduce the agriculture trade deficit through various trade promotional efforts. It provided for the reorganization of the Ministry of Agriculture to centralize the administration of agricultural policy to a greater extent. An interministerial committee was to be formed to coordinate policies and programs with those in energy, transportation, and southern development.

In 1982 Italy received about 20 percent of agricultural expenditure under the CAP—less than France but more than twice that obtained by Britain. Nevertheless, Italy criticized the CAP of favoring north European (versus Mediterranean) producers, an argument that became more heated in the 1980s as budget constraints forced production controls over a number of products. Italy applied for and was granted special treatment in certain cases, though, such as permission to implement a milk quota system.

Italy also sought greater support for structural measures to compensate for less favorable treatment under price support policies. The EC approach to the problems of Mediterranean farming—high proportion of population in agriculture combined with a low level of productivity—focused on structural improvements, such as irrigation, processing, and marketing. However, results were modest despite the strengthening of measures designed to meet the needs of the Mezzogiorno. The operation of the CAP within Italy was even shown to have exacerbated differences in farm income between northern and southern farming regions.

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Services

The services sector accounted for 55.2 percent of GDP in 1983, 14.7 percent of which was in the nonmarket branch of public administration. Market services began to develop later in Italy than in other industrialized countries; their growth in terms of employment only began to exceed that in industry after the 1963-64 recession. The GDP of market services increased at an average rate of 5 percent between 1965 and 1974 and at approximately 2.3 percent annually after 1974.

Since the end of the 1970s there has been a large increase in labor-intensive market services, such as distribution, lodging, and food service. These kinds of services accounted for 15.5 percent of GDP and 20 percent of total employment in 1983. During periods of slow growth, such as that experienced by Italy since the early 1970s, labor-intensive service activities tend to show increases in employment because of easy market entry for marginal entrepreneurs. For example, data from the 1981 census indicated that no significant structural changes had occurred in the distributive sector since 1971, except that the number of small local shops that dominate the sector increased by 16 percent. Commercial policy was designed to protect traditional-style outlets and prevented the establishment of large stores, whose share of total sales area was only 5 percent in 1981.

Although a large portion of the increase in service employment since the early 1970s was in traditional activities, demand for market services in fields such as auditing, taxation advice, research, and management consulting stimulated the development of new kinds of services. The growth of the so-called "advanced" services was important, even though they did not create substantial new employment because factory retooling and the spread of operational and technological innovations hinged partly on the strength of such services.

Transportation

Italy's elongated shape, its mountainous terrain, and the limited usefulness of river valleys as transportation routes historically posed great obstacles to the development of internal transport and political unification. Therefore, nineteenth-century Italian leaders considered railroad construction extremely important as a way to bind the country together politically and economically. Most of the railroad system was constructed between 1860 and 1895 in spite

of formidable natural obstacles. Those links that private investors would not finance were financed by the state.

During the fascist era, railroads and port facilities were improved, and airfields and a modern highway system were built. Because military considerations were paramount, the greater part of this construction was in the strategically important northern part of the country. After World War II the badly damaged transport system was quickly repaired, and the system of superhighways was improved, linked with the Alpine passes, and extended to the southern parts of the country. However, lack of adequate inter-mode transport planning resulted in poor integration of road, rail, and air services.

In 1983 a rail system of just under 20,000 kilometers, of which 16,000 were controlled by the state, provided service throughout the country and linked Italy with other European countries through several Alpine passes (see fig. 13). The network is densest in the Northern Italian Plain and there are considerable qualitative differences between rail services in the north and the south. In 1983, 28 percent of the lines were multiple-tracked, and 51 percent electrified, nationwide; however in the south electrification and multiple tracking were considerably below the national average. Moreover, a greater share of southern rail length was under concessionary management to private rail companies. These companies owned a lot of narrow-gauge track, tended to provide infrequent service, and often carried no freight. Even on the Italian State Railway routes, southern service was reportedly slower, less frequent, and more subject to delay than service in the north.

Because industries using bulky raw materials have tended to locate near the sea, the rail system has been used less for freight than in other large European countries. Freight movement totaled about 55 million tons annually in the 1981-83 period. Southern freight traffic with the exception of the line to Reggio Calabria has been considerably below northern levels.

The sharply rising cost of personal motoring has in recent years shifted some passenger traffic back to the railroad. The Italian State Railway has attempted to improve commuter service into main cities and reduce travel time on key intercity routes. The network is heavily subsidized, and fares are extremely low. In April 1985 parliament passed a law to make the railroad function as a commercial corporation subject to greater financial discipline rather than as a division of the Ministry of Transport.

The road system was 297,000 kilometers long in 1983 and included 6,000 kilometers of *autostrada*, or superhighway. Another 44,000 kilometers were state roads that provided interurban and,

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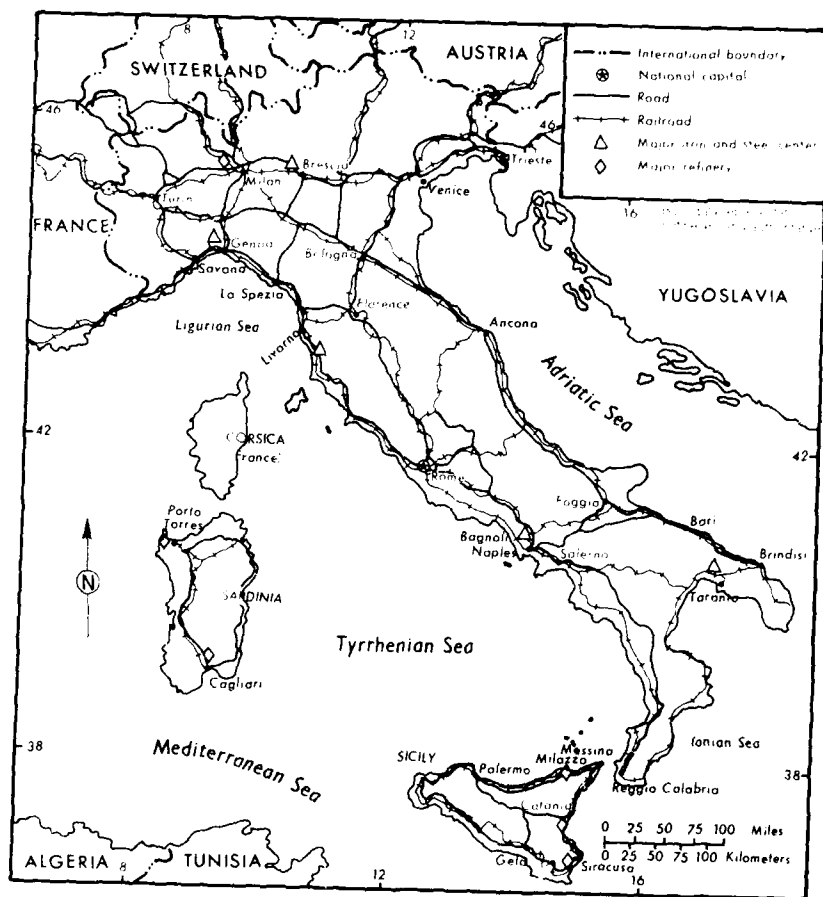


Figure 13. Major Railroads, Roads, and Heavy Industry, 1985

where there was no *autostrada*, interregional links. Italy's *autostrada* vies with the West German *autobahn* as the most extensive superhighway network in Europe. It consists of three main axes: an east-west route through the Po Valley from Turin to Trieste connecting many of the major industrial centers, and two peninsular routes—the famous *Autostrade del Sole* running down the Tyrrhenian coast from Milan to Reggio Calabria and an Adriatic route from Bologna to Taranto. The *Autostrade del Sole* is an engineering

marvel containing over 400 major bridges and viaducts and 38 tunnels.

The autostrada was developed rapidly in the postwar years by entrusting construction and management to concessionary companies. Only 16 percent of the autostrada is entirely in state hands, including many southern highways, which, unlike the rest of the system, are not operated as toll roads to promote economic development. The autostrada link between Rome and Naples attracted a considerable amount of industry. The system also promoted industrial growth in Foggia, Bari, and Taranto, while in Sicily expansion of the road system stimulated hotel and motel construction, permitting the island to participate more fully in the tourism industry. The largest road project planned for the future was construction of a bridge over the Straits of Messina to connect the Autostrade del Sole to the Sicilian highway network.

With 7,400 kilometers of coastline and many usable ports, sea transport has been an important part of Italy's transportation network for thousands of years, given the difficult nature of land travel. In contrast, a limited network of inland waterways that was not used extensively was located in the Po Valley. In 1985 over 200 ports fell into four main groups: the northern Tyrrhenian (Genoa, Savona, La Spezia, Livorno), the northern Adriatic (Venice, Trieste), the southern Tyrrhenian (Naples, Salerno), and the southern Adriatic and Ionian Sea (Bari, Brindisi, Taranto). Genoa was undisputedly the principal port of Italy, serving the industrialized northwestern part of the country and, to a lesser extent, Switzerland. Genoa's chief barrier to development is a lack of level land, which has stimulated the growth of nearby Savona and La Spezia. Genoa, like some of Italy's other older port complexes, was also negatively affected by the prolonged structural crisis in shipbuilding and repair.

The freight pattern has changed since the mid-1960s because of the growth of liquid bulk cargo—primarily oil—and the rise of specialized, one-product ports. Examples are the steel ports of Bagnoli and Taranto and the oil ports of Milazzo, Augusta, and Gela, and Porto Foxi and Porto Torres, both located in Sardinia. These ports were insignificant before the early 1960s but by 1985, in terms of tonnage, many of them rivaled the traditional commercial ports.

Italy has a comprehensive air transport system consisting of 19 international airports and close to 80 domestic and small local airports. Most intercontinental and European flights come into Rome or Milan, and over 80 percent of all air freight is delivered to or from these two cities. Compared with other transport modes,

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the movement of industrial goods by air is small. Since 1957 air services have been under Alitalia, a state holding company providing international and domestic service.

Communications

A classic example of Italian weakness in public administration is the inefficient operation of Italy's telecommunications utilities. Local and international (non-European) telephone services have been managed by two different IRI subsidiaries, whereas long-distance and European calls have been handled by the Ministry of Posts and Telecommunications. The division of competencies, as well as debate over which private companies should supply equipment for new systems, created a political stalemate that hurt telecommunications development. Thus, in 1985 most of the equipment was still electromechanical, although government plans for the 1982-92 period included multimillion dollar investments to upgrade telephone equipment and systems to electronic circuitry and to complete a packet-switching network for data transmission vital to the development of office automation.

Industry analysts were more optimistic about progress after an interministerial committee decided in June 1984 that the best solution to the subsector's problems would be to rationalize administration by transferring most of the responsibilities of the Ministry of Posts and Telecommunications to the two IRI companies. However, one year later new conventions regulating relations among the utilities were yet to be approved in law, and wrangling among the local telephone utility, the political parties, Confindustria, and various international and national companies continued over the choice of equipment suppliers.

Foreign Economic Relations

Because Italy imports most of its raw materials and pays for them by exporting manufactured goods, it is vulnerable to changes in the international economy. In 1983 exports and imports were equivalent, respectively, to 20 percent and 21 percent of GDP, more than double their 1960 level of GDP. Manufactured goods accounted for over 97 percent of Italian exports in 1984. The leading export sectors were the *metalmeccani* industry, with 25.5 percent of total exports; textiles, clothing, leather goods, and furs with 19.6 percent; metallurgy, 8.8 percent; and chemicals, 8.4 percent.

The Economy

Major import items were minerals and fuels, composing 30.0 percent of total imports; agricultural products, 8.3 percent; *metalmecani* goods, excluding transport equipment, 12.6 percent; and chemicals, 10.4 percent (see table 8, Appendix A).

For decades Italy has traded predominantly with other OECD countries, which accounted for 63 percent of Italy's exports and 59 percent of its imports between 1975 and 1984. Within Western Europe, trade with the EC has accounted for between 43 and 50 percent of Italian exports and 41 to 45 percent of imports. West Germany has consistently been Italy's most important trading partner, followed by France and the United States. Exports to the United States more than doubled between 1981 and 1984, resulting in a record bilateral trade surplus for the United States (see table 9, Appendix A). Because most other markets did not offer as favorable prospects for export growth, Italian exporters were working to cut production costs and adopt more aggressive pricing strategies.

Outside the OECD area, both import and export trade with the states of the Organization of Petroleum Exporting Countries (OPEC) increased significantly after the 1973-74 oil price explosion. In the mid-1980s, however, the decline of oil prices and the strong United States dollar caused some changes in this pattern. Oil imports shifted from heavy dependence on Saudi Arabia and Libya to other OPEC members, namely, Algeria, Iran, Iraq, and Kuwait, as well as the Soviet Union. At the same time, the level of exports to the OPEC area stabilized.

Since 1973 Italy's trade deficits have arisen mainly from its dealings with the oil-producing nations. Italy's bilateral trade deficit with OPEC in 1984 was close to L8.2 trillion on a customs basis, or 42.8 percent of the total trade deficit. In the mid-1980s a second significant bilateral deficit arose with the Soviet Union as imports exceeded exports by L2,600 billion in 1983 and L4,300 billion in 1984, constituting one-quarter of Italy's total trade deficit. The rise of the deficit was attributable mainly to expanded imports of gas and oil—representing more than 75 percent of Italian imports from the Soviet Union—without a corresponding increase in Soviet purchases of Italian goods. However, in 1985 Finsider concluded a five-year contract worth US\$2 billion for the supply of steel tubes for oil and gas pipelines and wells, and a number of other Italian firms, including Fiat, Olivetti, and Montedison were negotiating large contracts with the Soviet Union. Agreements were difficult to reach, however, because the Soviets insisted on concessional credit.

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Italy faced similar problems with Algeria, from which it was importing increasing quantities of natural gas. In February 1985 the first Italian-Algerian framework agreement for bilateral cooperation in the sectors of energy and industrial development was signed. Italy hoped the four-year agreement would increase Italian exports and boost participation of Italian industry in Algerian development projects.

In the first half of 1985, major contracts were also signed with India and China. The emphasis in Italian trade with communist, semi-industrialized, and developing countries was often on technological cooperation; Italy participated in the design, construction, and equipping of plants within the foreign country in return for raw materials, oil, coal, and food products.

Foreign Aid and Investment

Italy has traditionally welcomed foreign investment, although only one law, Law 43 of 1956, specifically encourages foreign investment. From the late 1970s to the early 1980s foreign investment in Italy was fairly weak because potential investors were dissuaded by left-wing terrorism, poor labor relations, and fear that the PCI would come to power. The tide turned in 1983, however, owing to a relatively favorable economic outlook and the decline of the lira with respect to the dollar, which effectively lowered the cost of investments some 45 percent. In the 1983-84 period an estimated US\$1.95 billion was invested in Italy, and control of at least 40 Italian firms, including the pharmaceutical industry, passed to foreign groups.

A sudden influx of investment caused concern in some circles about foreign influence in the Italian economy. For example, American Telephone and Telegraph purchased 25 percent of Olivetti, and the Swedish concern, Electrolux, bought the ailing Zanussi, a company that had been in the forefront of Italy's economic miracle. The Ministry of Industry was reportedly drafting a bill in 1985 that would permit the review of takeover bids made by foreign companies.

The assets of foreign-owned companies, over 1,500 in all, were valued at about 10 to 12 percent of Italy's GDP in 1984. The leading source of investment was the United States, followed by West Germany, Britain, France, and Switzerland. Sectors attracting the most capital after the turnaround of investment in 1983 were chemicals, mechanical engineering, insurance, finance, market distribution, and construction. A considerable portion of foreign in-

vestment was thought to have originated in Italy, returning primarily from Switzerland as ostensible foreign investment to take advantage of Italian laws protecting foreign investors, such as that providing unlimited repatriation of profits.

During the 1980s Italy has steadily increased its spending on development aid as a percentage of GDP, having formerly been one of the smallest aid donors among OECD countries. With only three former colonies—Somalia, Libya, and Ethiopia—Italy has few obvious outlets for foreign aid. In the late 1970s, however, a popular movement gained ground, calling for a more active Italian role in the Third World. It drew support from both the left-wing Radical Party and from the centrist DC.

Finally, in 1979 the Department for Development Cooperation was set up in the Ministry of Foreign Affairs. Since then the volume of Italian development aid has risen from 0.07 percent of GDP to 0.31 percent in 1984. The goal was to reach the UN target of 0.7 percent by the end of the 1980s. This new impetus contrasts with the general slackening of aid from other developed countries because of world recession and a more skeptical United States approach toward aid. In early 1985 Italy made a large contribution of US\$895 million for the UN's famine relief efforts in the African Sahel.

Some Italian government officials expressed concern that the Department for Development Cooperation was still too new and inexperienced to handle effectively the large volume of funds made available to spend in a very short period of time. Foreign aid was dispensed according to guidelines set by CIPE. Top-priority countries included Somalia, Ethiopia, Egypt, Senegal, Mozambique, Zimbabwe, Sudan, Angola, Ecuador, Jordan, North Yemen, Zaire, and Turkey.

Apart from foreign aid, economic links with the developing world have also been established by the two big state holding companies, ENI and IRI. Italy has become a major presence in the telecommunications, engineering, construction, agriculture, and agroindustry sectors of developing countries, the Department for Development Cooperation supervising a number of projects. The policy stance of the Ministry of Foreign Trade was that development assistance should not be separate from trade policies and industrial cooperation.

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Balance of Payments

During the years of strongest economic growth in Italy, one of the most important areas of economic strength was the favorable balance of payments performance. From 1955 to 1972 the balance of payments was in deficit only four times, despite substantial commodity trade deficits in most years as well as deficits on the freight and insurance accounts. These deficits were more than offset by a steady increase in income from tourism and from the remittances of emigrants and workers overseas. In addition, the growing strength of the Italian economy encouraged the inflow of private, long-term capital. Since 1973 the balance of payments situation has become more tenuous as a result of various factors that include sharply rising unit labor costs, inflation, unfavorable movements of the terms of trade, and the lira exchange rate.

In 1983 the current account registered a small surplus of L1.2 trillion after being in deficit for several years. In 1984 economic recovery caused a surge in import growth, whereas demand for Italian exports grew little, and the lira remained strong in the European Monetary System (EMS). The trade deficit increased from L4.7 trillion to L10.8 trillion, almost half of the expansion resulting from a larger deficit on the energy account. Italy has made less progress than other countries in reducing the cost of imported energy, despite the gradual shift toward greater use of natural gas (see table 10, Appendix A).

Italian trade performance was important to current account results because net earnings from invisible commodities, such as tourism and emigrant remittances, have experienced slower growth in the 1980s. The development of a large current account deficit was a disturbing development for Italy as a constraint on growth. Import growth tended to be at least double the GDP growth rate. In the first five months of 1985 Italy's trade deficit was double that for the same period of 1984, prompting the OECD and the IMF to predict a 1985 current account deficit of US\$4 to US\$4.5 billion. Net external debt, exclusive of gold and convertible currency reserves, increased from US\$21 billion at the end of 1983 to US\$23.5 billion at the end of 1984, while interest payments on the foreign debt were steadily eroding the surplus on invisible commodities generated by tourism receipts. Nonetheless, external debt was low by international standards, and Italy had a strong foreign exchange position.

* * *

The Economy

Although there is much English-language literature on the Italian economy covering the postwar period through the early 1970s, few studies have been published since 1975. The two most comprehensive works completed in recent years are Donald C. Templeman's *The Italian Economy*, which discusses the evolution of economic institutions, policy tools, and trends in the 1970s, and Russell King's *The Industrial Geography of Italy*, which provides a wealth of information on regional and sectorial industrial development, emphasizing the 1951-81 period. In addition, the annual surveys of the OECD, as well as the annual report of the Bank of Italy (Banca d'Italia), provide yearly assessments of economic performance. Current statistical data can be found in the Italian-language edition of the Bank of Italy's annual report and in the *Anuario statistico italiano*, a yearbook published by the government statistics bureau, Istituto Centrale di Statistica. For current information on government and private economic activities, the London daily *Financial Times* provides some of the best coverage. The *Financial Times* also publishes annual survey supplements on Italian engineering and Italian banking, finance, and investment. (For further information and complete citations, see Bibliography.)

Chapter 4. Government and Politics



Italian newspaper. Risorgimento

IN MID-1985 ITALY had one of the most perplexing, complicated, and elusive political systems of the major Western democracies. It was a country where the intellectual and other elites seemed totally absorbed in a political game that appeared to dominate the state, the economy, civil society, and the daily life of the people. The stakes of this game were ostensibly power in the context of a democratic country, yet Italy was so fragmented and divided in terms of society and institutions that there was no obvious locus of authority in most policy areas. The strength of regional, social, ideological, and party divisions was one of the most enduring features of this heterogeneous country, where a vital pluralism often produced the image of perpetual crisis.

A principal consequence of this situation was that the Italian government had usually been weak and incapable of effective policymaking. Italy had one of the most inefficient bureaucracies in the West, swollen by decades of clientelism on the part of the dominant parties and populated by officials who often had dubious qualifications. The nation's parliament was held in low esteem, since most of the rule-making process was left to the cabinet or semiautonomous ministries or was dealt with by means of bureaucratic regulations. Parliament did not even choose or bring down governments, because such decisions were almost always reached in private meetings among the leaders of political parties. The formal government of Italy, a cabinet and its chief minister, was usually fragmented and subject to the constant surveillance and authority of the political parties and their elites, whose interaction determined the pace and direction of the political process.

The hegemony that political parties exercised over Italian government and political life meant that the country was a kind of "partitocracy" (party-dominated political system), where the formal democratic institutions of government and mechanisms of public choice, such as elections, played only secondary roles. Party leaders did have to pay some attention to public opinion and election results, particularly since the mid-1970s, when the hitherto stable Italian electorate became more volatile and exacerbated instability in the political system. Nevertheless, the particular and often parochial interests of the parties had been paramount in determining the creation and fall of the 44 cabinets that have governed Italy since World War II, while changes in the relative political strength of the parties determined the nature of the coalitions that dominated the national government over the long term.

Italy has moved from a period of dominance by the Christian Democratic Party from 1948 to around 1960, to a period of collaboration between the Christian Democrats and the Socialists in

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the center-left alliance of the 1960s, to the historic compromise period of the middle to late 1970s, when the Italian Communist Party openly supported the government. This was followed by a revived five-party center-left coalition formula in the 1980s, in which the Christian Democrats shared power with four smaller parties, notably the Italian Socialist Party and the Italian Republican Party.

Because changes in the governing coalition were primarily the result of party politics rather than popular decisions exercised via elections, and because Italian government and administration were so poorly managed, a basic feature of political life was the profound public disdain for politics, politicians, and the institutions of government. The reasons behind Italian alienation from politics were as complicated as democratic life itself in this country, but a major factor was that since 1948 the Christian Democratic Party had played a central role in the twists and turns of public life. The normal solution in a democratic system would be to turn the government over to an opposition party or coalition. This has not been feasible for Italy, because the other principal party is a communist one, and however moderate it may be, the Italian Communist Party still provokes enough concern at home and abroad that it has not yet seemed a viable contender to rule the country. The lack of a genuine alternative to the Christian Democratic Party, which has been weakening since the 1950s, explained much of the uncertainty and instability that characterized Italian politics.

One mark of the genius of Italian politicians was their ability to devise partial, short-term solutions that allowed the system to function along at a minimum level of performance. In the early 1980s the solution was to have the Christian Democrats abandon the office of prime minister so that first a leader of the Italian Republican Party and then, through 1985, the head of the Italian Socialist Party, Bettino Craxi, held an office that gradually assumed a more decisive role in national political life. This formula proved relatively successful, so that in the mid-1980s Italy seemed to be experiencing a period of unusual stability and even an ostensible improvement in the capabilities of the government. How long this could last was unclear. This phase might prove to have been most significant for allowing the Christian Democratic Party a respite to modernize and reinvigorate itself in order to reestablish its preeminence while allowing the Italian Communist Party to profit from its clearer opposition status to undertake a final transition from a communist organization into some Italian hybrid of a reformist social democratic party that would permit it, finally, to gain national power.

The Constitution

Until 1948 the Italian government was based on the Albertine Statute, a document dating from 1848 that established a constitutional monarchy for the Kingdom of Piedmont and Sardinia and then was transferred to a united Italian state after 1861. This statute remained in place even under the fascist regime of Benito Mussolini but was restored when King Victor Emmanuel III displaced the dictator in 1943 and revived a constitutional monarchy under the tutelage of the occupying Allied powers. The truce of April 1944 provided for an eventual referendum to decide the "Institutional Question," as it was called, on whether Italy should remain a monarchy or become a republic. After some delay, the government of Alcide De Gasperi, including all the democratic forces of the resistance, decided on a double election both to determine the fundamental form of the regime and to elect a constituent assembly to draw up a new constitution, whether republican or monarchical. The choice of regime strongly divided the country, since the church, the south, and the Christian Democratic voters (especially women) tended to be monarchist, as were the British and American overseers, while the Communists, Socialists, and even most of the Christian Democratic activists were republican. The monarchists tried to bolster their case by having the tainted Victor Emmanuel III abdicate on May 10, 1946, in favor of his son, Humbert II, but in the election of June 2, 1946, the republic won by 54 percent to 46 percent, or 12,717,923 votes to 10,719,284. King for three weeks, Humbert went into exile, and the idea of a monarchy has since attracted only a few nostalgics.

Elected simultaneously with the referendum on the monarchy, the constituent assembly included the Christian Democrats with 35.1 percent of the popular vote, the Socialists with 20.7 percent, the Communists with 18.9 percent, the Liberals with only 6.8 percent, and the semifascist populist party, *Uomo Qualunque* ("John Doe"), with 5.3 percent. There was a great deal of heated debate among the very diverse political forces dominating the assembly, so that the document emerging at the end of 1947 (to become effective on January 1, 1948) had to be a compromise of Roman Catholic, Marxist, and Liberal doctrines. In form, Italy was to become a parliamentary republic, with a largely ceremonial president as head of state, a cabinet that was to be the actual locus of decisionmaking, and two houses of parliament: a Chamber of Deputies and a Senate, elected for terms of five and six years, respectively, unless dissolved prematurely. The makeup of parliament was a major issue in assembly debates, because the left preferred one house

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rather than two. The solution under the Constitution of 1948 was to create both a Chamber and a Senate with equal powers to legislate and bring down governments but to have the senators elected by a more regionally based (and somewhat older) electorate to reflect the semifederalist system of regional government that was to be implemented later. The Senate has never taken on this kind of function, however, largely because of the delayed and incomplete establishment of regional government.

Another matter of dissension in 1947 was the role of the Council of Ministers (the cabinet) and the prime minister, especially whether the cabinet should have a collegial nature or be divided along internal hierarchical lines, with a dominant prime minister. Article 95 of the Constitution left the issue open and subject to subsequent legislation, a device often resorted to by Italy's constitution-makers—one that has made this document a somewhat misleading guide to understanding Italian government. In practice the cabinet has been made up of semi-autonomous figures representing parties or factions of parties that have jealously guarded their autonomy and bureaucratic fiefdoms, so that the prime minister has usually been more of a weak broker than a leader. Many other aspects of the Constitution were left up to subsequent legislation, which, given the nature of the Italian system, was passed only after years of delay or was never implemented. This was true of the establishment of the regions and their governments, which, with the exception of three special regions specified by the Constitution, were not set up until 1970. The Constitution also provides for a Constitutional Court intended to pass judgments on the validity of legislation, but this body was not created until 1956. The High Council of the Judiciary, intended to protect the independence of the administration of justice from abusive interference by the executive, was the subject of enabling legislation only in 1958. Finally, Article 57 provides for popular initiatives to hold referenda to repeal existing legislation, but the legislation necessary to implement the idea was allowed to die without action during four parliamentary sessions (in 1951, 1958, 1964, and 1969). A referendum bill was finally passed in 1970 and became the basis for important national consultations on issues such as divorce and abortion. In general, the basic institutional framework for Italy intended by the Constitution was not in place until 1972, and ever since then the informal, party-centered mechanisms of government have always been more important than the legal framework. The enduring disparity between government form and practice in Italy has led to a major effort to revise the Constitution and implement a number of

institutional reforms, an effort that has yet to meet with much success.

Because the parties that framed the Constitution represented such varied social and economic outlooks, it ended up as a somewhat perplexing basket of ideas on the ideal nature of Italian society. In any case, in the wake of fascism, the commitment to democracy was so strong that key provisions, such as Article 48, guaranteed an electoral system that provides an equal vote for all citizens, although the exact nature of this system is not specified and has been the subject of recurrent controversy. Various articles guarantee the basic freedoms of thought, speech, and the press, although limited censorship is possible under certain circumstances. No clear economic orientation can be gleaned from the Constitution, since it sanctions the right to private property but also indicates that the economy can be controlled by the state in the public interest. One of the most interesting features of the Constitution—often violated but also one basis for the country's extensive welfare state—is Article 4, which guarantees the right of all citizens to work.

One peculiar feature of the Italian Constitution is the privileged status it accords the Roman Catholic Church. Although freedom of religion is guaranteed in the document, Article 7 incorporated the 1929 Lateran Pacts (a treaty between Italy and the Holy See regarding the status of the church in Italy) into the Constitution and in effect made Roman Catholicism a state religion (see *The Fascist Regime*, ch. 1). Although parties such as the Italian Communist Party (Partito Comunista Italiano—PCI) supported this initiative at the time, in subsequent years Article 7 became more and more controversial, and negotiations to revise it commenced in 1967. They were not completed for 17 years, and on February 18, 1984, a new agreement between Italy and the Vatican eliminated many of its other privileges, such as compulsory religious education in the schools and exemptions from civil law jurisdiction accorded priests. A number of other issues, such as regulations applied to ecclesiastical societies and property in Italy as well as various financial matters, were left to a special commission that reached agreement in a protocol signed on November 15, 1984.

It is important to recall that by the end of 1947 all of Italy's major political forces—Christian Democrats, Communists, Socialists, Social Democrats, Liberals, and Republicans—had endorsed the draft of the Constitution in its final form. These forces came to be known as the "Constitutional Arc," committed to the defense of democratic and republican principles of the government. Whatever political differences subsequently divided these parties, their enduring commitment to a democratic constitutional regime and their

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willingness to rally together in a crisis in support of such a regime have been a significant feature of postwar Italian politics.

Government

The President

Because the framers of the 1948 Constitution were charged to create a parliamentary regime with only limited powers for a head of state, or president, they took something resembling the French Fourth Republic model for a presidency and introduced some important Italian modifications (see fig. 14). A president is elected for a period of seven years by a joint meeting of the Chamber of Deputies and the Senate, augmented by delegates from each region and other notables; the president may resign at any time for any reason. There were 1,011 potential electors in 1985. A candidate must be at least 50 years old, and a successful candidate must receive a two-thirds majority in the special electoral assembly on one of the first three ballots, or an absolute majority after the third ballot. Before the Constitution was in force, Enrico De Nicola was elected provisional president by the constituent assembly on a first ballot in 1948, but the selection process later became subject to political complications, and the number of ballots required rose alarmingly. Luigi Einaudi was chosen after four ballots in May 1948. Giovanni Gronchi also required four in 1955. Antonio Segni took nine in 1962. Giuseppe Saragat was elected on the twenty-first ballot in 1964, and Giovanni Leone required a record 22 in 1971. Sandro Pertini was elected on the sixteenth ballot in July 1978 with 83 percent of the votes, the largest majority up to that time. The most recent presidential election, in June 1985, was also the simplest since 1946: Francesco Cossiga was selected as a consensus candidate after intensive rounds of preelection negotiations and received an overwhelming majority of 752 out of 977 votes cast on the first ballot.

The selection process is complicated because the office has been a coveted prize sought by parties or factions within parties hoping to use the prestige and influence of the presidency to bolster their own political fortunes. The political complexion of the office has shifted according to circumstances: Einaudi was a Liberal with enormous personal prestige; Gronchi was on the left of the Christian Democratic Party (Partito Democrazia Cristiana—DC) and was elected with Communist support; Saragat was a Social Demo-

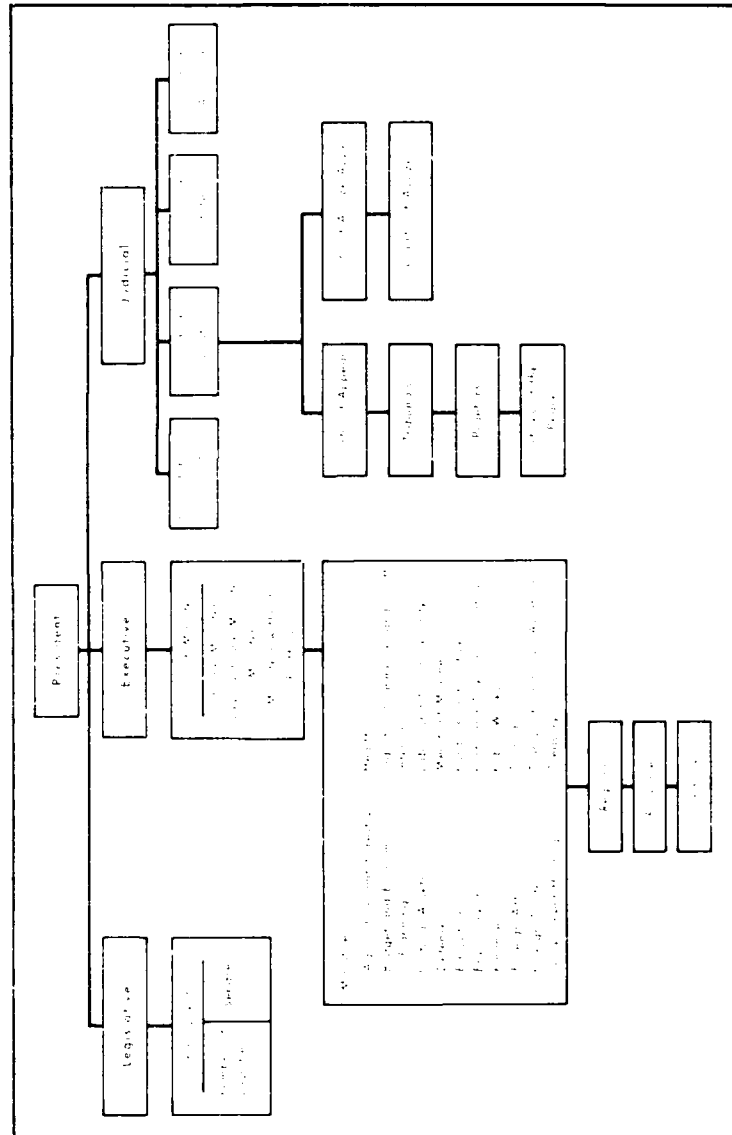


Figure 1.4. Governmental System, 1985

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crat, and his election was connected with the emergence of the center-left coalition in the mid-1960s. The 1978 selection of Pertini, a resistance hero and Italian Socialist Party (Partito Socialista Italiano—PSI) figure, took place in the wake of the Aldo Moro kidnaping affair and the resignation of President Leone. Entering the office as an octogenarian, Pertini's unimpeachable character and outspokenness, combined with a paternalistic image, helped restore a sense of moral authority at the pinnacle of the state apparatus.

The 1985 choice of Cossiga as Pertini's successor was clearly the result of political maneuvering. Although Pertini had indicated a desire to succeed himself, constitutionally possible but unprecedented in Italy (and controversial at Pertini's age of 88), the Christian Democrats were determined to recapture the presidency since the Socialist Craxi seemed well-ensconced as prime minister. This principle could not really be challenged by the other parties, in that the distribution of state offices among the major political forces (*lottizzazione*) was a practice sanctioned by tradition. The PSI agreed to give up the presidency and cede it to the DC after indications that Craxi would be allowed to stay on as prime minister. The choice of Cossiga, a Sardinian former prime minister then serving as president of the Senate, was engineered by DC secretary Girolamo De Mita, who ensured that all other political parties (including the Communists) would support the candidate and then acquired the backing of the major factions of the DC. On the one hand, the relative simplicity of this selection procedure was testimony to a certain stability apparent in Italian political life in the mid-1980s and to the fact that the country's deep political cleavages were often overcome by a system that could operate on the basis of consensus at certain moments. On the other hand, the presidential selection process was entirely one of partisan maneuvers without reference to public preferences for an office, which, under Pertini at least, had established important ties to the country as a whole—ties that might weaken under his successor.

The Constitution grants the president a somewhat more reinforced package of powers than is generally in a parliamentary system. The president is head of state and the symbol of national unity, as well as commander in chief of the armed forces. Presidents have broad powers of appointment, including the right to nominate five senators for life and five justices of the Constitutional Court, during their terms of office. Presidents have the right of pardon, a power exercised 2,077 times by Pertini out of about 20,000 cases petitioned, and 7,242 times by his predecessor, Leone, from about 35,000 petitions. Presidents can call special ses-

sions of parliament, dissolve the legislature on the advice of the presidents of the Senate and Chamber of Deputies, dissolve the regional assemblies, and call elections and referenda. Presidents may exercise influence over the legislative process, because they promulgate laws and have the (rarely used) right of suspensive veto over legislation. Presidents can refuse to authorize the presentation of cabinet bills to parliament, although the cabinet can circumvent such a roadblock by having the bill introduced by a private member. The important power to dissolve parliament and call new elections was used sparingly and had several restrictions placed on it: parliament cannot be dissolved during the final six months of a presidential term (called the "white semester" period); new elections have to be held within 70 days; and the new parliament must meet within 20 days of an election.

The most important restriction on the powers of the president is Article 89 of the Constitution, which stipulates that "No act of the President of the Republic is valid unless countersigned by the Ministers proposing it, who assume responsibility for it. Acts which have the force of legislation and other acts indicated by law are countersigned also by the President of the Council of Ministers [Prime Minister]." Some functions clearly do not fall under this restriction, such as the suspensive veto, power of dissolution, and the appointment of the prime minister, while in other "gray areas" such activist presidents as Gronchi, Segni, Saragat, and Pertini have tended to act more independently than others. The presidential duty to appoint the prime minister and, upon his recommendation, the cabinet ministers, was the most important independent function of this office. Whereas in most parliamentary systems this is only a nominal power, the peculiar nature of Italy's multiparty politics meant that political elites were often divided about the leadership and composition of a new government—sometimes allowing the president great leeway in this domain. During a governmental crisis, if the party leaders of the majority were in agreement, the president accepted their recommendation and appointed the kind of government they suggested. Sometimes, however, party leaders were so divided that a president could virtually impose a prime minister and cabinet on parliament, as Gronchi did in the case of Ferdinando Tambroni's short-lived term in power in the spring of 1960. Segni and Saragat also exercised considerable influence over the makeup and even programs of some governments during their terms of office, while Pertini was instrumental in determining the appointment of Italy's first non-Christian Democratic prime ministers since 1945, Giovanni Spadolini in 1981, and then the president's fellow Socialist, Craxi, in 1983.

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The internal divisions of the Christian Democrats have been the conditions permitting the sporadic emergence of stronger presidents in Italy, a situation very evident during Pertini's term of office. Pertini also used presidential authority to criticize many failings in Italy that could be attributed to the Christian Democrats, such as the slowness of government rescue and reconstruction efforts after the November 1980 earthquake in the mountains east of Naples. However, the activism and outspokenness evident in Pertini's term seemed to represent an unusual combination of personal and political circumstances that might not continue under his Christian Democratic successor.

Central Government: Council of Ministers and Prime Minister

In most parliamentary democracies, the locus of actual power to take important and authoritative policy decisions lies in a cabinet led by a prime minister with considerable influence. In Italy, however, the authority of the Council of Ministers (cabinet) as a collective body, and of the prime minister, has usually been so weak that experts have questioned whether this is a political system with an obvious government as such, if only because power is so fragmented and lies more with many political parties than with the constitutional executive.

The ambivalent position of the cabinet in Italy had precedents historically; before World War II the cabinet itself was the primary seat of government decisionmaking only in the era of Giovanni Giolitti and in the early phase of fascism, until Mussolini usurped most authority for himself. The 1948 Constitution was an innovation to the extent that it identified the cabinet as the seat of governmental authority. In principle, the cabinet was charged with collective responsibility before parliament and was to act as a collegial body, but this has not always been the case for several reasons. One has been the extreme instability of cabinets, the average post-war duration of cabinets being about eight months. A cabinet could be reconstituted on the slightest pretext according to the whims of leaders of even small parties or factions of parties. Most cabinets were coalitions of many parties allied to the larger DC, continuously in power since 1948. Because these parties were political competitors, and even the DC was made up of highly combative factions each of which had to be represented in a cabinet, a spirit of potential conflict and hostility usually prevailed over one of cooperation. Apart from a coalition cabinet, the other kind of government in Italy has been a single-party Christian Democratic cabinet.

which, after the party began to decline in the 1950s, has been an especially weak, usually short-lived, minority formula dependent on the goodwill and parliamentary support or abstention of other parties (see table 11, Appendix A).

The potential formulas governing cabinet composition were determined by party judgments about desirable coalitions and technical possibilities for achieving the required majority of votes in the two houses of parliament. Apart from the single-party DC option, which can only be a stopgap measure, there have been three basic cabinet formulas available since the early 1960s: some variation of the center-left coalition of the DC and the smaller socialist and centrist parties; a government of "national unity," which has included parliamentary support from the Communists and potential cabinet participation by the PCI; and, finally, a left-alternative formula, or a coalition government based on the Socialists and Communists, excluding the DC. The left alternative was perhaps numerically feasible after the 1976 parliamentary elections, but it was politically impossible. It has been the official option of the Communists since the beginning of the 1980s, but it has scarcely seemed likely to occur because the PSI under Craxi has been firmly committed to maneuvering within various center-left formulas and keeping the PCI at bay in the opposition.

A national unity government formula was applied in postwar Italy until May 1948 and was revived between 1976 and 1979 in response to PCI electoral gains and DC losses in a climate of major social and economic tensions that threatened to undermine Italy's democratic system. The ingenuity of Italian political engineering was in full view during this period, as the PCI left its opposition status and first supported the government with abstentions on confidence votes, then with agreements on joint programs, and finally was formally included in the majority supporting the fourth cabinet of Giulio Andreotti in 1978. The architect of this delicate phase in Italian political life, DC leader Moro, may have envisaged eventual PCI participation in the cabinet, but the design was thwarted by his kidnaping and murder in the spring of 1978. The political system soon shifted to the right, and the PCI ended its phase of support for the government in January 1979.

Since the period of national unity, which represented a failed attempt to create a grand coalition of the two major parties, most cabinets have been some form of center-left coalition—the only available basis for government, given the minority status of the DC and the PCI's return to its normal postwar role of opposition party operating within the confines of a democratic system. For example, the first government formed by Cossiga during the summer after

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the 1979 parliamentary elections was a minority cabinet with ministers drawn from the DC, the Italian Social Democratic Party (Partito Socialista Democratico Italiano—PSDI), and the Italian Liberal Party (Partito Liberale Italiano—PLI), while the Republicans and Socialists abstained. On March 19, 1980, however, Cossiga created a new coalition government of DC, PSI, and Italian Republican Party (Partito Repubblicano Italiano—PRI) representing the first cabinet in five years with an actual parliamentary majority. In October 1980 the Social Democrats joined the cabinet creating the classic center-left coalition (sometimes expanded to include the small PLI), which proved to be a relatively stable formula through mid-1985.

Within the prevailing center-left formula for governments, particular cabinets rose and fell primarily according to the interplay of personal ambitions of leading figures and the shifting weight of the political parties. The ambition of the PSI and its leader, Craxi, to become the driving force of the new center-left has been responsible for the fall of most cabinets since 1980 and for the necessity of early parliamentary elections in 1983. Craxi's drive for power was finally rewarded in August 1983, when he became Italy's second non-Christian Democratic prime minister and the first Socialist in this post. The price of achieving this position was a loss of some PSI weight within the cabinet as the DC took over more ministries to compensate it for abandoning the top government post. This kind of center-left formula proved exceptionally stable after 1983, and as of late 1985 the Craxi-led government had a longevity record for Italian cabinets.

The resilience of Craxi's coalition was demonstrated by the unusual government crisis in the fall of 1985 prompted by the *Achille Lauro* ship hijacking and the United States role in forcing an Egyptian plane carrying the terrorists to land at a North Atlantic Treaty Organization (NATO) base at Sigonella, Italy. The moderately independent stand vis-à-vis the United States adopted by Craxi and the Christian Democratic foreign minister, Andreotti, antagonized the Republican defense minister, Spadolini, who adopted a very pro-American and anti-Palestine Liberation Organization (PLO) position during the affair. Spadolini also felt he had not been adequately consulted before a PLO official, Abu Abbas (described by American officials as masterminding the hijacking), was hastily released from Italian custody, and this was probably the main reason Spadolini launched a government crisis. The Craxi cabinet fell on October 17 and became the only postwar Italian government to resign in connection with a foreign policy matter. However, after consultations demonstrated that Spadolini was iso-

lated and no alternative government was feasible, an unprecedented procedure was used to negate the resignation and reconstitute precisely the same cabinet. Thus, Craxi's government did manage to set an endurance record for postwar Italy when its continued existence was confirmed by a vote of confidence on foreign policy in the Chamber of Deputies on November 6 (347 to 238) and in the Senate on November 8.

The instability of Italian cabinets and the division of cabinets into competing political elements meant that most policy decisions were not taken by a collective government but were relegated to semiautonomous ministries or special inter-ministerial committees that were formed to deal with various issues. Many ministries and their top civil servant positions were controlled by a party or party faction, so there was little external check on their affairs—a situation that was sanctioned by informal understandings among coalition partners. Some ministries were small and relatively unimportant, such as those dealing with tourism and public works, whereas the Ministry of Education had over 1 million employees and in Italy's welfare state the Ministry of Health was a major source of patronage power. Attempts to control and coordinate economic policy have proved especially difficult for Italian governments, which have resorted to various devices to get spending under control. One device was the creation of the Interministerial Committee for Economic Planning (Comitato Interministeriale per la Programmazione Economica—CIPE) in 1967, but it included so many ministers (15, including the prime minister) that it could not function effectively. During the fourth Mariano Rumor government (1973–74) an attempt was made to establish a more decisive economic triumvirate of the ministers of the budget and economic planning, finance, and the treasury. This worked for a while but soon collapsed in political wrangling. When Spadolini was prime minister in 1981–82, Minister of the Budget and Economic Planning Giorgio La Malfa tried to rationalize the budgetary process and institute controls over spending. He had some success initially, but his innovations have not fared well in subsequent years.

The virtual impossibility of having the collective cabinet emerge as a focus of government decisionmaking has, in recent years, led to a search for ways to strengthen some aspects of the executive branch, particularly the prime minister's ability to coordinate and direct the otherwise fragmented system. The prime minister, formally called the President of the Council of Ministers, has rather weak constitutional powers, so that since 1948 the influence of successive prime ministers has depended on the personal authority of the incumbent or his ability to combine various ministerial

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functions. Such strong DC Party leaders as De Gasperi and Moro were also strong prime ministers, because the post was often combined with an important ministerial portfolio, such as that of the interior or foreign affairs. More recently, the two non-DC prime ministers, Spadolini (PRI) and Craxi (PSI), have had additional authority because they were also the leaders of their parties. Craxi, for example, retained his post as party secretary after becoming prime minister.

The Constitution itself is vague about the powers of the office of prime minister and seems to take a minimalist position: the prime minister only "directs" the policies of government (and does not determine them), nominates ministers (but cannot dismiss them), and can bring a government down by resigning but otherwise has few other specific functions. There is a small office attached to the position that can have up to 855 civil servants to help with a prime minister's work, a resource that has become more important recently since the prime minister has no longer occupied a second ministerial post. Because no legislation has ever been passed to spell out a prime minister's actual authority, incumbents have redefined and expanded their authority by taking over some key functions, such as overall direction of public expenditure and state security (antiterrorism), and excluding these duties from oversight by the whole cabinet. Such functions have been managed by the prime minister in conjunction with the ministry most directly concerned, or through select inner councils of the cabinet.

The formation of the government headed by Craxi on August 4, 1983, and still in power over two years later, can be considered an important test of efforts to enhance the power of the prime minister. The political circumstance behind the formation of this government was a sharp electoral loss by the DC in the national elections on June 26-27, combined with modest PSI gains that convinced Christian Democratic leaders to adopt a lower profile and turn over the premiership to the Socialist leader who had brought down several previous governments and forced the country into an early parliamentary election. With a general reputation for a ruthless and even authoritarian approach to politics, one of Craxi's main claims to power was that he would reinforce the leadership capability of the prime minister's office and bring decisiveness to Italian government attempts to grapple with key problems. The Craxi government's program announced to parliament on August 9 was indeed ambitious. He promised to tackle the "uncontrollable and virtually incalculable" spending deficit; curb terrorism, crime, and corruption; proceed with the installation of the NATO cruise

missiles in Sicily; and undertake major legislative and constitutional reforms of state institutions.

At the end of 1985 Craxi's most impressive accomplishment was the longevity of a cabinet noted as much for an image as for a reality of enhanced government efficiency. One controversial but sometimes effective method adopted by Craxi was to resort to government decrees rather than ordinary legislation to overcome roadblocks within the ruling coalition. This device was used in February 1984 for the watered-down reform of the wage indexing system and in early 1985, after much political dissension, for the tax reform proposals introduced by Minister of Finance Bruno Visentini (see *Wages and Inflation; Fiscal Policy*, ch. 3). In the critical area of spending and inflation controls, there was a September 1983 agreement to limit and expedite parliamentary discussion of budgets while inflation was reduced to an 8.6 percent annual rate by November 1984, but then remained stuck near that figure. Craxi was unable to reduce the public deficit or slow its growth, so that the annual government deficit amounted to an equivalent of US\$5.3 billion in 1984, or 15.2 percent of gross national product (GNP—see Glossary). A sudden dip in the value of the domestic value of the lira—see Glossary) and a forced realignment of the Italian currency's position within the European Monetary System (EMS) in July 1985 indicated that the government had not been able to make much headway in getting the economy under control; instead had to resort to typical ad hoc crisis management tactics. Nor, after two years, had much progress been made in the concerted effort to reform both the Italian parliament and the relationship between the cabinet and the legislature.

The Bureaucracy

The state bureaucracy in Italy was an omnipresent force, noted for its inflated size and extreme inefficiency. It was impossible to estimate accurately the size of this bureaucracy, which encompassed so many organizations outside the core state administration that statistics did not lend themselves to reliable definitions. The state administration *per se* numbered about 3 million employees in the early 1980s, when its annual expansion rate had slowed to about 1 percent a year. This represented about 17 percent of total employment as covered by the official statistics, but at least another 2.5 million were employed in the state-controlled sectors of the economy outside the administration itself, swelling the proportion of Italians employed by the state, directly or indirectly, to per-

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haps the highest figure of any Western industrial state. Indeed, according to one estimate, during the 1971-78 period nearly one-half of the jobs created in the tertiary sector were in the public domain. Apparently the size of the bureaucracy has had an inverse relationship to its efficiency, which is the lowest in the European Communities (EC) and was notable for low morale, high absenteeism, poor quality of service, and widespread moonlighting to compensate for inadequate wages. This situation was widely acknowledged in Italy and was the subject of a very critical report issued by Italy's Court of Accounts in the fall of 1979. Bureaucratic efficiency affected all levels of life in the country, making any public business extremely time-consuming.

The bureaucracy was so diffuse that Italy as a state was likened to an "archipelago" with no real administrative core, but this fragmented structure did have several identifiable components. The traditional ministries of the national government varied widely in size and significance. By far the largest in terms of employment were the Ministry of Defense and the Ministry of Education. Each ministry was divided into directorates headed by a director general, who was the senior civil servant and usually the most powerful permanent figure in his or her policy area. The actual authority of the director general was, however, diluted by inefficient information flows and overlapping in most government directorates, as well as the maldistribution of functions among different ministries. Disorganized and contradictory activities among directorates resulted in a maze of rules, regulations, decisions, and competing centers of authority. Although attempts at reform have made no real headway in rationalizing this cumbersome system of public administration, the chaos has been somewhat offset by the Central Accounting Office, which exercised its authority to scrutinize the financial procedures and administrative activities of the entire bureaucracy, except for the public corporations. Financial oversight, however, was no substitute for a much-needed rationalization of public administration.

One reason for this vexatious state of affairs was the generally low levels of expertise reflected at all levels of Italian civil servants. There were four categories of civil service: administrative, executive, clerical, and auxiliary (menial labor). Although candidates for the administrative class either had a university degree or moved up the ranks, and written examinations were conducted by each ministry for its recruitment, this putative merit system did not function well. The Italian university system seldom offered specialized preparation, while the civil service examinations were widely regarded as biased in terms of administration. Recruitment by and

advancement to senior levels within the state bureaucracy depended mostly on social position and political connections, so that the most talented were unlikely to be attracted. An unusually large proportion of the bureaucracy came from the lower middle class, concentrated in the poor southern region, which had few other prospects for secure employment and could tolerate the low pay of civil servants. The general mediocrity of personnel could also be traced to a spoils system that had made public administration an arena for the creation and maintenance of large client sectors in certain regions and among certain economic groups. The intense politicization of the bureaucracy resulting from clientelism meant that public employment and advancement were given as rewards for political loyalties, a practice that had undermined, to say the least, both the competence of the civil service and its reputation among the public.

The political patronage system had a long tradition in Italy and in the postwar era was vastly extended because of the Christian Democratic practice of establishing a network of political support based on the clientelistic distribution of jobs, public funds, contracts, subsidies, and the like. This network has become much more important to the DC as its social bases of electoral support have eroded, while other political parties have profited from the erosion of DC power to claim their share of bureaucratic power and patronage at all levels of government. One of the most famous and enduring of the Christian Democratic clientelistic networks involved the Ministry of Agriculture and Forestry (always headed by a Christian Democrat with a bureaucracy loyal to this party), the DC-affiliated Federation of Agricultural Syndicates, and various public or semipublic organizations such as the Small Farmers' Federation, the Association of Agricultural Syndicates, and the Agricultural Welfare Agencies, a financing body. In other instances, such as the state-controlled media, the Christian Democrats have been forced officially to share power with their major coalition partners, so that Socialists and Christian Democrats divided up the national television channels during the 1970s.

The subordination of the state to party politics extended beyond the public administration and involved a multitude of non-private institutions. These included the autonomous agencies that ran the postal, railroad, and telephone services under the general supervision of ministerial departments. There were also the extensive institutions involved with the dispensation of social security, workers' compensation, and health insurance. The largest banking and financial institutions were in fact public enterprises and were usually connected with the DC. Probably the next known institu-

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tions in the public sector were the *enti de gestione* (state holding companies), especially the giant industrial group, the Institute for Industrial Reconstruction (Istituto per la Ricostruzione Industriale—IRI), and the National Hydrocarbons Agency (Ente Nazionale Idrocarburi—ENI). IRI is one of the largest holding companies in the world, which, despite its great independence, was a major source of political leverage over the economy until recent years, when a nonpolitical expert, Romano Prodi, was appointed president and set out to rationalize some of IRI's industrial activities. ENI has been more politically autonomous under the initial leadership of a very independent Christian Democrat, Enrico Mattei (see The State Holding Sector, ch. 3). Whereas the Ministry of Government Holdings had some authority over the complex network of public and mixed enterprises, its overall weakness and the almost unfathomable intermeshing of bureaucratic, political, and economic activities (public as well as private), was ample testimony to the complexity of the situation.

Parliament

In a party-dominated state, the parliament was a conspicuously feeble and peripheral institution of government. Although stages in national political life were punctuated by parliamentary elections that could signal important shifts in political strength among the competing parties, it was these parties and not the two houses of parliament that made and unmade governments and determined national policy.

The legislature consists of two houses, the Chamber of Deputies and the Senate, which are coequal in power. The original intention of the constitutional framers was to transform the Senate into a regional body of representation, an idea that has never been acted upon. The makeup and prestige of the two houses are only marginally distinctive. The Chamber of Deputies has 630 members elected for five-year terms on the basis of universal suffrage. The Senate has 315 ordinary members elected simultaneously with the deputies for five-year terms since 1965, when its original six-year term was reduced to coincide with the term of the Chamber of Deputies. Both houses are elected by proportional representation, and elections have produced generally insignificant variations in party strength between them. One difference can be traced to the fact that the minimum age of the upper house electorate is 25, whereas deputies are elected by citizens 18 years or older (reduced from 20 in 1976). Also, each region is guaranteed at least six sena-

tors, except for Friuli-Venezia Giulia with three; Molise, two; and Val d'Aosta (also spelled Valle d'Aosta), one. Finally, the composition of the Senate is somewhat altered by the fact that there are a few life senators—five appointed by the president in addition to all former presidents of the republic. There are some other differences in the personal qualifications of senators and deputies. Senators must be at least 40 years of age to run for election, while the minimum age for deputies is 25 years. Also, there were a few more members of the independent left in the Senate than in the Chamber of Deputies, because the PCI had allocated more of its well-controlled preference votes to place important noncommunist figures there.

Perhaps the most important function of modern parliaments is to determine and sanction the formation of governments and sometimes to bring them down as well. This is, however, only feasible in political systems with relatively cohesive majorities and oppositions. Italy is not such a political system, and governments are made and unmade by the extra parliamentary machinations of party leaders conditioned by shifts within coalitions surrounding the DC. It is, therefore, a mere technicality when a newly formed government fulfills its constitutional obligation to present itself before both houses and obtain the obligatory vote of confidence. Furthermore, Italian governments generally do not fall because of parliamentary motions of no confidence, which may be presented in either house and force a cabinet to resign. Instead, most governments resign without any parliamentary action because of squabbles and machinations among factions of the DC or between different parties belonging to a coalition. Parliament does, however, bear the brunt when intraparty discord prevents the formation of a government and the president has to dissolve both houses and call national elections to establish a new political framework for creating cabinets, a normal practice in recent years when parliaments have not lived out their full mandates.

In terms of their internal organization, both the Senate and the Chamber have been affected by a new set of regulations adopted in 1971 (and revised in 1981) as part of a rather unsuccessful attempt to make their work more efficient and effective. Power in each house has focused on parliamentary party group leaders, who have been much more influential than their counterparts in the United States Congress. A group leader has acted as party whip, or liaison, between the party and its parliamentarians. These leaders have been most powerful within the left-wing parties, where discipline has been strongest. Since 1971 the legislative agenda has been decided by a caucus of the group leaders rather than by the

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presidents of the two houses, previously the case. If unanimous agreement has not been reached on an agenda, the decision has been referred to majority vote of each house—occasions that have tested the solidity of a cabinet's support. The Senate has apparently been more flexible than the lower house in using working majorities rather than unanimity to decide agendas and calendars. The presidents of the two houses have retained considerable power since they have had the authority to send bills to particular committees and determine the allocation of staff and other support services that are in short supply.

The distribution of key committee posts among groups has been a function of the relationship among the major political parties. During the 1976-79 period of the historic compromise government of national unity, for example, the PCI was allocated the chairmanships of four of the 14 standing committees in the Chamber of Deputies and three out of 12 in the Senate, and the PCI's Pietro Ingrao became president of the Chamber of Deputies. When the PCI returned to opposition in 1979, it was deprived of all but one special committee chairmanship. Meanwhile, the tendency of Italian politics since the mid-1970s to sustain some links among all parties of the "Constitutional Arc" was confirmed by the Communist retention of the presidency of the Chamber of Deputies, which Ingrao passed on to PCI colleague Nilde Iotti, who retained the post through mid-1985. The presidency of the Senate, however, has become the property of the Christian Democrats: it was held recently by Cossiga and then passed on to Amintore Fanfani when Cossiga was elected president of the republic in mid-1985.

The two houses of parliament have coequal legislative authority, and bills may originate from individual members, from the government, or (by post-1984 legislation) from certain regional and other bodies and even from the petition of 50,000 citizens. Bills are passed by simple majority of both houses; an absolute majority present is required to constitute a quorum. There is no mandatory process of consultation between the two houses when disagreements arise over particular bills, which has often allowed pending legislation to become bogged down in a shuttle between houses because of political and procedural disputes. Standing committees can enact a bill into law without a vote of the full house. Exceptions to this procedure are bills dealing with certain fundamental or electoral laws, the budget, or treaties. One-tenth of a full house or one-fifth of a committee may have a bill referred to a plenary session of the Chamber or Senate. Because most decisions on bills take place in the relative obscurity of standing committees, there was considerable room for compromise. Even the Communists were es-

timated to have voted in favor of 71 percent of the legislation passed between 1948 and 1968, and enactment by unanimity was the rule rather than the exception.

The process of considering legislation was a slow and cumbersome one that had led to a practice of transferring more and more rule-making authority to extraparlimentary authorities in the ministries and administrative agencies, particularly in matters concerning economic policy. Another device used by governments in an attempt to avoid a legislative stalemate was the recourse to decrees, which had to be voted on by parliament within 60 days or ceased to be valid. The Constitution stipulates that decrees should be of an urgent or extraordinary nature, but the Craxi government, in particular, has resorted to more and more such decrees as a device to force important though scarcely urgent bills through the two houses. In the first year of the Craxi premiership, 54 decrees were presented, but 21 were voted down in parliament or were allowed to lapse because no action was taken within 60 days. Yet another way around the parliamentary hurdle was the national referendum. Under Article 75 of the Constitution, implemented by legislation in 1970, referenda can be held to repeal existing legislation when a petition acquires 500,000 valid signatures and is not judged illegal by the Constitutional Court. The law implementing the referendum provision of the Constitution was passed under pressure by the Vatican and segments of the DC, with the intention of repealing a 1970 statute permitting divorce in Italy. The church-backed referendum was held in May 1974 and failed by a large margin, 59 percent to 41 percent, marking a watershed in the secularization of Italian politics. A total of nine referenda had been held by 1985. The politically most controversial ones have dealt with such major social questions as divorce and abortion; the latter was the subject of a referendum in May 1981, when the public in effect voted to retain existing liberal abortion legislation and rejected both a church-sponsored proposal to restrict the practice severely and the Radical Party's initiative in favor of extreme liberalization. The Radical Party has been criticized for exploiting the referendum device to politicize its distinctive ideas and to disrupt the normal functioning of the political system. The Radical-sponsored referenda aimed at repealing public financing of political parties, abrogating 1979 antiterrorist legislation, preventing private citizens from bearing firearms, and abolishing the life imprisonment sentence were all defeated. The Radicals were not the only party open to charges of abusing the referendum device, however, since the PCI decided to associate itself as a sponsor of a referendum to repeal 1984 legislation limiting increases in the wage index

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system. Held in June 1985, this proposal was defeated by a vote of 54.3 percent to 45.7 percent, with 22 percent abstaining (see *Wages and Inflation*, ch. 3).

The Italian legislature plays a significant role as an investigatory body to look into major scandals or deficiencies of public figures and institutions. In a country where corruption and sometimes criminal official irresponsibility have often been encountered, parliament has had to undertake the responsibility for probing into scandals and reaching judgments about responsibility and import of each affair. A parliamentary commission, for example, delved into the 1978 kidnaping and assassination of Aldo Moro, laying some blame at the feet of the police and the secret services in Rome. Perhaps one of the most significant recent investigations of this nature was the one undertaken under the chairmanship of Tina Anselmi into the "P-2 affair." This was a typically convoluted Italian political scandal that broke out in May 1981, when officials revealed the existence of a secret Masonic Lodge called "P-2," which became suspected of seeking to subvert the democratic republic in the country. Included on the list of the lodge, headed by Grand Master Lucio Gelli, were some very prominent personalities, such as DC and PSI cabinet ministers, the chief of the defense general staff, the director general of the treasury, top officials of the civilian and military secret services, police chiefs in large cities, and prefects, or governors. The P-2 affair spilled over into a major financial scandal known as the "Sindona affair," because Michele Sindona had been a lodge member and Gelli had been implicated in Sindona's disappearance. All this was further connected to yet another banking scandal, the collapse of the Banco Ambrosiano in 1982, because many of the bank officials were also lodge members. Perhaps no other postwar affair has touched so many figures in so many sectors of the Italian elite. The Anselmi Commission report in 1984 was extremely useful in sorting the matter out and separating fact from rumor. Among its findings, the commission established that the P-2 group did not intend to take over the state directly but to influence both the state and the political system from inside. Among the specific aims were a restriction of trade union activities, increased powers for the police and the military, "coordination" of television and the press, wholesale reform of the DC, creation of another social democratic pole of power on the liberal-moderate left to replace the Communists, and some constitutional revisions.

Because of overall governmental inefficiency, there have been several major pushes for reform of key institutions, especially the legislature and executive-legislative relations. The idea of reform

acquired a deceptive vigor during the 1970s, when the Communists gained influence and tried to have parliament take a more active role in all fields, an approach labeled the "centrality of parliament." Some proposals that have been debated included the transformation of the Senate into a genuinely regional house or even abandoning the bicameral system altogether. Less drastic ideas were to simplify parliamentary decisionmaking by abolishing the unanimity rule for agenda planning or restricting the often abused procedure for considering amendments. In terms of executive-legislative relations, proposals for introducing some variations of the French presidential system were scarcely practical in Italy, where the left strongly opposed the idea. It was equally difficult to imagine the Italian political system accepting the idea of a West German-style constructive vote of no confidence or other mechanical devices to give the cabinet more decisive authority and longevity.

The impulse behind institutional reform received a stimulus after Craxi became prime minister in 1983, because reform was a major announced goal of his PSI. A parliamentary commission under the leadership of Aldo Bozzi began work in early 1984 and produced a package of proposals that included the following points: the size of the Chamber would be reduced to 500 and that of the Senate to 300; responsibility between the Chamber and the Senate would be divided, giving the former authority over ordinary legislation and the latter authority over controlling and overseeing the government, public nominations, and public enterprises; a prime minister would first receive a vote of confidence in the Chamber of Deputies only and subsequently constitute his government relatively free from party interference; the use of decrees would be restricted to genuinely exceptional cases, while "urgent legislation" could be introduced in the Chamber and become law unless rejected within 60 days; and referenda would be made more difficult by requiring 800,000 signatures on a petition. The fate of these and other reform ideas was uncertain, because the commitment of parties such as the PSI and the DC was unclear, and their ideas often clashed with those of the PCI. No important action had been taken through mid-1985, when the issues remained open to continuing debate.

Local and Regional Government

The relationship between the national and the other levels of government is complex. Italy is, in principle, a typical unitary

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state, but this situation has been tempered by a long tradition of strong local government and a constitutional framework for the devolution of important powers to the regional level of government, implemented during the 1970s. There have been close political as well as institutional ties among all levels of government because communal politics has often been a training ground for national leadership, while local networks of clientelistic politics have often provided a foundation for power in Rome (as has been true for the DC). However, efficient performance at the local level has been able to help bolster the national fortunes of a party such as the PCI.

The basic unit of local government is the commune, an urban unit of varying size plus its surrounding area. In 1985 there were 8,081 communes, each with similar powers and functions, although approaches to government and performance could differ radically. Commune government is based on a municipal council, which is elected every five years by proportional representation based on party lists in cities with more than 5,000 inhabitants and by a mixed system favoring individual candidate selection in the small towns. Smaller communes had at least 15 council members, while the largest cities could have as many as 80. Most city government majorities had to be formed by coalitions of parties. The process took weeks or even months after an election and, for major cities, was likely to involve the intervention of national party leaders. Coalitions at the local level were often the result of political conditions that differed from national politics, and it was impossible to have symmetrical political alliances at all levels of government. Indeed, bargains could be struck to distribute the mayorships of different towns within one province or region among various parties and even different coalitions, while the provincial and regional executive posts could also feature in the complicated maneuvers that followed each set of local elections.

After considerable gains in local elections held in 1975, the Communists became the dominant party in major cities such as Turin, Milan, Naples, Florence, and Rome. They established left-wing coalitions (usually PCI, PSI, PSDI, and sometimes PRI as well) to rule in the city councils, usually under Communist mayors. As a result the PCI's municipal power base was extended from its traditional stronghold of the "red belt," centered on Emilia-Romagna and the Communist showcase city of Bologna, to a variety of cities across the country. The left-wing coalitions were confirmed in the 1980 local elections and remained in power until 1985, even though the Communists had moved into opposition at the national level and were increasingly at odds with the national leader-

ship of their principal local ally, the PSI. One reason was that many local Socialist militants continued to prefer cohabitation with Communists to setting up house with Christian Democrats.

This situation ended with the local elections of May 1985, when Communist losses and Christian Democratic gains dramatically changed the balance of power in the large cities and effectively ended leftist governments in Rome, Turin, Milan, Naples, and Venice. In Rome, for example, the DC gained three seats on the city council for a total of 28, while the PCI dropped from 31 to 26 and the PSI held steady at eight. The PCI setback in Rome ended the somewhat paradoxical Communist domination of the center of Roman Catholicism, under PCI mayor Ugo Vetere, who was replaced by a Christian Democrat. Both the PCI and the PSI lost seats in Turin, while the PRI went from three to six seats and the new council shifted from a left-wing alliance to a five-party (*penta-partito*) government arrangement modeled on the national cabinet and based on a deal giving the mayor's post to a Socialist, the deputy mayor's position to a Republican, and the presidency of the regional government to a Christian Democrat. Negotiations for new local governments proved to be especially difficult in 1985, so that about 5,000 of the 6,567 communes involved were still without a coalition agreement two months after the May 12 ballot. Nevertheless, the Communist defeat and the shift in the balance of local power toward center-left coalitions marked an important new stage in local as well as national politics.

Cities are governed by elected municipal councils of varying political complexions. These councils pass local laws, approve the city budgets, and control the activities of their executive committees and the mayors. Although there are certain uniform responsibilities delegated to the communes based on a comprehensive (subsequently amended) local government law dating from 1934, actual approaches varied widely according to the economic resources and efficiency of the municipality. Key functions such as law and order and education were exclusively controlled by the national government, but communes were responsible for keeping vital statistical records and providing and maintaining sanitation facilities, fire service, some social welfare services, public transportation, local road networks, and so forth. The local tax structure was usually inadequate to support even obligatory city services, and inefficient transfers from national and regional government often forced the communes into debt. Wealthier cities in the north usually managed to provide a broader range of effective services than did cities in the poorer regions of the south, the location of perhaps the greatest urban catastrophe in Europe, Naples. It was scarcely possible to

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compare the situation of a modern, well-run city such as Bologna, or even a quite inefficient one such as Rome, with the situation in Naples, where decades of Christian Democratic government and a vast network of corruption created by a local political machine have managed to demonstrate that even a Communist-led reform government (after the mid-1970s) could be rendered impotent.

A special feature of Italian commune government is the possible decentralization of many services and decisionmaking as well as consultative powers to neighborhood (*quartieri*) councils, based on a law passed in April 1976. Neighborhood councils had played an important role in local government in cities such as Bologna well before the 1970s, but the 1976 law provided a legal framework for the devolution of some commune responsibilities to the level of the neighborhoods in all towns. The law required the municipal council to consult with neighborhood councils on matters such as the annual city budget and development programs. The first cities to hold neighborhood elections under the legislation were Florence, Novara, and Livorno in November 1976. By 1982 about 68 percent of the 171 communes with populations over 40,000 had held direct elections for neighborhood councils, nearly all of them in the part of Italy lying north of Rome. As might be expected, left-wing governments were the ones that most encouraged this kind of local participatory democracy, and in communes such as Florence the councils rapidly became involved in setting policies on issues such as rent control guidelines. Neighborhood councils have worked best in cities with higher levels of civic awareness and traditions of civic responsibility, almost always located in the north and usually in towns with a strong Socialist or Communist presence, whereas in the south the traditional practices of clientelism and paternalistic politics could not readily be transformed into a working system of neighborhood activism and responsibility.

The province, above the commune, was of minor importance in the Italian scheme of local government. The 95 provinces had no real historical or social foundations, and they served as administrative units of the central government concerned mainly with welfare, education, and public works. Like the communes, the provinces had elected councils of varying sizes, an executive council, and a council president—all subject to the ubiquitous process of party politics. The provincial prefect or governor, a civil servant from the Ministry of the Interior, generally lost authority to the regional governments during the 1970s, after the creation (in 1970) and development of this very significant form of subnational decisionmaking in Italy.

Government and Politics

There are two kinds of regional government in Italy, special and ordinary. The five special regions have extensive autonomous powers defined by the Constitution. These are Friuli-Venezia Giulia, Sardinia, Sicily, Trentino-Alto Adige, and Val d'Aosta. Each of these areas has special cultural, linguistic, social, or economic characteristics that has required an extensive delegation of powers from Rome to the regional authority to permit decisionmaking on local issues. The Constitution guarantees the special regions extensive legislative power on appropriate matters, so that the central government in Rome tends not to interfere. Otherwise, both the special and the ordinary regions have similar government structures modeled on communal and provincial government. There are regional councils elected every five years by proportional representation with preference votes allowed. The size of a regional council ranges from 30 to 80 members, who choose an executive committee and a president. Legislation at the regional level has to be in conformity with national laws, and disputes between a council and the central government's commissioner are referred to the Constitutional Court or parliament. Rome's residual authority over the regions, especially the ordinary ones, is extensive, and this Italian hybrid of decentralized government should not be confused with a genuine federal system on the United States or even the West German model.

Although a limited transfer of authority to the ordinary regions was called for in Article 11 of the Constitution, legislation implementing this intention was not passed until 1970. The long delay can be explained, in part, by Christian Democrats' fears that their monopoly of national power would be endangered by Communist victories in Emilia-Romagna, Toscana, and Umbria—the "red belt" potentially cutting Italy in two. Obstructionism on the part of the DC was gradually undercut by the Socialists during the period of the center-left coalition, however, and arguments in favor of decentralized administrative and economic reform won out so that the enabling laws could be passed. The 15 ordinary regions are Abruzzi, Basilicata, Calabria, Campania, Emilia-Romagna, Lazio, Liguria, Lombardia, Marche, Molise, Piemonte, Puglia, Toscana, Umbria, and Veneto. Elections for the 15 new regional councils were held on June 7, 1970, and the new governments gradually created their regional statutes and took over certain powers, financial responsibilities, and personnel from the central government. In 1977 the ordinary regions acquired many functions previously held by national ministries and autonomous agencies. The regions were also delegated responsibilities in areas such as health insurance, hospitals, and economic planning. The Regional Finance Act of May

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1970 gave the regional governments revenue from certain local taxes and, more important, fixed percentages of central government receipts from specified taxes and duties. The funds available to the regions grew from about US\$1 billion in 1973 to about US\$22 billion by 1979, most of it in transfers from the central authorities. Problems have continued to plague the perpetually indebted regional governments, and their relationships with Rome have often been difficult. Studies have demonstrated that the Italian experiment has been a limited and somewhat uneven success; the best results have been in the north and in areas having more modern social bases and some tradition of democratic self-government.

The Judicial System

Italy has a unified national court system that is constitutionally independent of politics and the rest of the state bureaucracy. Italian law emphasizes formal legal concepts and universally applicable doctrines rather than the historical and sociological approach used in Anglo-Saxon countries. Court decisions are based on a code system supplemented by an often contradictory mass of noncodified legislation that has frequently forced judges openly to interpret laws rather than to simply apply them, a recent trend that has been encouraged by the innovative practices of the Constitutional Court and the new generation of lawyers and judges.

At the lowest tier of judicial authority is the justice of the peace, who is a prominent local individual in each of the communes, appointed by the courts of appeal to handle only petty civil claims. Appeals from this level may be taken to the praetors in some 900 judicial districts (*mandamenti*) where these praetors, trained career magistrates, are also assigned minor civil and penal cases. The tribunals, each responsible for several *mandamenti*, are set up in 159 cities, including provincial capitals and some large towns, to take up matters such as appeals from the praetors, tax cases, and certain civil and criminal cases. Appeals from the tribunals go to the 23 courts of appeal sitting in regional capitals and major cities. Serious felony cases are heard before the courts of assizes, and appeals from the courts of assizes are taken to the courts of assizes-appeal. The highest appellate court is the Court of Cassation, seated in Rome and divided into three civil and four criminal sections; it has no original jurisdiction and may deal only with issues on legal procedures.

Italy, like France, has a system of administrative courts that is distinct from the ordinary judicial structure. The regional admin-

istrative tribunals were created in 1971 as part of the new structure of regional government and are competent to hear cases involving allegedly arbitrary or negligent acts committed by the public administration. Cases in these tribunals, located in the regional capitals, can be appealed to the Council of State, which is also a court of first and exclusive resort for cases involving the central government. It is the country's highest administrative court, and in addition to hearing cases brought by citizens, it advises the government on the legality of executive decrees and government bills. The president of the republic appoints, upon recommendation by the Council of Ministers, all of the members of the Council of State by a politically sensitive process involving higher civil servants, academics, and lawyers, some of whom have passed a special competitive examination. The Council of State takes decisions that can annul administrative acts but does not award damages beyond costs. A second administrative court system is made up of the Court of Accounts, which is competent in matters of public finance at both the local and the national levels. It also has certain supervisory powers over the expenditure of public funds and makes reports directly to parliament.

The great judicial innovation of the postwar republic was the creation of a constitutional court with the power to decide on the constitutionality of national and regional laws and to adjudicate conflicts between different branches of government. This was done partly to prevent a recurrence of the situation in the 1920s, when fascist legislation undermined the Albertine Statute, and partly to create a flexible judicial organ to handle problems that might arise between the central and the regional levels of government. The Constitutional Court was not actually set up until 1956, after the centrist parties overcame Christian Democratic delaying tactics.

The Constitutional Court has 15 members, five appointed by the president, five elected by joint session of parliament, and five jointly by the Court of Cassation, the Court of Accounts, and the Council of State. The judges are selected from various branches of the legal profession and serve staggered nine-year terms. Appointment to the court could be highly political and subject to the *lottizzazione* process, particularly since the tendency to use political connections to advance a legal and judicial career was perhaps more ubiquitous in Italy than elsewhere. The members of the Constitutional Court selected their own president for a three-year term. Some indication of the prestige and political nature of the court could be gleaned from the fact that Leopoldo Elia, its president until July 1985, was one of the leading Christian Democratic candidates for the presidency of the republic until Cossiga was chosen.

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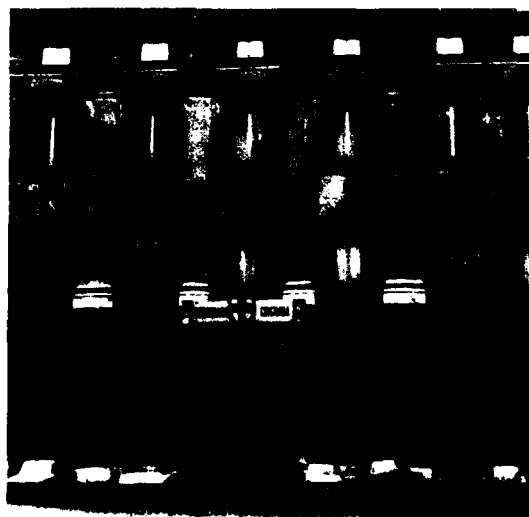
At the end of his normal three-year term, Elia was succeeded as president of the court by Livio Paladin. Although the jurisdiction of the court was quite broad on constitutional matters, its activities were limited by the fact that it could not undertake a case unless a judge from a lower court declared that a constitutional issue was at stake. This has caused a number of problems in the past, particularly because the Court of Cassation resisted the idea of a judicial review of the constitutionality of legislation and has often blocked the appeals process or ignored the Constitutional Court in its own deliberations.

Despite such problems, the Constitutional Court has managed to carve out an important role for itself, especially in matters involving disputes between the regions and the central government, in some fundamental civil rights cases, and in decisions concerning the legality of particular referenda. Although acting cautiously, the court has nullified a number of criminal and civil law codes dating from the fascist era that have remained in force unless changed by legislation. The court has sometimes been a force for social modernization in Italy, as when it overthrew an old law on adultery in December 1970, on the grounds that it violated the constitutional right of women to equal treatment. In 1971 the court nullified a fascist law against the publicizing of information on birth control, and in 1975 a court decision negating aspects of a fascist era anti-abortion law led to more liberal abortion legislation. In general, then, the court has played a cautious but progressive role in encouraging the secularization of social and political life in Italy and in protecting, even extending, the democratic guarantees of the Constitution.

Although it was to some extent insulated from the inefficiencies of the governmental system, the judiciary was by no means exempt from the ills that afflicted public life. On the one hand, the court system has sometimes proved amazingly resilient in responding to the legal challenges posed by the spread of terrorism and organized crime in Italy. Judges and public prosecutors have often been the targets of terrorist and criminal abuse, yet managed to help the government withstand and largely defeat the threat that the Red Brigades and other groups have posed to Italian democracy since the 1970s (see *Threats to Public Order*, ch. 5). On the other hand, the men and (since 1963) women who make up the judicial corps as judges and public prosecutors have sometimes been tainted because some of them were involved in major scandals, leading to well-publicized resignations and even trials. Many officials of the judiciary were implicated in the "P-2 affair" and had to resign, while connections with organized crime plagued local



Politics and passion in the streets of Rome



*Headquarters of Christian
Democratic Party in
Piazza del Gesù*

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courts and even the Court of Cassation. The vigorous anticorruption drive within the judicial system has preoccupied the Superior Council of the Magistrature, which has been responsible for protecting the independence and integrity of the entire court system since the council was established in 1958.

Another problem plaguing the Italian system of justice has been the tremendous backlog of cases that has created long delays before trials could be held, confirming the general impression of mounting chaos in the court system. Legislation passed in 1984 to reduce the term of preventive detention before a trial has to be held was expected to increase the pressure on courts already overburdened, understaffed, and prone to excessive and repetitive paperwork that has stretched out each stage of a legal proceeding to the point where public confidence in the courts has eroded substantially.

Politics and Parties

Social Bases of Politics

Italy's weak governmental institutions were a reflection and to some extent the creation of a heterogeneous, fragmented, and pluralistic society that has never provided the congenial foundation for a smoothly functioning civic democracy. What has divided Italy and Italians has perhaps always been more striking than the elements such as languages and a sense of common history that united the country's elites in the nineteenth century and produced the Risorgimento (Rebirth), leading to unification in 1861. The "Italy" created by the elites toward the end of the century was given a unitary state apparatus and had a dominant political elite that held the country together, but the persistence of geographical, social, economic, religious, and ideological cleavages prevented the emergence of a coherent national identity on the peninsula. With the creation of a democratic regime after the World War II era, these cleavages have become more pronounced, but less have remained strong enough to threaten the stability of the political system and to prevent the development of a consensus between the people and their political institutions. The process of economic modernization has been uneven, and the traditional sources of division and conflict have not been eliminated with certainty and consistency. The process of modernization has been incomplete.

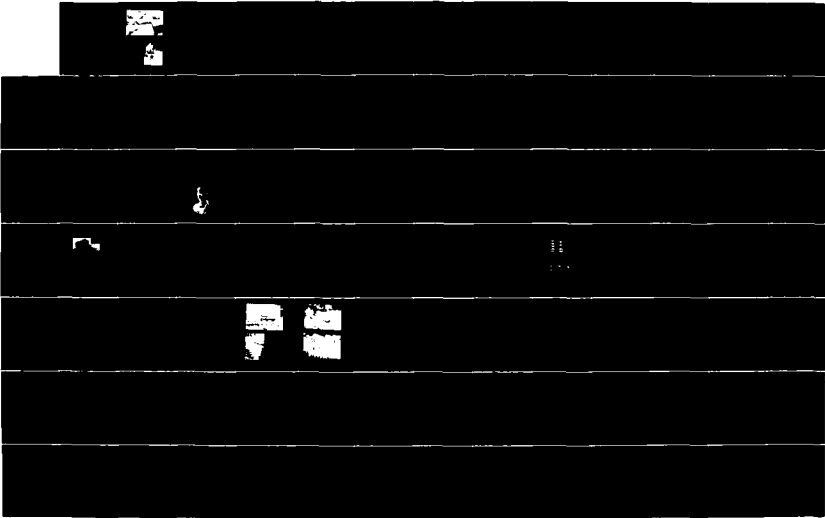
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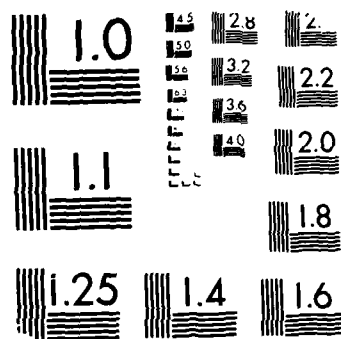
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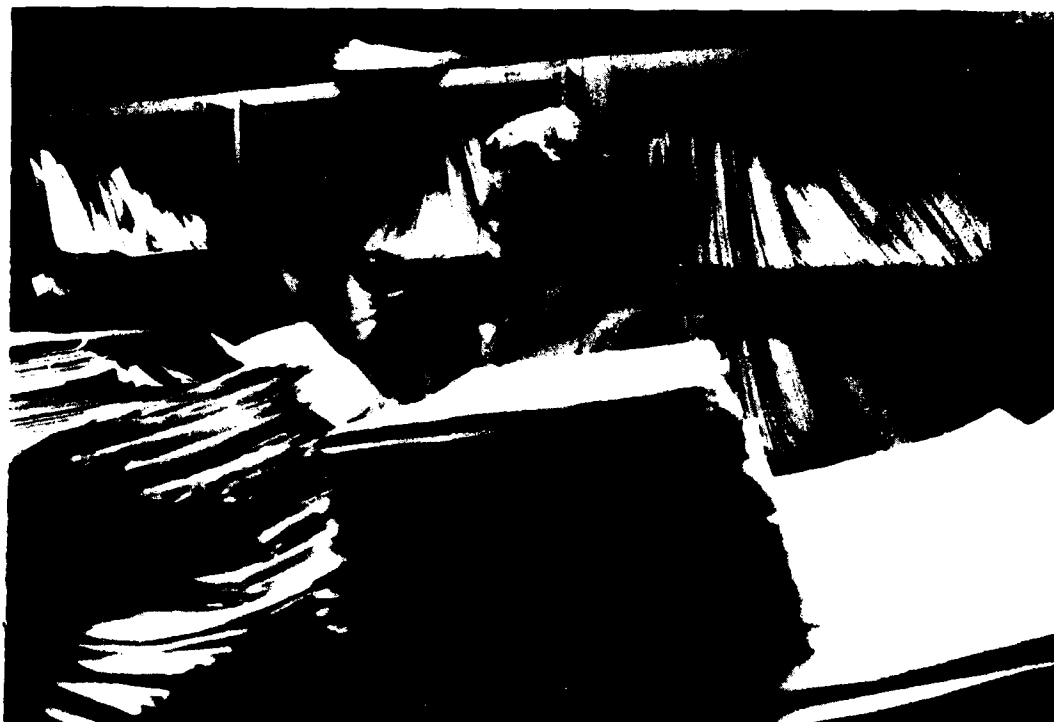
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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963 A



Lawyer and clerk in the archives of the Palace of Justice



*A meeting of the mayor
of Rome and his councilmen
at City Hall on Capitol Hill*

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Measurements and judgments about general public attitudes toward politics and a political system are difficult to make with any real precision, especially in the case of a country as diverse as this one. Nevertheless, Italy has often been characterized as a political system with a low level of civic commitment to and participation in democratic politics. This has always been truer of the south than the north in this divided polity, and many studies confirm what one expert called "the general poverty of Italian civil society." Others, however, have noted the paradox of high levels of voting (even in the south), membership, and activism in political parties, and relatively favorable attitudes toward state institutions in the 1950s. There is, however, no disagreement that Italian apathy, alienation, and even hostility toward the principal political institutions increased during the 1970s and has reached significant proportions. Whereas in 1958 about 27 percent of Italians thought the state functioned well and only 21 percent gave it poor marks, by 1976 about 83 percent fell in the latter category. By 1982 only 15 percent of the Italian public were very or rather satisfied with how the state was governed, while 41 percent were only a little satisfied and 44 percent were not satisfied at all. Specific questions about confidence in various institutions and professions revealed that Italians placed great value in the family, physicians, schools, universities, and the church, but political institutions such as parliament and political parties were widely distrusted. In 1982 nearly three-quarters of the public expressed a lack of confidence in party officials, politicians, senators, and deputies. Italy has consistently demonstrated the lowest index of public satisfaction with the democratic system of any West European industrial state, an attitude that has stemmed largely from the low regard for national political institutions.

In a country where political parties have dominated the state as well as the democratic process, it is especially noteworthy that the parties have borne the brunt of public resentment. Whereas many Italians felt somewhat close to and confident in their preferred parties and the system through the 1960s, the alienation from the parties increased by the 1980s to create a dramatic gulf between the civil society and the party system. By late 1982 only 9.1 percent of Italians trusted the parties, whereas 55.9 percent had little trust and 32 percent none at all. Apart from mounting apathy and disillusionment, the practical effects of such attitudes are difficult to measure. There seems to have been a decline in party membership since the early 1970s, a particular problem for a mass membership organization such as the PCI, which has experienced rapid turnover in recent years and has great difficulty hold-

ing onto younger members. Distrust of the established parties may also explain the rise of special interest movements and "anti-party" parties, including the Radicals, a party of pensioners, and regional parties such as the Venetian League. Italians have also been venting their frustration by increasing their rates of electoral abstention or casting blank or spoiled ballots. Italy's traditionally high voter turnout has been deceptive because various administrative practices have made voting nearly an obligation, but there has been a widely noted increase in the abstention rate from 6 or 7 percent before the 1970s to as high as 16 percent in 1983, amounting to 7 million nonvoters; the increase has been concentrated in northern and central Italy.

If the Italian public has become more disillusioned with politics than ever, there have been other changes in society and values that have further complicated the political process. Economic and social modernization has produced a new class structure marked by the decline of the agricultural and rural sector (from 43 percent in 1951 to 12 percent in 1984), a larger but now static industrial work force (from 30 percent in 1951 to 33 percent in 1984), and a burgeoning tertiary sector (from 27 percent in 1951 to 55 percent in 1984). Italians of all classes have become much better educated, more mobile geographically and occupationally, and generally less parochial. This means that traditional values and outlooks on politics, and traditional political loyalties, are weakening in Italy and are gradually being replaced by a pattern similar to other industrial societies. In this case, the most significant development has been the erosion of the influence of religion—Catholicism—on politics, because of secularization.

The percentage of the population attending church regularly has declined from 69 percent in 1956, to 38 percent in 1981, to 25 percent in 1985. Churchgoers have consisted mostly of women, the elderly, and people living outside the urban areas. In 1985 almost 40 percent of Italians felt that religion had little or no significance in their lives, while 75 percent believed that the church should stay out of politics (and only 18 percent felt it should intervene). The secularization of Italian society has been primarily a problem for the DC, which in the past could rely on an automatic preference from churchgoers and a network of church-backed organizations. This source of support has dwindled, however, a factor that can be linked to the erosion of DC electoral strength and increasing efforts on the part of party officials to diversify and modernize the DC's appeal. The PCI has obviously benefited from declining religiosity as well as growing liberalism among Italian Catholics, where the percentage willing to acknowledge that Cathol-

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icism and communism were not incompatible rose from 21 percent in 1953 to 45 percent by the mid-1970s. Secularization has been most evident within Italy's postwar "successor generation," which has largely been responsible for the general leftward drift of political preferences. About 32 million (out of 44 million) Italians have entered the electorate since 1948, and each new group has been less and less conditioned by the cleavages and ideologies of earlier generations. For example, in 1985 only 17 percent of Italians under 34 attended mass regularly. The left parties, and especially the PCI, have found disproportionate support among Italians under 40 and especially among the better educated, although the Communists have had trouble sustaining their gains in this rather fluid category.

The reduced political weight of Catholic (generally conservative) subcultural values in Italy has not necessarily produced a corresponding increase in its historical counterpart and rival, Marxism, despite an apparent predominance of leftist attitudes in intellectual circles in Italy. Often, a left orientation has only expressed a preference for reforms that in any other political system would scarcely seem radical, so that the phenomenon may only amount to the extension of a pragmatic and practical rather than intensely ideological, left-wing orientation in Italian society.

The political impact of trade unions in Italy might be expected to have benefited the left, but the situation was ambiguous. Reconstituted after World War II, Italian unions reflected the ideological and political divisions of the country and until the 1970s were tied to political parties, often serving as transmission belts rather than independent actors acting on behalf of their worker constituents. The largest union has always been the Communist-allied Italian General Confederation of Labor (Confederazione Generale Italiana del Lavoro—CGIL). The Italian Confederation of Workers' Trade Unions (Confederazione Italiana dei Sindacati dei Lavoratori—CISL) was linked to the Catholic church and the DC, and the small Italian Union of Labor (Unione Italiana del Lavoro—UIL) was linked to the PSDI and had some ties to the Republicans. Growing worker and union militancy during the 1960s, culminating in the "hot autumn" strike movement of 1969, led the unions to sever their formal relations with political parties by declaring that members of parliament or party officials could not simultaneously hold office in the union. In July 1972 the three major unions created a federation in which they retained their individual identities yet worked together on behalf of an ambitious socioeconomic program that, to some extent, challenged the functions of the political parties themselves. The parties, especially the PCI,

were rather uncomfortable with the more overtly political goals of the unions, whose influence remained mostly disruptive, through strikes, and often focused on retaining benefits for privileged categories of unionized workers. The economic and social crises of the mid-1970s led the unions to adopt a less ambitious program in 1978 (the "EUR line"), while the trend toward moderate austerity in the 1980s threatened some existing benefits and disrupted union unity. In particular, cuts in the wage indexing scale imposed in 1984 created tension between a more militant PCI-backed CGIL, which supported the ill-fated 1985 referendum to repeal the decision, and the other unions, which demonstrated restraint. By the mid-1980s, then, the unions seemed weakened and more divided than they had been for nearly two decades (see Trade Unions and Employer Organizations, ch. 3).

The specific relationship between party support and other social changes in Italy was difficult to characterize with precision. In terms of the relationship between class and political preference, the PCI has remained the party of preference for workers, while the DC has lost ground among this group. The PCI has generally gained among the growing urban middle-class sectors, while the DC has (until 1985) been declining there and has had to rely more and more on its core of Catholic, rural, southern, female, and strongly anticommunist supporters. Around 60 percent of the DC electorate is made up of religious women, a hitherto stable but inevitably declining resource in the future. Although the middle classes turned increasingly to the PCI during the 1970s, there has been much fluctuation in the political preference of this crucial group in favor of the smaller intermediate parties, a trend that has been responsible for the extreme volatility of election results in recent years. In terms of the geographical distribution of votes, the DC has been declining in all areas of the country, but this decline has been less marked in the south and in the Christian Democratic bastion of the strongly Catholic "white belt" in the northeast, where nevertheless the DC fell from 48.5 percent of the vote in 1979 to 42.2 percent in 1983 (with a 32.9 percent average nationally). The PCI has traditionally been strong in Emilia-Romagna, Toscana, and Umbria and remained dominant in that area, while more balanced patterns of support were found in the northwest industrial triangle (Genoa-Milan-Turin) and the south. In general, there has been a trend toward greater geographical homogeneity of party support around Italy as all parties, large and small, have come closer to an even national distribution of support.

Perhaps the most important effect of the somewhat bewildering changes in the ties between the public and politics has been an

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increase in the different kinds of voter-party relationships, which has amounted to a partial disaggregation of formerly stable ties. There has, for instance, been a decline in loyal voter identification with particular parties. Both the DC and the PCI have suffered from less stable electoral bases since the mid-1970s, as have the smaller parties that sometimes have been able to attract votes from the two giants but have often found themselves buffeted by unpredictable shifts among the intermediate parties. All parties seem to have had a difficult time adjusting to the expanding group of issue-oriented "opinion" voters, concentrated in the younger, more educated middle classes, or coping with an even more specialized "exchange" vote that has depended on the satisfaction of self-serving group demands (especially strong in the south). Electoral support in Italy has increasingly seemed to depend more on specific party performance, whether judged by modern-rational standards or clientelistic criteria, a situation bound to lead to sudden and unpredictable shifts in support by easily dissatisfied voters.

Considered along with other indications of Italian aberration from the political system, there has been a growing crisis of representation in terms of the wide gulf separating citizens and the parties that have claimed to manage the country on their behalf. There is no automatic or easily predictable consequence of this phenomenon, and it is worth noting that Italy survived very direct challenges to the established parties and even the democratic system during the 1970s and even recovered a certain stability by the mid-1980s. Perhaps awareness of the profound public malaise has compelled Italian political elites to try to compensate with somewhat less obvious chaos in the government and formal party relations, as they search for ways to recover public confidence by elusive reforms of state institutions and equally elusive renovations of the parties themselves.

Elections and the Party System

The formal structure of Italian politics and the dynamic relations among the dominant actors—political parties—were in a very broad sense products of the electoral system. Elections in a multi-party system such as Italy's did not actually determine "who governed," because this kind of choice was inevitably left to the party leaders, who created and brought down government coalitions. Nor could the public easily use elections to mandate a preferred direction of national policy because formidable filters and barriers standing between the election of a parliament and policy decisions

diluted any significant links between electoral choice and policy. Nevertheless, Italian elections were more than a mere democratic ritual, because they indicated changes in the relative support for the parties and the broad options they represented. Election results, therefore, conditioned and to a limited extent channeled the coalition and other political choices of party leaders, creating a dynamic framework within which the elites operated. This was true *not only of national parliamentary elections but also, in recent years, of elections selecting the European Parliament of the EC and even local elections, which increasingly were taken as indications of nationwide party support.*

For parliamentary elections, Italy used two different proportional representation systems for the Chamber of Deputies and the Senate, both of which tended to emphasize the roles of parties rather than individual candidates and helped to sustain a multi-party system with two giants and a number of smaller parties. To elect deputies, the 630 seats in the Chamber were divided among 32 electoral districts, all but one of which (Val d'Aosta) had between four and 53 seats allocated among party lists according to the proportion of popular vote received and a formula that helped even very small parties gain a seat. Some seats remained unallocated after this process and were distributed within a national pool of parties that had obtained at least one seat in a district and had 300,000 votes nationwide. For the Chamber of Deputies, there was a supplementary preference vote system, according to which a voter could indicate from one to four preferred candidates on the list of his or her chosen party, influencing the selection of actual deputies off a party's list. Used by about a third of the voters concentrated in the south, this system was important primarily because it reinforced a personalistic, clientelistic style of politics there and helped sustain the power of DC factions and their leaders. Communist voters were more disciplined, and the PCI did not allow factional competition for preference votes, so the party basically chose its winning candidates by fixing their position near the top of a list and controlling preference votes among a loyal electorate. For the Senate, a somewhat complicated system was used in which 19 of the 20 regions were divided into single-member districts (the Val d'Aosta region had only one senator), where a few senators might be lucky enough to be elected with over 65 percent of the votes in a district, while the rest were distributed proportionally by party election strength in each region according to the number of seats available. There was no preference vote system for the Senate, so a party-determined position near the top of the list could be crucial for success.

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Proportional representation is perhaps highly democratic in that it gives a political role to insignificant minority opinions that can be channeled into parties, but the problems associated with a fragmented polity are exacerbated by an electoral system that reproduces heterogeneity in a multiparty system, sometimes according prominent roles to relatively insignificant parties. Italy could be expected to produce an absolute majority for a single party, which happened only in 1948, when the DC won 48.5 percent of the vote and full control of both the Chamber and the Senate. Nevertheless, changes in the electoral system could streamline the party system and at least force the parties into more coherent and stable electoral and government coalitions. For this reason, the movement for the reform of public institutions gathering force in the 1980s was also considering some changes in the electoral system. Some proposals, such as a West German-style 5-percent vote threshold for parliamentary representation seemed unlikely to prosper because most of the parties were opposed. An idea with somewhat better prospects was the adoption of a mixed, two-ballot system with fewer deputies overall (perhaps 500 instead of 630) and constituencies redrawn to be smaller, each with fewer deputies. Under one such proposal, 400 deputies would be elected in a first round by proportional representation and another 100 on the second round, with a premium of seats awarded to coalitions of parties getting a majority, plurality, or a certain percentage of the vote. This kind of reform would leave the multiparty system intact but would encourage, even oblige, parties to form coherent coalitions with, presumably, better defined and more responsible programs that could then be implemented by more stable government coalitions. As with the other examples of reforms under consideration, the prospects for redesigning the Italian electoral system were uncertain in mid-1985.

In terms of the patterns and results of Italian elections, there were several trends that should be noted because they affected the stability of the political system as well as the relative strength of the parties. One factor already mentioned was the increased volatility of electoral behavior. Although the widely noted stability of Italian voters has perhaps been overestimated in the past, there is no doubt that there were significant oscillations in relative party strength from election to election. The year 1976 marks the onset of important fluctuations in the strength of the two major parties, individually or considered as a bipolar unit, as well as within and between blocs of parties. At that time, there was a big shift from the dominant center-right/center-left axis (DC, PRI, PLI, and PSDI) toward the parties of the left (PCI, PSI, Radicals, and ex-

treme left). The general leftward trend had continued until 1985, but there had been erratic changes among the left-wing parties, and a serious problem of definition arose because the post-1970 PSI under Craxi could barely be defined as "left" any longer. The PCI has perhaps suffered most from electoral volatility, having recently experienced both its biggest leap forward (up 7.4 percent in 1976) and its biggest decline (down 4 percent in 1979). The DC has seen even worse times; indeed, the DC experienced Italy's second greatest net vote loss in postwar history, shedding 5.4 percent in the 1983 parliamentary elections. These erratic or radical shifts in support also plagued other parties singly or as a group, so that instability has become the overriding pattern of Italian elections. One conclusion to be drawn from this situation is that election results apparently favoring one party or ideological pole over another should be treated with extreme caution, because they may be undermined or reversed in short order.

If uncertainty is a major characteristic of the modern Italian party system, there are nevertheless other factors that indicate more concrete situations and some changes in the positions and relative weights of the parties. Some of these factors have already been indicated or examined. Postwar Italy has had a single, dominant party—the DC—that has sustained a plurality in all parliamentary elections and has served as the senior partner in all governments. The DC has, however, been declining in voter support. It fell from 38.3 percent of Chamber seats in 1979 to 32.9 percent in 1983, recovering somewhat in the (not strictly comparable) 1985 regional elections at 35.0 percent (see table 12, table 13, Appendix A). The other major party in the system, the PCI, increased its vote significantly between 1972 and 1976, rising from 27.2 percent to 34.4 percent, then fell again to 30.4 percent in 1979 and suffered a slight loss to 29.9 percent in 1983. The PCI did, however, score very well in the 1984 European Parliament elections, when a sympathy vote following the death of its secretary, Enrico Berlinguer, may have helped it outperform the DC and achieve 33.3 percent. The European Parliament elections raised the possibility of *il sorpasso*, or the dramatic situation of the PCI's overtaking the DC in a national political election, but the regional elections of 1985 saw the Communists fall back to 30.2 percent whereas the Christian Democrats recovered and stayed 4.8 percent ahead of their principal rival. The DC remained slightly stronger than the PCI in terms of electoral support, but the extremely close competitive situations of the two parties represented a major and probably stable feature of the Italian party system. Considered along with growing PCI moderation and integration into the political system as

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a pro- rather than an anti-system party, this development has reinforced the legitimization of the PCI. The process was, however, incomplete, in that the PCI was not yet considered an acceptable partner in national government, either in a grand coalition with the DC or as a major force in a left government. For this reason, despite electoral and other changes, the Italian party system remained blocked with a weakened and widely resented DC as the only available foundation for a government.

The two major parties created a form of limited cooperation from 1976 to 1979, when the PCI supported DC-centered governments from parliament. This period represented the maximum postwar extension of the two parties' hegemony over the party as well as over the governmental system, coincident with their combined electoral weight of 73.1 percent in 1976. The special feature of Italy's multipolar party system, with two giants coexisting with a number of smaller parties, has produced an extensive and somewhat arcane debate over whether it is the polarization around two dominant parties or the extreme pluralism that is more important. There has certainly been a constant retreat from the DC-PCI duopoly in both electoral and political terms since 1976. Their combined vote dropped from 73.1 percent in 1976, to 68.7 percent in 1979, and to 62.8 percent in 1983. The group of intermediate parties that were potential partners in coalitions (PSI, PRI, PSDI, and PLI) recovered from low totals in 1976 and 1979 to their usual postwar figure of 23.5 percent in 1983. The PSI went up from 9.8 percent in 1979 to 11.4 percent in 1983 (and 13.3 percent in the 1985 regional ballot), not very much considering the efforts made by the Socialists. The small PRI has done very well, moving from 3.1 percent in 1976 to 5.1 percent in 1983, while the Liberals and the Social Democrats increased slightly in parliamentary elections but then slipped badly in the 1985 regional vote. Considering the voting strength of the intermediate parties and the important cabinet positions some of them have held since 1980, it was clear that this spectrum of the party system (especially the PSI and the PRI) has been a principal beneficiary of the partial immobilization of the DC and the PCI.

During the 1980s, at least, it seemed that pluralism and multipolarity had become the outstanding features of the Italian party system, rather than a simple polarization around two parties. Depolarization was also the result of the fact that the PCI was no longer an antisystem party on the extreme left, while the extreme right Italian Social Movement-National Right (Movimento Sociale Italiano-Destra Nazionale—MSI-DN) was weak enough that the spectrum of politically important parties was no longer pulled toward

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competing extremes. What this may amount to is a more diffuse, centrist-oriented party system, one less subject to intense competition and antagonisms and more inclined to accept compromises that allow for greater stability at the expense of ideological clarity and neat political distinctions. This view has been supported by a less intense ideological dimension of politics among the Italian political elites and by greater pragmatism involving mutual concessions at all levels of politics. Although a welcome relief from Italy's normally very partisan, abstract, and rhetorical style of politics, it is uncertain whether this stage represented a prelude to a period of genuinely pragmatic reforms or merely a respite before the parties resumed their political games, played at the expense of the national interest.

The Major Parties: Problems and Prospects

In mid-1985 Italy had two large parties (the DC and the PCI), one medium-sized one (the PSI), and a number of small parties of varied size and significance. Electoral results and political influence were not necessarily correlated in Italy. The PRI, for example, received as much as 5 percent of the vote only once, in 1983, yet produced one of the country's most distinguished and respected political figures, Ugo La Malfa, as well as republican Italy's first non-Christian Democratic prime minister, Giovanni Spadolini. It has played an important role in many coalition governments and seemed to have a bright future in Italian politics. In contrast, the extreme right neofascist MSI-DN had a fairly consistent national following with around 7 percent of the vote, yet it was a virtual pariah in politics. It was widely regarded as an unacceptable partner in national government, along with the very small parties of the extreme left, as often by choice as by exclusion. One of these, the Radicals, acquired a certain influence as an annoying instigator of liberal and antiestablishment actions during the 1970s and was able to shake up a somewhat complacent elite, but it was no longer an important national actor. Despite the real or potential significance of the minor parties, it was the interplay among the DC, the PCI, and the PSI that propelled and shaped the Italian political game and made these parties worthy of special attention.

The Christian Democratic Party

The DC was founded in 1943, a successor to the Italian Popular Party that existed between 1919 and 1926 before it was sup-

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pressed under fascism. The postwar version was part of the general postwar trend that saw the establishment of Christian Democratic parties in countries such as France and the Federal Republic of Germany (West Germany). In many ways the Italian one has proved the most successful because it has been continuously in power through the postwar era, has dominated every Italian government, and provided every prime minister until 1981. Even though the DC's "crisis" probably began with its first major electoral setback as early as 1953, it has proved remarkable at adapting to each challenge in order to remain the indispensable focal point of the Italian state and political system. While it is true that the DC has faced mounting problems since the mid-1970s and was an integral part of the crisis of a state and political system, no informed observer underestimates the resilience of a party that has been labeled a "master of survival."

One problem with analyzing the DC is that most of the features that seem to have created problems for both the party and the nation were also elements that gave it the kind of flexibility and reserve that ultimately allowed it to adapt, or at least to survive. This was true of the party's dependence on religion and the Catholic church for support. The Catholic Action organizations and open church intervention in elections helped the DC maintain its leading position through the 1950s, but the church played a lesser role after the liberal papacy of Pope John XXIII. The secularization of Italian society, already discussed, has gradually eroded the automatic support the DC could expect from the religious. Nevertheless, religion was bound to have important residual influence in a country like Italy for a long time to come, and a DC under siege had increasingly to depend on the generally conservative Catholic vote in areas like the northeast and the south.

Nor can the potential influence of the church as an institution be discounted in Italy, particularly during the papacy of Pope John Paul II. While the first non-Italian pope in modern times probably had less of a natural inclination to become directly involved in Italian politics, the more conservative and anticommunist elements in power in the Vatican were likely to be less willing to abstain from political activism in Italy. Before the 1985 local and regional elections, for example, even the pope seemed to indicate some support for the DC, while influential bishops in Rome, Bologna, Genoa, and elsewhere took the kind of pro-DC stands that had been unusual in Italy for many years. Although the majority of the Italian bishops were moderate or liberal enough to prefer abstaining from an active role in politics, the DC maintained its church ties and clearly wanted to hold onto its image as a "party of Catholics."

though not a "Catholic party." There was a cost to this image, however, since it helped weaken support for the DC among the growing urban middle classes. Furthermore, because the religious vote was also a traditional and conservative one, dependence on it made it all the more difficult to transform the party into a modern one of moderate reform.

Another characteristic that sustained the DC in one sense, yet prevented it from a much needed self-renovation, was its particular form of organization. As an interclassist, power-oriented, "catchall" party, the DC never developed the strong support organization more typical of left-wing parties. At first, it depended on the popularity of its first leader, Alcide De Gasperi, on a network of church-sponsored political groups, and on automatic social bases of support in a system polarized into Catholic and communist alternatives. Under the leadership of Amintore Fanfani in the late 1950s, an organization was developed that in late 1985 was still characterized by a pluralism of factions run by party oligarchs. No single leader or program has ever been able to prevail over the factional competition within the DC, so that the principal purpose of the party has always been simply to occupy state power and distribute that power and its spoils among party factions. This aspect of the DC was the basis for the *lottizzazione* system of distributing state offices according to political power rather than ability or policy goals, an approach that has gradually spread beyond the Christian Democrats as other parties have come to share government responsibility on a similar basis. The ties that have linked DC factions to a vast network of state-supported patronage and clientelism, particularly in the south and throughout the state-supported economy, are at the core of the problem afflicting the DC and, through it, Italy. This is because the patronage system has not only continued to flourish but, as the DC loses other sources of electoral support, it is also forced to fall back on this relatively solid foundation of party strength. Key figures in the party, and especially the powerful Dorotei faction, have been so dependent on this system that the DC and the state it has controlled have thus far successfully resisted reform, despite some evidence that the price of immobilism has been a continued decline of the party and gradual loss of power (see *The Opening to the Left*, ch. 1).

Christian Democratic leaders have pursued different possible solutions to their complicated dilemma, but none of them have been very successful so far. When Fanfani was party secretary from 1973 to 1975, he attempted to return to very conservative policies, and the party suffered major losses in the divorce referendum and the local elections of 1975. In March 1976 Benigno Zac-

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cagnini took over as secretary and, in conjunction with Aldo Moro, attempted to transform the DC into a party of moderate reform in response to the threat posed by terrorism and a socioeconomic crisis. Relying on external parliamentary support from the PCI as leverage against DC conservatives, Moro apparently felt that an eventual alternation in power could be a vehicle for forcing change upon both the Christian Democrats and the country. This solution met fierce resistance from both DC factions and the base of the PCI until it collapsed in 1979. The DC temporarily turned back to the Dorotei leadership in February 1980, when Flaminio Piccoli became party secretary and promoted a strategy seeking to enable the DC to remain unchanged and prevent any drastic alternation in governmental power by wooing the PSI away from the Communists to recreate the center-left coalition that had ruled without implementing genuine reforms in the 1960s. This approach has succeeded in terms of the governmental coalition but has failed to resolve the party's internal and electoral problems.

The latest phase in the DC's attempt to stabilize both the party and a DC-centered political system began with an extraordinary November 1981 meeting marked by widespread self-criticism and a new, more open system for selecting the secretary by the open vote of a party congress rather than by negotiation among the factions. This led to the selection of Ciriaco De Mita as a reform-oriented DC party secretary at the fifteenth congress in May 1982. De Mita's strategy has been to stress the modern, conservative, yet reform-minded mission of the party at the expense of its religious, ideological orientation. The prospect of organizational renewal coupled with a policy of economic austerity appeared to promise some changes in the DC system of patronage and clientelism, although as of mid-1985 only slight progress had been made in this direction. De Mita has been instrumental in having the DC accept a lower government profile and a Socialist prime minister in order to give the party more room and time to reform itself to broaden its electoral appeal. Unlike conservatives in his party, however, De Mita has refused to pursue an obdurate anticommunist line and has kept channels of communication open to the PCI. The prospects for the De Mita approach were uncertain in mid-1985. The DC electoral disaster of 1983 indicated that a new reformist image had alienated traditional sources of party support yet failed to attract the urban middle class and opinion vote that De Mita hoped to find in order to create a modern conservative party. By the time of the 1985 local elections, however, this strategy apparently had achieved some success in stemming the DC's precipitous decline, at least temporarily. The situation in the mid-1980s, then, confirmed

that the Christian Democrats could recover enough to retain their pivotal role in the political system but left unanswered the larger questions about the future of the party that has controlled Italy for so long.

The Italian Communist Party

Italy's political dilemma has been that however intolerable the Christian Democrats may seem, the only clear alternative to their continued rule is a communist party that has never been an acceptable government partner to a majority of the country's elites or electorate. Although both Italy and the PCI had undergone dramatic changes by the 1980s, so that the PCI had become a legitimate actor within the political system and was perhaps the most moderate as well as the most influential communist party in the West, its systematic exclusion from government had not changed and has even been reinforced since 1980.

Like other European communist parties, the PCI was created by a Soviet-inspired schism with the Socialists at the Congress of Leghorn in 1921. Forced to go underground during the fascist period, with one leader (Antonio Gramsci) in prison and another (Palmiro Togliatti) in exile in the Soviet Union, the party re-emerged during the resistance to become a senior partner in a government coalition with other antifascist parties until the Cold War and domestic politics forced it into opposition in 1947. The bitter 1948 elections, influenced by massive American assistance to the Christian Democrats, confirmed the exclusion of the PCI, which adopted radical postures on domestic questions and pro-Soviet positions on international questions. Unlike other West European communist parties, such as that in France, however, the PCI never turned to fully obstructionist practices and, with Stalin's death and some reduction in East-West tensions in the mid-1950s, began searching for a more positive role in national politics.

The history of the PCI's development, what its secretary general Togliatti labeled the "Italian path to socialism" and eventually came to be known as "Eurocommunism," has been inevitably complex and subject to diverse interpretations. In the broadest terms, however, this approach has come to signify autonomy from a Soviet-led international communist movement, a distinctive party organization, and an essentially parliamentary rather than revolutionary strategy for gaining power in Italy. The party's gradual, but by mid-1985 virtually complete, acquisition of concrete and ideological independence from Moscow has been important because it has brought the PCI closer to the West European and Atlantic for-

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foreign policy orientation adhered to by all other Italian parties and because it has signaled the PCI's determination to pursue an independent line in domestic as well as foreign policy. Important stages in the development of this autonomy were the party's reluctant support of the Soviet invasion of Hungary in 1956, Togliatti's 1964 "Yalta Memorandum" outlining a version of polycentric international communism that claimed the right to pursue independent national paths to socialism, and the PCI's condemnation of the 1968 invasion of Czechoslovakia. By the mid-1970s, Secretary General Berlinguer's version of Eurocommunism had denied the Soviet Union a leading role within the international communist movement by rejecting the Soviet doctrine of "proletarian internationalism" in favor of pluralism and national autonomy. More recently, the PCI's strong condemnation of both the Soviet military invasion of Afghanistan and the Soviet-inspired repression of the Solidarity movement in Poland amounted to a virtual break with Moscow, made official at the PCI's sixteenth congress in 1983, when the Italians stated that the Russian Revolution had lost its "propulsive force," which in communist jargon is a very strong condemnation. As far as Italian politics is concerned, this development more or less eliminated the Soviet factor as an element in the domestic political game, even though the PCI's abandonment of privileged ties to the East European communist countries did not mean that it has embraced the Atlanticist outlook prevalent among other Italian elites.

The PCI's creation of a distinctive international role has been complemented by a somewhat more problematic search for an organizational structure that would be viable for a communist party aspiring to power within the confines of a democratic polity. One feature of the PCI has been a more flexible leadership structure and organization than found in most communist parties. Although democratic centralism was still the principle on which the party operated, there has usually been an openly tolerated pluralism of viewpoints within the leadership that have vied for influence. By the 1970s democratic centralism had essentially become a device for managing an otherwise diverse and unwieldy organization that presented many images and perspectives to the public. This principle of organization was further diluted by new decisionmaking procedures implemented in January 1981. By the mid-1980s the party was even considering the use of the secret ballot for some decisions. Although the PCI did not allow the creation of formal factions, it was in many ways less authoritarian than some other parties and accepted a diversity of political approaches.

Another characteristic of the PCI was its rejection of both a narrow working- or peasant-class base and the Leninist model of a revolutionary party in favor of what Togliatti called the "New Party," conceived as a mass-membership, interclass party that aspired to govern rather than foment revolution. This ideal of structural reform was based on the prescription of Gramsci (cofounder of the PCI) to seek the broadest possible social base and alliances in order to achieve a social and intellectual hegemony that could allow socialism to replace capitalism. In practical terms, the PCI had sought members and voters from outside its loyal working class and radical agrarian base. Although both in terms of members and electors its support came largely from the working class (but the leadership was middle class), by the 1970s it had achieved wide social support, particularly among the rather fickle urban middle classes, and had become a genuine interclass party. This situation seemed to signify that the PCI was sensitive to the needs of Italian society as a whole, was not inclined to conceive of society or politics in terms of class warfare, and eschewed Marxist ideas like the dictatorship of the proletariat as archaic and wholly inappropriate.

The PCI preference for securing power by cooperating with, seducing, and transforming a heterogeneous society and political system meant that to all intents and purposes it accepted the formal rules, obligations, and basic freedoms associated with liberal democracy. This was hesitant and tacit for a long time, but by the 1970s Berlinguer and the party had formally subscribed to democratic principles, and the behavior of the party in various political and even ruling situations in Italy has confirmed this to all but the most skeptical observers. Having accepted democracy, the problem for the PCI has been to conceive of conditions under which it might come to power in the Italian context. The strategy announced by Berlinguer in 1973 was one of "historic compromise," or a broad-based social and political alliance extending from the Communists to the Christian Democrats based on the resistance experience but adapted to the crisis conditions of the 1970s. Berlinguer assumed that the Christian Democratic electorate and part of its leadership could be convinced to accept a program of reforms based on austerity and planned redistribution of resources. He also probably envisaged a period of joint DC-PCI management as an Italian version of the West German grand coalition, which would eventually allow the left to come to power on its own in Italy as it had in West Germany. Although the Communists behaved responsibly during the period of the historic compromise from 1976 to 1979, the strategy failed because the DC resisted adopting any re-

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forms acceptable to the PCI. Furthermore, the communist base remained strongly anti-DC, and the party leadership finally decided that both external political and internal party circumstances dictated an end to the grand coalition approach.

Although the 1976-79 period had some positive effects—principally the legitimization of the PCI as an acceptable actor in democratic politics—the prevailing negative reaction among Communists led them to abandon the strategy of “historic compromise” in November 1980 in favor of the “left-alternative” coalition formula calling for a Socialist-Communist government. This was a strategy that had not been viable either in terms of available parliamentary majorities or the policies of the PSI under Craxi, which turned firmly against the Communists and has pursued power in a center-left coalition. This implied that the PCI of the 1980s either accepted a long-term role as an opposition party with little prospect of coming to power or, floundering since 1980, would be unable to define a realistic position for itself in the Italian political system.

In the mid-1980s, the PCI faced a number of dilemmas that included uncertain public support marked by volatile election performances, losses of votes among the youth and in the cities, failure to determine and project a clear political profile and program and, finally, a leadership crisis following the death of Berlinguer in June 1984. The selection of Alessandro Natta as secretary general on June 26, 1984, could be considered a symptom of the PCI's ambivalence, since he was generally considered a caretaker until the party could sort out its affairs. The defeat in the 1985 local elections accelerated this process, forcing Natta to call an extraordinary special congress for the spring of 1986 to debate a new basket of policies. The process of preparing for this occasion was likely to open up a number of options favored by different elements within the party: the social-democratic approach identified with Senate leader Napoleone Colajanni and labor head Luciano Lama; the “loyal opposition” role discussed by Giorgio Napolitano, head of the PCI group in the Chamber of Deputies and a leading moderate favoring a dialogue with the PSI; and the more hard-line pragmatism espoused by Natta and younger generation leaders like Achille Occhetto and some of the so-called “little nephews,” or protégés of Berlinguer who have established themselves as rather hard-nosed provincial party leaders.

Apart from the ongoing debate over relations with other parties and the government, the PCI faced the problem of devising a new socioeconomic program, because the ostensible party of reform has not had a viable policy since its rather unsatisfactory attempt to define one in the late 1970s. Whatever the results of this period

of self-examination, reorientation, and perhaps even turmoil in the life of the PCI, few circumstances could be envisaged in mid-1985 that might change the party's status as a frustrated opposition within a political system that has proved endlessly creative in keeping the Communists at bay.

The Italian Socialist Party

Italy's socialist party is the oldest still operating in the political system. It was founded in 1892, survived the 1921 schism with the Soviet-oriented communist faction, and after being suppressed under fascism resurfaced during the resistance. The PSI was closely tied to the stronger Communists in the first decade after the end of World War II, running a joint list of candidates in the 1948 elections while the more moderate Socialists split off under Giuseppe Saragat in 1947 to form the Socialist Party of Italian Workers (Partito Socialista dei Lavoratori Italiani—PSLI), which was later changed to PSDI. The PSI under Pietro Nenni slowly drifted away from its communist ties in the middle 1950s, a process that culminated in the abandonment of its radical domestic and foreign policy options, the creation of the center-left alliance with the Christian Democrats in 1962, and the entry of the PSI into the cabinet in 1963. Historically torn between collaboration with the center and a more leftist option, Italian Socialists have been prone to repeated schisms and the constant interplay of ideologically based factionalism within the party. The coalition with the DC resulted in the split-off of a radical group in 1964, which created the Italian Socialist Party of Proletarian Unity (Partito Socialista Italiano di Unità Proletaria—PSIUP), but the center-left did permit the reunification of the PSI and the PSDI in 1966 under the name of the Unified Socialist Party (Partito Socialista Unificato—PSU). The unity was short-lived, however, because disillusionment with the center-left experiment led a more left-oriented group to gain control of the PSU in mid-1969, with a strategy favoring closer ties to the Communists. The moderates once again split off to form the Unitary Socialist Party (Partito Socialista Unitario—PSU), which had evolved into the modern PSDI, whereas the left majority recreated the PSI.

This turmoil among the Socialists and the demise of the center-left around 1970 produced an erosion of socialist electoral support in the 1972 and 1976 elections, when it fell below the 10 percent barrier for the first time. The shock resulted in the ouster of Francesco De Martino as party secretary in 1976, when he was replaced by Bettino Craxi, a young deputy from Milan, with the

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support of leftist faction leader Claudio Signorile. The principal feature of socialist politics since 1976 has been the emergence of Craxi as the dominant figure in the PSI at the expense of all opposing factions and their leaders. This has been accomplished by adroitly outmaneuvering opponents in intraparty politics, selecting and discarding various options according to political exigencies. At the spring 1978 PSI congress in Turin, for example, the Craxi-Signorile alliance defeated and marginalized the old guard of De Martino and Giacomo Mancini on the basis of a "left-alternative" and reformist program, but at a central committee meeting in January 1980, Craxi had already turned toward a revived center-left approach and used it to defeat the Signorile left before the party joined the Cossiga government the following April.

By the time of the PSI congress in Palermo in April 1981, Craxi's astute tactics had left him in undisputed control of the party, able to have the party secretary elected directly by the congress instead of by the faction-ridden central committee, while the statute declaring that the PSI secretary could not serve simultaneously as prime minister was low-keyed in order to allow Craxi to accumulate offices in the future. After becoming prime minister in 1983, Craxi retained his post as secretary as well as his authority over the party, although vice secretary Claudio Martelli ran the PSI on a day-to-day basis. Since the Palermo congress reelected Craxi secretary by acclamation, an unprecedented event, the PSI has experienced a period of unusually stable and single-minded leadership based on the personal authority and ambitions of Craxi. The factions were still present in the organization of the party, so that the new executive chosen in October 1984 consisted of six *craxiani* along with six members from two other factions. Many of the party leaders who have lost power to Craxi at the national level have retained their local bases, and figures such as Mancini, Giorgio Ruffolo, and others continued to resent Craxi's leadership style, preferring to reopen a dialogue with the PCI about a left-alternative government rather than continue with the revived center-left.

Through late 1985, however, both Craxi and his political strategy seemed likely to prevail in the PSI for the foreseeable future. Craxi's approach has been based on the view that a medium-sized party such as the PSI inevitably oscillates between the two giants, the DC and the PCI, and has to resist subordination to either one. The left-alternative formula has not been desirable because the PSI would inevitably be dominated by the stronger, more decisive Communists, whereas the very weakness of the DC has allowed the Socialists more flexibility and more leverage within a center-left coalition. Thus, since 1979, Craxi has sought to isolate

the PCI and prevent the reemergence of a DC-CPI alliance that would smother the intermediate parties. He has also tried to use a coalition with the DC to undermine the Christian Democrats' system of power based on patronage and clientelism. The Socialist program has stressed its commitment to "governability," meaning a strong executive led by a Socialist prime minister; its desire for institutional reforms to strengthen the powers of the executive; and its commitment to creating a more modern society and economy in Italy through a program of reforms. The expectation was that by attacking some of the roots of poor government, clientelism, and corruption, the PSI could emerge in a stronger position to attract the support of Italy's "new middle classes" and break the 15 percent electoral barrier, establishing Craxi and the PSI as the indispensable power brokers of a new Italian political system.

Through the mid-1980s, however, the Craxi strategy has shown only mixed results. The PSI has presented a curious image for an instrument of reform since it has extended its power primarily by sharing in the clientelistic system rather than trying to break it up. For example, the Socialists have concentrated their cabinet posts in the ministries and state-run banks most involved in the patronage system and have used these positions to profit from rather than to dismantle this system. Because the desired PSI image as a party of modern reforms has failed to take hold, and because the organizational structure of the party has weakened, its modest electoral gains have not come from the advanced sectors of society (which lately have favored the PRI) but rather from the more traditional middle classes and even a southern electorate attuned to a patronage structure of "exchange" votes. The inability to attract much new support outside this particular network limited the PSI to small electoral gains during the 1980s, arriving at 11.4 percent in the 1983 parliamentary elections and slightly better in the 1985 local elections. This creep forward to perhaps a stable position of around 12 percent has been one condition that allowed the PSI to retain its hold on the prime minister's office in a stable cabinet after 1983.

Ironically, then, the modest ascendancy of the Socialists in the first half of the 1980s depended on weak rather than strong implementation of reforms and on very limited rather than dramatic electoral progress. Because the Italian political system has tended to absorb, weaken, and gradually debilitate any decisive leader or reform program, and because no small party has been able to break through the structural barriers imposed by the consistent domination of the Communists and the Christian Democrats, the prospects for the PSI's emerging as a strong power broker were

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dim. Craxi and his party have undeniably contributed to an unusual degree of political stability since 1983, but this was more a personal achievement than a party one, and it seemed unlikely to alter the basic feature of Italy's political system based on compromise and moderation.

Foreign Policy

Italy has not been a country normally preoccupied with foreign affairs or projecting and defending well-defined national interests in the international arena. There are several reasons for this ambivalent, even passive, approach to foreign policy. One is the nature of the domestic political system, which was so complex and all-consuming that parties and politicians were compelled to devote nearly all of their attention to the national political game. In this environment, foreign policy was essentially a tool in the domestic political struggle and had minimal intrinsic value as an expression of national interest. The second reason for a weak foreign policy was the country's reaction against the activism and adventurism of the fascist era, when Mussolini attempted to transform Italy into a great power and instead brought defeat, occupation, and subordination. Since World War II the political elite has accepted Italy's position as a second-rank power, economically and militarily dependent on stronger states, accommodating rather than challenging the international status quo. The third reason for Italian passivity was the existence of the dominant postwar political consensus supporting a foreign policy based on Italy's firm commitment to the West, membership in NATO (also called the Atlantic Alliance) and participation in its defense activities and, finally, membership in the EC. Because none of these basic choices had been seriously threatened since the late 1940s and by the 1970s all the major political forces subscribed to them in one way or another, stability and continuity were the hallmarks of this aspect of Italian politics.

The essential elements of Italian foreign policy were put in place around 1947-48, when neutralist or pro-Soviet forces in domestic politics were either defeated or forced to adapt to a pro-Western foreign policy. Italy really had very little choice in the matter, because the Cold War and the division of Europe placed the country within the Western camp, while economic dependence on American assistance through programs such as the Marshall Plan reinforced this natural orientation. The domestic political struggle pitting the Christian Democrats against the Communists and their sometime Socialist allies played an important role as

well. The DC prime minister, Alcide De Gasperi, was determined that his party's political interests would coincide with economic and political alignment with the United States-led West and after a trip to Washington in January 1947 found it expedient to expel Communists and Socialists from his cabinet in preparation for the 1948 election campaign, which was fought as a choice between "two civilizations," East and West. Massive United States financial assistance helped the DC win against the ostensibly neutralist attitudes of its left-wing opponents, confirming that Italy would pursue a pro-Western foreign policy. Unlike some northern European populations during this period, Italians did not have a very strong sense of Soviet or other foreign threats, so this Western alignment was primarily a reflection of domestic anticommunism as well as a sense of economic and psychological dependence on the United States.

Italy was invited to participate in the negotiations to create the Atlantic Alliance in 1948-49 and became a charter member of the European movement by joining the European Coal and Steel Community in 1950 and the European Economic Community (EEC—also known as the Common Market) in 1957. At the time of the initial Western alignment, Italian opinion was far from united about preferred foreign policy options. There was even a strong neutralist current within the DC, where figures such as Antonio Gronchi were neither Atlanticist nor in favor of European integration, while both the Pietro Malvesti faction and the Dossetti group were not Atlanticist and supported the European idea mostly in terms of a "third force" Europe aligned neither with East nor with West. This was not practical then or later, and the idea soon lost support among the ruling political parties. The neutralist strand in the DC ceased to have any significance whatsoever after Gronchi became president and adapted to the official strongly Atlanticist position expressed by all Italian governments.

The PCI and the Nenni Socialists (PSI) were the major advocates of a neutralist, or ostensibly neutralist, foreign policy during the late 1940s, and one consequence of the post-1948 alignment was that a pro-Western, Atlanticist orientation became a major condition for acceptance as a legitimate, proestablishment political party and a potential partner in national government. The PSI's move toward national power was facilitated by its acceptance of Italian membership in the Atlantic Alliance—a precondition that made for the emergence of the center-left coalition in the early 1960s. Later, in the 1970s, the PCI would have to undergo a similar transformation in foreign policy orientation to remove one of the most important barriers to national power, it should be noted

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that the prevailing Atlanticist, strongly pro-United States orientation of Italian foreign policy has not precluded some periods of flexibility and experimentation with a somewhat more independent approach. This happened, for example, around 1957, when a more activist approach favored by Gronchi and Fanfani in the DC led to a period of experimentation with more flexible, independent policies around the Mediterranean and in the Third World.

Prominent Italians such as Altiero Spinelli have played a major role in the development of the EC, and support for the European movement has been a major pillar of foreign policy along with the Atlantic Alliance. Italy favored greater integration within the EC and, given the conviction that "Europe" should be closely tied to the United States, opposed the notion of an independent, or "third force" Europe, pursued by French president Charles de Gaulle during the 1960s. The commitment to Europe evidenced by Italian governments, however, has not necessarily been translated into effective policies on behalf of national interests in the EC. The inefficiency and consensus characteristic of the Italian bureaucracy meant that Rome was often unable to define and defend effective policies within the EC. As a result, a regional policy for Europe as a whole was developed late and has had minimal impact on Italy because the Christian Democrats have preferred to keep domestic political control over development policies for the south. In a similar vein, internal political factors and an ineffective bureaucracy have meant that Europe's agricultural policy was designed to benefit north European agriculture instead of Italy's profile of Mediterranean products. Rather than carefully considering national interests at stake in EC affairs, Italian political forces seemed most preoccupied with peripheral matters such as the "democratization" of the EC via the direct election of deputies to the largely ceremonial European Parliament. Similarly, Italy has supported the enlargement of the EC to nine and, as of 1985, 12 members, even though this was likely to weaken the EC further, while the inclusion of other Mediterranean countries such as Spain was bound to challenge Italy's political influence as well as economic interests.

A major development in the domestic politics of Italian foreign policy has been the emergence of a national consensus supporting the essential postwar commitments to Europe and the Atlantic Alliance. The Socialists made this transition around 1960, and the PCI began its adaptation by accepting the Common Market during the early 1960s under the prodding of moderates such as Giorgio Amendola. A PCI delegation became the first communist members of the European Parliament in 1969, and since that time the party has counted on using this European institution as a way

of building contacts with European socialist parties and gaining the kind of international acceptance as a legitimate democratic party that may be useful in the domestic political struggle. The Communists have undergone a similar, if more problematic, evolution in their attitude toward the Atlantic Alliance. The PCI ceased its continual attacks on NATO after 1968, by 1972 was calling for a simultaneous dissolution of both NATO and the Warsaw Pact, and by the time of its fourteenth congress in 1975 acknowledged that Italy's membership in the Atlantic Alliance should be maintained in order to preserve international equilibrium pending an end of the opposing military alliance systems. This evolution in PCI attitudes toward the alliance coincided with increasing tensions with Moscow, so that during a subsequently famous interview in 1976 Secretary General Berlinguer declared somewhat ambiguously that he and his party felt safer building socialism within a West that could be a shield against interference from the East.

Communist acceptance of continued Italian membership in the Atlantic Alliance established a formal pro-Western consensus among all of Italy's leading parties, a development acknowledged by the Christian Democrats that permitted the creation of governments of national unity from 1976 to 1979. Despite their return to opposition status in 1979, the Communists have adhered to their position of accommodation with Atlanticism so that this rationale for excluding the PCI from government has no longer been raised with much conviction within Italy. Nevertheless, the Communist attitude toward NATO has remained ambiguous and contradictory, since the party was clearly a reluctant and only partial convert to the alliance and had not accepted the defense and security implications of Italian membership. Consistent PCI opposition to most United States policies in Europe and the Third World indicated that Communist influence over Italian defense and security policies would be incompatible with the generally passive, accommodating approach to Atlantic affairs followed by most Italian governments. The PCI has preferred to avoid controversy and has not attempted to sort out the incongruities in its foreign and security policies, but by the 1980s it seemed to be groping toward support for a neutralist, "third force" formula for European political and even defense cooperation that would be difficult to reconcile with traditional Italian Atlanticism.

The PCI's adaptation to the prevailing Western orientation of Italian foreign policy was possible during the 1970s mainly because the process of East-West détente was in full swing and facilitated a convergence of foreign policy attitudes on the part of the major political parties. The partial collapse of détente at the end of

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the 1970s, however, reintroduced some international tensions that can be wielded in domestic politics and manipulated for the benefit of one party or another. In particular, the PCI discovered that its foreign policy concessions were insufficient in a climate of revived military confrontation between NATO and the Warsaw Pact, and found itself in isolated opposition to the 1979 NATO decision to install cruise missiles in Italy and elsewhere in Europe, in response to the Soviet deployment of SS-20s in the East. The PCI attempted to maintain a balanced criticism of the militarization of East-West tensions. Nevertheless, its opposition to the cruise missile base at Comiso in Sicily inevitably introduced a temporary division over security policy that could be exploited to reinforce an isolation of the PCI that the center-left parties were seeking for other reasons. In retrospect, the relative diffidence of Communist opposition to the Comiso base was perhaps the most notable feature of this debate.

In the mid-1980s, nuances in foreign policy positions within Italy usually reflected domestic political strategies rather than any genuine reorientation of external policies, a characteristic that was confirmed by the development of a somewhat more assertive, sometimes independent, but resolutely pro-Atlanticist style in foreign policy that has coincided with the successful Socialist campaign to capture the office of prime minister. PSI leader Craxi was able to manipulate the revival of East-West tensions to reinforce the isolation of the Communists, even though all Italian leaders remained committed to détente and (like most West European governments) eschewed the hard anti-Soviet line favored by the Ronald Reagan administration in the United States. The other foreign policy dimension of the Craxi regime was related to his activist style, combining pragmatism with an image of authority and leadership. Certain Socialist proposals for enhanced executive leadership on the part of the prime minister were intended to bolster the impression that Craxi-led Italy could reinvigorate the country both at home and abroad, affirming and even expanding on support for a somewhat more activist foreign policy to gain foreign recognition and respect. In pursuing this strategy, Craxi was capitalizing on a new mood of the elite that had led Italy to assume responsibility for the neutrality of Malta, to accept the cruise missiles, and to allow the unprecedented participation of Italian military units in peacekeeping operations in the Sinai and, later, Lebanon.

Foreign policy was only one weapon in the Craxi struggle to secure the premiership, but it was useful both in responding to a new domestic mood and in convincing the United States that American interests were compatible with a Socialist at the Italian helm.

After taking office in 1983, Craxi devoted more attention to foreign policy than was traditionally demonstrated and asserted himself on a number of international issues. In his general posture toward the United States, Craxi reinforced the image of an ally loyally engaged in the reinforcement of Western military capabilities facing the Soviet Union. He took an unusually firm position in support of the NATO decision to deploy cruise missiles in Western Europe, withstanding pressures from the PCI and the 60 percent of the Italian public that opposed the deployment. Thus Craxi ensured that Italy met the schedule for accepting these weapons. Rejecting communist suggestions that deployment be postponed until the second half of 1984 to keep the Soviets at the Geneva bargaining table, Craxi instead supported every shift in United States negotiating positions, insisting that the Soviets make reciprocal concessions ranging from the zero option (dismantle the SS-20s in return for no Western deployment) to less drastic ideas. Craxi was also a loyal European, rejecting Soviet and PCI claims that the French and British nuclear forces should be counted in establishing a new theater nuclear balance in Europe.

This rather hard-line approach to the East-West military confrontation was countered with some traditional socialist rhetoric, including the claim that peace was a primary objective of the Italian government and an assertion of basic sympathy with the aims of the pacifist movement in Europe as long as the emphasis was on reciprocal concessions for controlled disarmament. Such rhetoric helped sustain weak leftist credentials for a PSI that had, in fact, become a centrist party on nearly every important domestic and international issue. The presentation of a firm pro-Western image that was not unsympathetic to some traditional socialist concerns was also useful in embarrassing the PCI, which was having some difficulty defending its antimilitarist, antibloc, and antinuclear weapons policies from accusations that it still indirectly (probably unintentionally) served Soviet interests in Western Europe.

The strong pro-Western and pro-United States policies of the Craxi government were tempered somewhat by an effort to delineate a moderate and controlled independent position on a few issues of particular concern to Italy and the Socialists. Craxi attempted to distinguish his Atlanticist approach from his predecessors by claiming that he had secured Washington's recognition that Italy had become a more equal partner than previously, with an acknowledged right of privileged consultations and even open disagreement on issues where Italian interests differed from those of the United States. This was not really a new development, however, because Italy has always been more concerned with formal ac-

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knowledge of a high rank among United States partners than with securing actual influence. The right to occasional disagreement has long been asserted by Christian Democratic foreign ministers, such as Emilio Colombo, while under the Craxi government Foreign Minister Giulio Andreotti seemed more concerned than Craxi in proclaiming a continued Italian commitment to East-West détente in contrast to the strong anti-Soviet posturing of the Reagan administration. Craxi himself, however, did try to delineate independent Italian interests on a few issues, such as the conflicts in Central America, the Grenada invasion (which Italy criticized), and the conflict in the Middle East—where Italy's physical position and longstanding ties with the Arabs made it a moderately important actor. Italian participation in the Sinai multilateral force and, later, Italian participation in the four-power peacekeeping mission in Beirut were occasions not only to affirm a stronger political military presence around the Mediterranean but also to strike a balance between Rome's pro-Arab position and the United States priority accorded Israeli interests in the region.

This more independent Italian position in terms of foreign policy was confirmed in late 1985 by government and elite reactions to American pressures after United States airplanes forced an Egyptian airliner carrying the *Achille Lauro* hijackers to land at a NATO base in Italy. The crisis in Italian-American relations was provoked by a confrontation between Americans and Italians at the Sigonella base over the disposition of the airplane, by the subsequent Italian decision to free PLO leader Abu Abbas because his involvement in the hijacking was determined to be unclear at that time, and by the temporary collapse of the Craxi government amidst wrangling over Italian policies toward the United States and the PLO. Italian-American tensions quickly dissipated after efforts on the part of both Rome and Washington, but the incident did sustain the impression of an emerging Italian determination to identify and assert independent foreign policy interests, even at the expense of normal solidarity with the United States.

On these and other matters, the delineation of a distinctive Italian position among the Atlantic powers generally tended to coincide with a prevailing West European position, confirming at the same time that Italy was a follower rather than a leader and was unwilling to stand out as an obstreperous state within the West. In general, the emergence of a somewhat more activist and at times more independent Italy during the 1980s was notable primarily for the restraint shown by a country whose adherence to the Atlantic Alliance and close friendship with the United States remained firm elements of a remarkably stable and consistent foreign policy.

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There is no comprehensive, up-to-date survey of the Italian political system in English. P.A. Allum's *Italy: Republic Without Government?* is a somewhat dated but still excellent analysis. Norman Kogan's *A Political History of Italy: The Postwar Years* is a useful book that covers the basic facts. A more analytical set of articles can be found in the book edited by Peter Lange and Sidney Tarrow, *Italy in Transition: Conflict and Consensus*. The *Italy at the Polls* series edited by Howard R. Penniman has covered the 1976 and 1979 general elections, and the volume on the 1983 elections should be available by 1986. For those who read Italian, the up-to-date set of articles edited by Gianfranco Pasquino, *Il sistema politico italiano*, is recommended.

The PCI has been discussed in a number of excellent works. *Communism in Italy and France*, edited by Donald L.M. Blackmer and Sidney Tarrow, is a standard reference, as is *The Italian Communist Party: Yesterday, Today, and Tomorrow*, edited by Simon Serfaty and Lawrence Gray. Donald Sassoon's *The Strategy of the Italian Communist Party* is also a good analysis but is perhaps too easy on the PCI. The early history of Italian foreign policy vis-à-vis Europe is covered by Roy F. Willis' *Italy Chooses Europe*, which should be supplemented by Sassoon's thoughtful article, "The Making of Italian Foreign Policy," in *Foreign Policy Making in Western Europe*, edited by W.E. Paterson. (For further information and complete citations, see Bibliography.)

Chapter 5. National Security



Bust of Julius Caesar

THE ARMED FORCES in 1985 comprised four service branches: the army, navy, air force, and Carabinieri. The army, navy, and air force are conventional forces committed to the defense of the homeland and to the roles assigned them by the North Atlantic Treaty Organization, of which Italy is a charter member. The Carabinieri are a national police force but also, in effect, a small, self-contained army that is equipped, trained, and organized as a military force that would revert to military control during wartime.

The bulk of the armed forces, excluding the Carabinieri, have been assigned roles in the North Atlantic Treaty Organization since 1949, when the alliance was founded. Italy in the mid-1980s continued to be an important element in the defense of Western Europe's southern flank and the entire Mediterranean region. A primary North Atlantic Treaty Organization headquarters is located at Naples for the command of ground, naval, and air forces in southern Europe. Major subordinate headquarters are located at Verona for ground forces and at Naples for naval and air forces. The United States Sixth Fleet has its home port at Gaeta, about 50 miles north of Naples. Most of the Italian army with a North Atlantic Treaty Organization role is located in the northern part of the country, guarding mountain passes and other potential invasion routes. Most naval and air bases are located in the south and on the islands, where they maintain open sea and air routes in the Mediterranean Sea and conduct antisubmarine surveillance.

The civilian police system included the State Police and the Customs Police. The State Police were a basic law enforcement organization, whereas the Customs Police handled such cases as tax evasion, smuggling, and counterfeiting. The Urban Police, located in the cities and towns, were subordinate to the local authorities, and were generally concerned with routine police functions, such as traffic control, licensing, and inspections. The Urban Police did not have investigative duties, which were the responsibility of the State Police. A cumbersome judicial system impeded effective law enforcement, but reforms were being implemented to shorten periods of pretrial detention as well as the duration of the appeals process.

Violent criminal activity continued to be a problem, especially in southern Italy, where a resurgence of Mafia-related murders in Sicily and open gang warfare in Naples threatened public officials. Terrorism sponsored by left- and right-wing groups was less of a danger in 1985 than in the late 1970s, but sporadic indiscriminate violence remained a threat.

The Armed Forces in National Life

Historical Background

Some units of the Italian armed forces trace their origins to the armies raised by Napoleon Bonaparte from among the citizens of the conquered Italian provinces. Napoleon established the Kingdom of Italy in 1805 and named himself king. The conscripted troops called themselves Piedmontese, Sicilian, Neapolitan, or any number of designations pertaining to the myriad of states, republics, kingdoms, and duchies that occupied the geographic area known as Italy. Men from all regions of Italy were trained at the military academy founded by Napoleon at Modena. During the Napoleonic campaigns, these "Italians" fought together under the green, white, and red banner that became the flag of a united Italy in 1861.

Italy approached unification and statehood without a strong, unified military tradition, or indeed the military means to oust the Spanish Bourbon and Austrian Habsburg overlords. Thus, when the Kingdom of Piemonte and Sardinia raised the standard of nationalist revival (Risorgimento) against the Habsburgs in 1848, its tiny army, although joined by volunteers from northern and central Italy, was easily beaten by superior Austrian power at Custoza and Novara. It was not until Napoleon III of France brought his army to the aid of Piemonte in 1859 that the Habsburgs were forced to cede a portion of their Italian provinces. It was then not until 1866, when the newly proclaimed Kingdom of Italy joined in the unsuccessful Prussian attack on Austria, that the Venetian provinces were incorporated. By then the Bourbon Kingdom of the Two Sicilies had also fallen to Piemonte.

By 1871 the Italian army had won a certain military name. Its nucleus, the Armata Sarda, the royal army of the House of Savoy, had played an ostentatious part in the Crimean War on the Anglo-French side; it had produced, in the La Marmora brothers, a trio of generals known to the European public. In the Bersaglieri, the romantically beplumed Piedmontese light infantry, the Italian army possessed a force that seemed to rival the French Zouaves in battlefield bravura. The army remained, nevertheless, a fragile creation.

Established by royal decree on May 4, 1861, as the Esercito Italiano, an amalgamation of the Armata Sarda with the forces of Modena, Tuscany, Parma, and Bourbon Naples, as well as with the guerrilla bands of Giuseppe Garibaldi, the army lacked a sense of

unity and esprit de corps. The Piedmontese and Neapolitan armies had been at war with each other too recently to work easily together, and the officers of both looked down on the adventures of Garibaldi's Thousand, who claimed equal status with them. Moreover, the army was unpopular with many of the kingdom's inhabitants, not only because of the enforced conscription of young males but also because of the role of the army in suppressing social disorders caused by the administrative reforms in southern Italy from 1861 to 1865. Devout Roman Catholics also viewed the army as an instrument of blasphemy, particularly after the forcible occupation of Rome in 1870 and the self-exile of the pope inside the Vatican. For example, in the 1860s over 75 percent of those drafted for service in Basilicata, in southern Italy, took to the hills, and even in 1910 one-fifth of all southerners evaded military service (see *The Risorgimento*, ch. 1).

By then, however, the army had improved its public image. In imitation of the German and French armies, it had begun calling itself the "School of the Nation"; it had also been referred to by a leading politician in 1894 as "the only existing cement which holds the country together." Moreover, it was probably the only secular national (as opposed to regional, provincial, or communal) institution with which most nineteenth-century Italians came into contact. It continued to incur scorn as an instrument of repression, however, particularly during the agrarian unrest of 1898. It also had suffered two humiliating defeats in Ethiopia: the battles of Dogall in 1887 and Adowa in 1896. The Battle of Adowa was the worst defeat suffered by European troops at the hands of the Africans during the conquest of the continent. It represented a setback in Italy's attempt to conquer Ethiopia and a major blow to Italian national self-esteem for which the conquest of Libya from Turkey in 1911-12 only partially compensated.

In light of these precedents, the performance of the Italian army in World War I was remarkable. Italy entered the war in May 1915 to pursue the irredentist ambition of annexing the Italian-speaking provinces of the Austro-Hungarian empire: Bolzano, Trento, Udine, the port of Trieste, the Istrian peninsula, and much of the Dalmatian coast. Badly equipped and supplied, fielding only 25 divisions at the outset (although eventually rising to 65 by 1917), it began an offensive against the slopes of the Julian Alps above the Isonzo River and over the next two years renewed the offensive no fewer than 10 times. The number of deaths and the conditions of battlefield life were appalling—650,000 men were killed and 1.7 million more were disabled. By the autumn of 1917, however, the Italian army was on the verge of declaring victory

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over the Austrians, who then urgently requested German assistance. The Germans attacked the Italian front at Caporetto, destroyed the Italian Second Army, and forced the Italians back to the Piave River on the Lombardy Plain.

In 1918, with British and French help, the Italians counterattacked at the Battle of Vittorio Veneto and eventually recovered most of the territory previously lost. They were thus able to lay claim to the "Italia irredenta" for which they had gone to war. The postwar period, however, led to open conflict between the antiwar socialist parties and the populist, nationalistic Fascists led by Benito Mussolini, culminating in the "March on Rome" in October 1922 (see the Interwar Period and Fascism, ch. 1). There is little doubt among historians that many former officers were in sympathy with Mussolini's nationalism but not his politics, and could and would have kept him from power. Mussolini was, however, invited to usurp power by King Victor Emmanuel III, to whom the army was unconditionally loyal; the army did not resist Mussolini's ascendancy.

The armed forces came to regret their complacency; the imperial foreign policy of Mussolini allowed the armed forces to avenge the defeat at Adowa by the successful invasion of Ethiopia in 1935-36, but Mussolini also obliged the military to accept the Fascist militia as coequals. In 1940 the armed forces were committed, but unprepared and underequipped, to fight at the side of Hitler's Germany against first, Britain and France, then Greece, then the Soviet Union, and eventually against the United States. The armed forces suffered major defeats, particularly along the French front against the British in Libya, and in the campaign for Stalingrad against the Russians.

It became fashionable to decry the value of Italy's contribution to the Axis war effort; at times the Italian forces fought very badly, or not at all. Nevertheless, those units with a modicum of modern equipment fought well and, after the arrest of Mussolini in 1943 and the formation of a nonfascist government, Italian units fought enthusiastically as cobelligerents on the Allied side. These units consisted of the 1st Raggruppamento Motorizzato, formed in September 1943 after the armistice and attached to the United States Fifth Army, the Corpo Italiano di Liberazione and, eventually, six formations of division strength that formed the nucleus of the postwar army: Cremona, Legnano, Friuli, Folgore, Mantova, and Piceno. The breach with Germany also resulted in the development of partisan groups in northern Italy that became genuine expressions of popular resistance and impressed the Allied officers sent to advise them (see World War II, ch. 1).

Despite the participation of Italian forces with the Allied powers, Italy was regarded as a defeated power and required to sign the Italian Peace Treaty in 1947. The treaty limited the size of the Italian armed forces and divided part of the Italian fleet among the victorious powers. These limitations were removed in 1949 when Italy joined the United States, Britain, and nine other European states as an initial signatory of the North Atlantic Treaty Organization (NATO). In committing itself to the new alliance, Italy pledged to expand its army to 12 divisions and to rebuild its air force and navy by 1953. As a NATO partner, Italy received assistance from the United States to rebuild war-damaged military installations, and in 1950 the two countries signed a bilateral military assistance agreement through which Italy received about US\$3 billion in military aid over the next 30 years.

Armed Forces Organization

The president of the republic is the constitutionally mandated commander in chief of the armed forces and chairman of the Supreme Defense Council (Consiglio Suprema di Difesa). In practice, however, the president delegates administrative control of the armed forces to the minister of defense and operational control to the country's top military officer, the chief of the defense general staff. National defense policy is established by the Supreme Defense Council, whose meetings are chaired by the president. The regular members of the council include the prime minister, who is the vice chairman; the ministers of defense, foreign affairs, industry, the interior, and the treasury; and the chief of the defense general staff. The council is required by law to meet at least twice a year, and its meetings are held in secret. At the discretion of the president other members of the government or outside technical experts may be invited to meetings of the council to serve as advisers or consultants.

The Ministry of Defense is a unified body whose head is responsible for two distinct chains of command. One chain of command is purely administrative and runs through the defense secretary general, who is a high-ranking officer of one of the service branches, to five central offices. These offices are responsible for judicial and legislative affairs, budget and finance, organization and methods, national mobilization, and administrative inspections. The other chain of command is strictly military. At the top is the defense secretary general, who works in conjunction with the Chiefs of Staff Committee, consisting of the chiefs of staff of the

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army, navy, air force, and Carabinieri. The committee controls 19 general directorates, which chiefly oversee personnel administration, procurement and supply of equipment, and building and works. It also advises the defense minister on operational planning, finance, and organization. The executive counterpart of the Chiefs of Staff Committee is the Armed Forces Supreme Board, consisting of the defense secretary general, the chief of staff, and two general-rank officers of each service; the board meets either jointly or separately, depending on whether the agenda concerns one or more of the services.

The defense secretary general is the central office responsible for the armed forces. It is directly responsible to the minister of defense, whereas the chiefs of staff are responsible to the defense secretary general. The chief of the defense general staff also supervises joint defense policy and training as well as the Technical and Scientific Defense Council, which sponsors research and development programs within the armed forces. The chief of the defense general staff is also charged with responsibility for liaison with NATO and the military of allied states, as well as with supervision of the Military Intelligence and Security Service (Servizio Informazioni Sicurezza Militare—SISMI).

Army

In 1985 the army consisted of 260,000 active-duty soldiers, of which 189,000 were conscripts serving only 12 months. There were also approximately 1,200 volunteers, 26,000 non-commissioned officers (NCOs), and 21,000 officers. An additional 550,000 were counted as reserves, but the number of reserves available for immediate mobilization was estimated at 250,000.

Structurally, the army consisted of four main components: the Central Command and Control Organization (CCCO); the Peripheral Territorial Organization (PTO); the Training Organization and Schools Directorate (TOSD); and the Operational Component (OC). The CCCO included the army general staff, the Inspectorate-General of the Combat Arms, and the Logistical Services Command, which included the medical corps, quartermaster, ordnance, motor transportation, veterinary administration, and army light aviation matériel commands. The PTO comprised six regional commands: the Northwest, located in Turin; the Northeast, in Padua; the Tuscan-Emilian, in Florence; the Central, in Rome; the Southern, in Naples; and the Sicilian, in Palermo. There were also 16 military zone commands, military districts, military hospitals, storage depots, maintenance and repair installations, and supply dumps for

food, fuel, munitions, and various other logistical material. The TOSD was responsible for the schooling of military officers, NCOs, and specialized volunteers. The TOSD also directed the so-called double face operational and training units that simultaneously maintain operational readiness and conduct initial training for all conscripted soldiers.

The OC consisted of eight separate service branches: armored cavalry, artillery, engineers, signals, army aviation, transport, logistics, and infantry. The infantry was divided into line infantry, grenadiers, mountain, light infantry, parachutists, amphibious, and armored. These components were organized into five armored and seven mechanized brigades grouped into four divisions (one armored, three mechanized); five Alpine (mountain) brigades; one separate mechanized infantry brigade; five motorized infantry brigades; and one airborne brigade. In 1985 there was also one missile brigade. The aviation component consisted of 52 helicopter squadrons and four aviation wings. The helicopter squadrons were responsible for reconnaissance, air-to-ground support, transport, and other airborne functions not performed by the air force itself.

Most combat units had NATO assignments and were deployed in the north-central and northeastern parts of the country. Defense of the southern part of the peninsula and the islands had generally been left to the navy and air force. Non-NATO units in southern Italy were primarily training brigades. The NATO chain of command that affected the Italian army ran from the Allied Command Europe (ACE) with headquarters at Mons, Belgium, to Allied Forces Southern Europe (AFSOUTH) with headquarters at Naples, to Allied Land Forces Southern Europe, commanded by an Italian general with headquarters at Verona.

The weapons and equipment used by the Italian army in 1985 varied in age and quality. At the beginning of the year about 1,750 main battle tanks were listed in the inventory, but nearly one-third of these (550 United States M-47s manufactured during the Korean War) would be considered obsolete or at least obsolescent (see table 14, Appendix A). The remaining 1,200 main battle tanks were divided disproportionately: 300 M-60s from the United States and 920 Leopard 1s from the Federal Republic of Germany (West Germany). Many of the M-60 tanks were produced in Italy under license from the American companies holding the patents.

Armored infantry and mechanized infantry units employed over 4,000 American-made M-106, M-548, and M-577 armored personnel carriers (APCs) as well as the Italian-made AMX-VC1. The improved version of the M-113 was also produced under license in Italy. Two other armored vehicles of Italian-design and

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manufacture were also in service the Fiat 6614, an amphibious APC, and the Fiat 6616, an amphibious armored car.

The army also used several types of artillery weapons but has been working toward greater standardization of weapons and reducing the variety of weapons. The push toward standardization has resulted in greater use of the 155mm gun jointly developed by Italy, Britain, and West Germany and generally used throughout NATO. The mountain units were equipped with the lightweight, readily assembled 105mm pack howitzer (model 56) that had been developed in the 1950s by the Italian army. The missile brigade consisted of one Lance surface-to-surface missile company and three improved Hawk surface-to-air missile battalions.

In the 1980s the army continued to bolster esprit de corps through the adaptation of the wealth of colorful military traditions to the modern army. Personnel of the Alpine brigades, for example, wore the mountaineer cap decorated with a large black feather. Soldiers within the brigades continued to be drawn largely from the mountainous parts of northern Italy. Alpine units, first formed in 1872, had a distinguished combat record and were well regarded by the public because of their prompt assistance to victims of natural disasters, such as those affected by the 1985 dam collapse and flood in Val di Fiemme.

The Bersaglieri, all of whom were expert marksmen, were light infantry. They were organized in 1836 and were noted for their vigorous physical training. Characteristically, Bersaglieri advanced at a double-time pace led by buglers. On parade they were always the final element. In 1985 the Bersaglieri served as the infantry to the armored divisions and brigades.

The amphibious regiment bore the name of the sixteenth-century Venetian military unit, and its personnel were known as Lagunari, or Lagoon Infantry ("marines"). This unit selected many of its personnel from the inhabitants of the Adriatic coast near the mouth of the Po River. Since 1877 the Italian army has had special military units equipped to operate in the lagoons, marshes, and canals of this region.

In 1985 some NCOs were selected from the annual conscript pool. NCOs for the combat arms were trained at NCO schools located within each combat branch and sent as corporals to their units. They could be promoted to the rank of reserve sergeant. NCOs for the specialist branches were trained in the school for their specific branch of service. Conscript officers were selected on the basis of merit from those conscripts with high school certificates (*maturità*) (see Education, ch. 2). They were given five months of training at the relevant branch school and then sent to

National Security

their units with the rank of sergeant. If successful in that rank, they were promoted to the rank of reserve lieutenant upon completion of active duty.

Regular army officers (including those of the *Carabinieri*) were trained at the military academy in the Ducal Palace at Modena for two years. The modern military academy was formed in 1948 by the merging of the Infantry and Cavalry Academy of Modena and the Engineer and Artillery Academy of Turin. Officers then proceeded to an additional two-year training period at the branch schools. Since 1949 the infantry, cavalry, artillery, engineer, and signals schools have been located in the Palace of the Arsenal in Turin. The transport school was located in Cecchignola, near Rome, and the *Carabinieri* school was also located near Rome.

Advanced training was given at the staff college in Civitavecchia, where selected captains undergo a two-year advanced course. The joint general staff school in Rome also provided advanced training for officers of all four services, as did the Center of Higher Military Studies in Rome. The army also maintained a military preparatory school, the *Nunziatella* in Naples, which provided a boarding school education for prospective students in the academy at Modena.

Navy

In 1985 the navy consisted of 44,500 active-duty personnel and reserves totaling 221,000. The active-duty navy included 1,500 men serving in naval aviation and 750 men in one marine infantry group. Conscripts, serving tours of 18 months, made up 55 percent of naval personnel. Recruits and conscripts tended to be selected from inhabitants of coastal areas.

The navy emphasized antisubmarine warfare (ASW) and relied on speed and maneuverability rather than on tonnage and massive firepower. It had a tradition of innovativeness and audacity and pioneered the use of miniature submarines, motor torpedo boats, and underwater demolitions. During World War II the navy was known for daring, unconventional tactics. In the mid-1980s the navy's more modern ships contributed to NATO capabilities in the Mediterranean.

Ships included one helicopter carrier; a general purpose aircraft carrier; four cruisers; four destroyers; 15 frigates; 10 submarines; 22 inshore, coastal, and ocean minesweepers; eight corvettes (fast patrol boats); seven hydrofoils; two landing ships (LSTs); and a number of landing craft. The two cruisers and some of the destroyers and frigates carried antisubmarine helicopters piloted by

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naval personnel. Most of these were light helicopters of Italian manufacture, the Agusta Bell AB-212, which is capable of carrying not only ASW sensor equipment but also ASW missiles.

Further expansion of the Italian navy was limited to a great extent not only by domestic budget constraints but also by interservice rivalries, particularly between the navy and air force. This rivalry affected construction of an additional aircraft carrier capable of transporting and launching not only helicopters but also short-takeoff-and-landing (STOL) aircraft such as the British Harrier. The air force has argued that land-based interceptor aircraft are more essential to the national defense than foreign-made STOL aircraft. Because the Italian Constitution allows only the air force to operate fixed-wing aircraft, the general purpose aircraft carrier was initially designated as a helicopter carrier, but legislation was planned to allow it to operate standing take-off/vertical landing (STOVL) jet aircraft as well. Also under construction were two submarines, two destroyers, one frigate, four corvettes, and one minehunter (see table 15, Appendix A).

Major naval bases were located at La Spezia and Taranto. There were secondary bases located at Gaeta, Brindisi, Augusta, Messina, La Maddalena, Cagliari, Naples, and Venice (see Italian—United States Defense Relationship, this ch.; see fig. 15). Also under construction were two submarines, two destroyers, one frigate, four corvettes, and one minehunter.

Air Force

In 1985 about 40 percent of the air force's 70,600 personnel were conscripts serving 12-month terms of active duty. The air force reserves numbered about 28,000. Most combat aircraft were either American Lockheed F-104s or Italian Aermacchi MB-339s, and the air force was considered a creditable element of the NATO defense structure.

Shattered in World War II, the air force had a small contingent fighting with the Allies as the war ended. It was rebuilt after 1951 with major United States assistance under provisions of the bilateral military assistance agreement signed in 1950. In 1985 the air force had 300 combat aircraft, including all-weather fighters, ground-attack fighters, and maritime and electronic reconnaissance aircraft. Other kinds of aircraft included transport, communications, and search and rescue. The air force also had over 200 helicopters. Air defense fighter squadrons were supported by eight surface-to-air squadrons armed with Nike Hercules missiles.

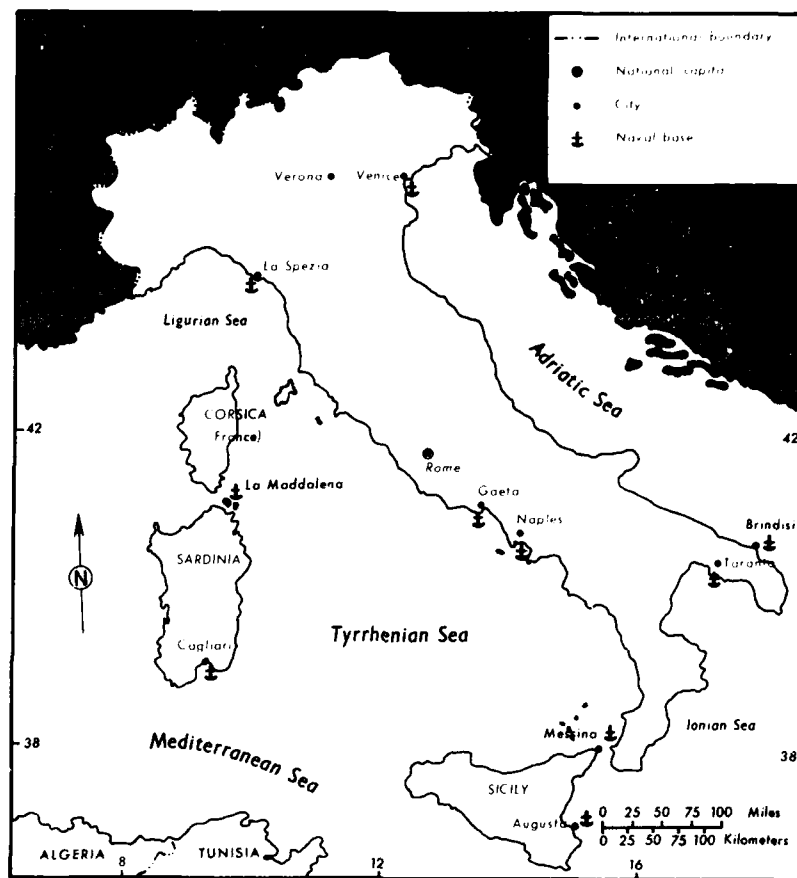


Figure 15. Naval Bases, 1985

In 1985 the air force also managed the territorial electronic surveillance system as well as a semiautomatic integrated system for air defense. Air force personnel also served as air traffic controllers for all civilian and military aircraft.

The Air College, at Pozzuoli, combined scientific and technical training with a general education deemed conducive to the development of future officers. Graduates receive commissions as either flight or engineering officers.

In the late 1970s Italy cooperated with West Germany and Britain in the development of the G-222 twin-turboprop general purpose military transport aircraft, and the Tornado multiple role

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combat aircraft (MRCA), which were adopted by the air force in each of the three countries. Development of the Italian-Brazilian jointly designed AM-X fighter ground-attack aircraft, however, was slowed in 1985 by the crash of the prototype during a test flight (see table 16, Appendix A).

Carabinieri

The 90,000-member Carabinieri were the best disciplined and most efficient element in the military or internal security structure in 1985. Often referred to as an auxiliary military formation, the Carabinieri in effect were something more than a paramilitary force and something less than an active army organization. The Carabinieri were a centralized police force, but by tradition, organization, and training they were an auxiliary army. In peacetime they functioned as a parallel police force to the State Police even though their personnel were recruited, administered, and paid by the Ministry of Defense. During wartime they would be subject to army control. Carabinieri officers have been trained as army officers and have completed tours of duty in the army. The commander of the Carabinieri has always been an army general.

Formed in Piemonte in 1814 as a lightly armed, mobile, elite security organization, the Carabinieri fought in the nineteenth-century struggle for unification and in both world wars. For police duties in 1985, the Carabinieri were organized into one mechanized brigade with 13 battalions, one airborne battalion, and two cavalry squadrons. These units were deployed in over 5,300 posts throughout all regional and administrative levels of Italian society down to the lowest administrative level, the commune. The mechanized units were equipped with a number of M-47 tanks as well as a large number of APCs, armored cars, and helicopters.

One of the Carabinieri's lesser known responsibilities has been the apprehension of art thieves, who have been particularly active in postwar Italy. The Carabinieri have trained their personnel to deal competently with this problem and have regularly published listings of stolen works of art. They have also attempted to control the illegal export of antiquities to foreign museums. The Carabinieri were responsible for safeguarding military information and for protecting some military installations as well. They also served as the military police for the army, navy, and air force. A select unit, the Cuirassiers, served as the ceremonial bodyguard for the president of Italy.

The Carabinieri tended to be more favorably regarded by the public than other police organizations because of their discipline

and reputation for professionalism. The uniform most frequently worn consisted of a high, stiff, early nineteenth-century bicorne hat; a dark blue, long, tailored coat; and dark blue trousers with a blue stripe. The Carabinieri also had a modern, army-style uniform. The Cuirassiers wore a metal helmet and armor.

Mission of the Armed Forces

As a result of the armistice of September 1943, Italy became a cobelligerent of the western Allies in the war against Germany. The country therefore was not disarmed at the end of the war, but restrictions were placed on the size and equipment of the armed forces. In 1949 Italy became a founding member of NATO, and in 1951 the restrictions on the size of its armed forces were lifted. As a full military member of NATO, Italy is committed to raising its forces to a number sufficient to form 12 divisions—a level that has not been reached and a commitment that has been overlooked. Neither the Soviet Union nor the Warsaw Pact was overtly mentioned as a direct threat to Italy, but in accordance with NATO policy, the primary mission of the Italian armed forces was described as the “defense of the north-eastern frontier, air defense of the national territory and internal defense of the national territory.”

The 1985 defense White Paper issued by the Italian government reaffirmed these basic commitments but for a variety of reasons—technological developments, changes in relationships within both NATO and the Warsaw Pact, and the emergence of Third World countries—also reassessed the need for changes in the Italian defense establishment. The White Paper stressed that Italy's defense policy should continue to express an awareness of the changing political and military situation in the Mediterranean region. With this in mind, Italy's threat perception has been slightly reassessed: the northeast sector was seen as continuing to face a land-air threat; the Mediterranean, an air-sea threat; and the rest of Italy, an increased air-missile threat. To meet these perceived threats and to begin an integration of the armed forces, the White Paper proposed to establish five interforce missions: northeast defense; southern defense and maritime communications; air defense; operational land defense (which would exclude the northeast sector); and peace, security, and civil defense. These missions were to be under a single command structure and would contain elements of all four services. The structure of these missions was intended to be loose and flexible so that response would be more

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easily adapted to the changing political and strategic situation in the Mediterranean region.

In 1985 the Italian armed forces were committed to support NATO; in the event of war, units of the Carabinieri would also assist NATO forces. Italian forces were not regularly stationed outside national territory but had participated in United Nations (UN) peacekeeping missions.

Manpower and Defense Expenditures

Although Italy assumed a heavy burden of defense spending in the years immediately after joining NATO in 1949, it has been unwilling to do so since the mid-1950s. In the mid-1960s the Italians opposed moves with NATO to increase military expenditures for member states. In the 1970s military appropriations were approved only after long, contentious parliamentary debates. A series of 10-year modernization programs were approved, but much of the funding was delayed because of domestic inflation. Public and political concern about defense issues seemed to diminish in the face of a growing economic crisis.

In 1985 it was uncertain whether the Italian government was fully prepared to provide the armed forces with budgetary increases that would be essential to the completion of modernization programs. Nevertheless, any sharp reductions in defense spending seemed unlikely because of domestic political constraints. The armed forces were a source of jobs in a country with chronic unemployment, and cuts in defense spending would adversely affect the domestic aerospace, shipbuilding, and electronics industries. According to the 1985 White Paper, a new 10-year budget plan would be retroactively implemented, lasting from 1982 to 1991, and would contain a projected annual increase in the defense budget of 3 percent, in line with NATO guidelines for an annual increase in defense spending.

During the 10-year period from 1974 to 1984, the Italian defense budget accounted for 5 percent of state expenditures and 2.7 percent of gross domestic product (GDP—see Glossary). According to NATO calculations, this represents a net drop in defense spending of *-0.6 point as a percentage of GDP. This still represents, however, an increase in defense spending of 21.3 percent since 1974 when measured in 1983 constant dollars.*

In 1985 compulsory service continued to be reluctantly accepted as an inevitable part of national life. In earlier decades some young men emigrated to avoid military service, but those who

remained generally took a positive attitude toward it. Until the 1960s there had been little sympathy toward conscientious objection to mandatory service; but, by late 1972 antimilitarist sentiment among some constituents had impelled the parliament to legalize conscientious objection and to specify alternative forms of service.

All major political parties, including the Italian Communist Party (Partito Comunista Italiano—PCI) have supported the mandatory conscription on the grounds that a predominantly conscript military system will mirror the political loyalties of the entire population and also reduce the possibility of any particular group being able to use the armed forces for political purposes. Among many Italians, military service was still viewed, in the mid-1980s, as experience helpful not only in overcoming deficiencies in education and vocational training but also in instilling a sense of patriotism.

Men become eligible for military service at the age of 18. In 1985 the tour of duty for the army and air force was reduced to 12 months and for the navy to 18 months. At the end of the required tour of duty, conscripts entered the reserves and remained eligible for mobilization until the age of 45. All reserves are subjected to periodic recall for brief periods of refresher training.

In the mid-1980s the armed forces were having difficulty retaining NCOs with scientific and technical training. There was some sentiment within the officer corps favoring an all-volunteer service. Nevertheless, officers tended to oppose an end to conscription for fear that such a move would lead to reduced appropriations, as well as diminished power and prerequisites.

Concern about the continued efficacy of the draft was reflected not only in the 1985 White Paper but also in the popular press throughout the early 1980s. The primary popular concern was that the draft was not cost-effective. In an average year nearly 65 percent of the Italian defense budget was allocated for personnel costs—salaries, housing, and training. Training 200,000 draftees annually and then returning them to the civilian sector reinforced the negative perception that the expense of training was not economically justifiable. The White Paper also discussed the difficulty of raising adequate manpower for the armed services. Because of a diminishing pool of draftable males (from 552,000 males born in 1964 to 319,000 in 1981), the White Paper stressed that the conscription system would need to be changed by the year 2000. Possibilities for change included an extension of the mandatory period of service, acceptance of an all-volunteer military, and allowing women to voluntarily enlist in the armed forces, which in 1985 remained all male.

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Uniforms and Insignia

The army has three main orders of dress, a khaki parade uniform (*uniforme ordinaria*) similar to the British uniform; a gray-green field uniform (*uniforme di servizio*) similar to the British combat uniform; and a boldly mottled camouflage uniform (*uniforme da combattimento*). The steel helmet is of the same pattern worn before and during World War II. A variety of other headgear is worn: a black beret by armored troops, a crimson beret by parachutists, and a khaki beret by the grenadiers. The Alpine troops wear a felt hat decorated with an eagle's feather, and the Bersaglieri wear distinctive drooping black feathers on a leather hat (as well as on their steel helmets). All soldiers, except the Alpine troops, may also wear a khaki peaked cap.

Designations of rank are worn on shoulder straps and are differentiated by the color of the strap. General officer ranks are displayed on silver-laced shoulder straps. Senior officer ranks are displayed on straps matching the color of the uniform (see fig. 16). Enlisted ranks are displayed by a series of gold stripes worn on shoulder straps for senior NCOs and thick or thin chevrons, worn on the upper arm, by junior enlisted personnel (see fig. 17).

Navy and air force uniforms are similar to those of the army, except for the dress uniforms, which are dark blue. The insignia of rank are also displayed on shoulder boards. Military uniforms have retained a similar appearance since the late 1940s. Tailoring changes in 1984 were widely reported in the press, and a men's fashion magazine, *L'Uomo*, gave extensive coverage to the alterations.

Italian-United States Defense Relationship

Since the end of World War II, Italy has had an excellent political-military relationship with the United States. It was a founding member of NATO and has provided a number of military bases and installations for use by the United States and NATO. Strong United States-Italian politico-military relations have been strengthened by the partnership of the Christian Democratic Party (Partito Democrazia Cristiana—DC) and the Italian Socialist Party (Partito Socialista Italiana—PSI). The Christian Democrats have historically been pro-NATO and pro-American in their political orientation. The Socialists, particularly under the leadership of Bettino Craxi, have been distrustful of the Soviet Union and strongly supportive of NATO's Intermediate Nuclear Force (INF) modernization deployments in the absence of an East-West arms control agreement.

Italy has also shown its willingness to participate in military activities outside the NATO area by sending forces to Lebanon as part of the multinational peacekeeping force in 1983, as well as by participating in the Sinai multinational force and observer unit sponsored by the UN. Italy has been one of the strongest United States allies in NATO, and in 1985 it had no significant political-military differences in Washington.

Relations between Italy and NATO itself were close in 1985. Italy has been the strategic linchpin of NATO forces in the southern region. The commander in chief of the Allied Forces Southern Europe was headquartered in Naples and the commander of the Allied Land Forces Southern Europe was headquartered at Verona. Naples also provided the headquarters for the commanders of NATO's Allied air forces, Allied naval forces, and naval striking and support forces in the south European region. Italy was also one of the first NATO states to begin constructing sites for the deployment of NATO nuclear forces. Ground-launched cruise missiles (GLCMs) have been deployed at Comiso Air Station, an American and Italian NATO base near the southeastern coast of Sicily.

Italy has been valuable to the NATO alliance as much for its strategic location at the mid-point of the Mediterranean as for a substantial number of installations it provided to support American- and NATO-related operations. Italy's geographic location has enhanced the ability of the United States and NATO to effectively conduct antisubmarine warfare, sea reconnaissance, and surveillance throughout the Mediterranean area. Italian installations have also provided a degree of operational flexibility for United States military forces in the region.

Major military installations available to the United States and NATO included the naval complex at Naples, naval facilities at or near Sigonella, Sicily, and the facilities at La Maddalena and Decimomannu, Sardinia. Air force facilities have been located at Aviano air base, northwest of Trieste, at Roveredo in Piano, and at San Vito Air Station located at San Vito dei Normanni near Brindisi in the extreme southeast portion of the Italian peninsula. The United States Army has used facilities at Camp Darby, near Livorno, on the Italian west coast 320 kilometers north of Rome, as well as those at Camp Ederle, located at Vicenza, approximately 64 kilometers west of Venice. Other smaller installations and facilities throughout Italy have been associated with these major bases. In addition, 11 separate NATO air defense ground environment (NADGE) early-warning radar sites were also located strategically throughout Italy, as were a number of United States military communications stations.

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ARMY UNITED STATES EQUIVALENT	Generale d'Armata General Army	Generale di Corpo d'Armata Lieutenant General	Generale di Divisione e Tenente Generale Major General	Generale di Brigata e Maggiore Generale Brigadier General	Colonnello Colonel	Tenente Colonnello Lieutenant Colonel	Maggiore Major	Capitano Captain	Tenente First Lieutenant	Sottotenente Second Lieutenant
AIR FORCE UNITED STATES EQUIVALENT	Generale d'Armata General Air	Generale di Squadra Aerea Lieutenant General	Generale di Divisione Aerea e Tenente Generale Major General	Generale di Brigata Aerea e Maggiore Generale Brigadier General	Colonnello Colonel	Tenente Colonnello Lieutenant Colonel	Maggiore Major	Capitano Captain	Tenente First Lieutenant	Sottotenente Second Lieutenant
NAVY UNITED STATES EQUIVALENT	Ammiraglio General Navy	Ammiraglio di Squadra Lieutenant General	Ammiraglio di Divisione Major General	Ammiraglio di Brigata Brigadier General	Capitano di Vascello Captain	Sottotenente di Vascello Lieutenant	Capitano di Vascello Lieutenant Commander	Tenente di Vascello Lieutenant	Sottotenente di Vascello Lieutenant	Sottotenente di Vascello Lieutenant

Figure 16. Officer Rank Insignia and United States Equivalents, 1985

ARMY	UNITED STATES EQUIVALENT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	1359	1360	1361	1362	1363	1364	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390	1391	1392	1393	1394	1395	1396	1397	1398	1399	1400	1401	1402	1403	1404	1405	1406	1407	1408	1409	1410	1411	1412	1413	1414	1415	1416	1417	1418	1419	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429	1430	1431	1432	1433	1434	1435	1436	1437	1438	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450	1451	1452	1453	1454	1455	1456	1457	1458	1459	1460	1461	1462	1463	1464	1465	1466	1467	1468	1469	1470	1471	1472	1473	1474	1475	1476	1477	1478	1479	1480	1481	1482	1483	1484	1485	1486	1487	1488	1489	1490	1491	1492	1493	1494	1495	1496	14

Figure 17. Enlisted Rank Insignia and United States Equivalents, 1985

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Naples has been regarded as the most important Italian city associated with the United States military presence in Italy. It has provided facilities for NATO military commands and has served as the headquarters and major support facility for the United States Sixth Fleet. The fleet flagship was located at Gaeta, north of Naples. Naples was also the headquarters of commander task force (CTF) 67, from which the commander, Fleet Air Mediterranean, directed naval air operations in the Mediterranean. Naples was also headquarters for Task Force 69, a submarine squadron. A naval air facility is also situated at Sigonella, Sicily, from which aerial ASW operations have been staged. This base was located near the port of Catania on the east coast of Sicily. Sigonella also served as the home station for the United States naval logistics and matériel support in the region.

The United States Air Force has used the facilities at Aviano as the home base for a rotational tactical fighter group assigned to the United States Air Forces Europe (USAFE). The two major bases used by the United States Army at Camp Ederle and Camp Darby were also used by NATO combined units. Camp Darby also served as a major headquarters and storage facility for the United States Army in Europe (USAEUR). The Southern European Task Force in Italy (SETAF), elements of which were located at the United States Army installations, had the mission of providing support to Italian ground forces and the secondary mission of providing a logistics base for the support of any operations deemed necessary in the NATO southern region. Verona, in northeastern Italy, served as headquarters for NATO's Allied Land Forces Southern Europe.

The United States has used various facilities in Italy under the aegis of Article III of NATO. By an exchange of diplomatic notes with the United States signed in Rome on January 7, 1952, the Italian government agreed to fulfill the military obligations incumbent upon it through NATO as well as bilateral agreements with the United States. To carry out these obligations, Italy and the United States negotiated specific agreements on bases and signed an implementing agreement on October 20, 1954. The 1954 agreement, with various annexes, continued to govern use of Italian facilities by armed forces of the United States in the mid-1980s.

Although Italy has been willing to assist the United States in carrying out the latter's military operations in the Mediterranean area, these operations have generally been NATO-related or consistent with the foreign policy perspective of the Italian government. Despite decades of close defense cooperation with the United

States, the Italian government has nevertheless been reluctant to allow use of the military bases for certain United States military missions. In 1973, for example, Italy denied diplomatic clearance for the United States to use its bases to resupply Israel during the Arab-Israeli October 1973 War.

Italy's participation in the multinational peacekeeping force in Lebanon nevertheless demonstrated its willingness to play a role in maintaining international security outside the immediate NATO area. Italy also supported American efforts in Lebanon by allowing the United States to use its military facilities.

The Armed Forces and Politics

Traditionally, the armed forces have limited their involvement in politics and have remained loyal to constitutional authority. In 1864 and again in 1943, a military leader became prime minister, but only at the urging of the head of state. There were indications, however, that from the mid-1960s to the mid-1970s, a small number of high-ranking military officers might have been engaged in preparations for right-wing coups d'etat.

In the 1960s the Italian left wing suspected the army of plotting a coup to be executed in the event the left acceded to power, or simply to reestablish an ultraconservative government. General Giovanni di Lorenzo, head of the Defense Information Service (Servizio Informazioni di Difesa—SID) in the early 1960s, head of the Carabinieri in 1964, and eventually army chief of staff, directed the Carabinieri to assemble files of information on persons in public life, especially those who might be detained in the event of a political emergency. The files reached over 174,000 by 1967. General di Lorenzo was dismissed as chief of staff and arraigned before a civil court for the infringement of civil liberties. After a lengthy investigation, the court determined that although he acted improperly in authorizing the files, there was no concrete evidence that di Lorenzo was planning a coup. After resigning from the military, di Lorenzo was elected a neofascist deputy to the parliament and served until his death in 1973. At that time it was also revealed that the succeeding head of SID, General Vito Miceli, apparently had foreknowledge of a coup planned in 1970 by a leading neofascist, Prince Borghese, but had not alerted civilian authorities.

Political plotting by high-ranking military officers detracted from public confidence in the military but did not appear to be a serious danger to constitutional government, because of the percep-

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tion that a military takeover would be extremely unpopular and would, in all likelihood, plunge the country into civil war. The major factor against officer involvement in politics, however, was the lack of political cohesiveness among the officer corps. In the mid-1980s many officers appeared to be less interested in politics than in prestige, status, evolving roles of the armed forces, and the perquisites of office.

From the end of World War II to the late 1970s, the public showed little interest in conditions within the armed forces, although such an interest became aroused in the late 1970s primarily because of economic concerns. Political leaders attempted to discourage political involvement by senior military officers by careful selection of the chief of the defense general staff from officers considered dependable, by frequent shuffling of top military assignments, and by a liberal promotion policy.

Since 1981 the armed forces in general, and the Carabinieri in particular, have played a major role in maintaining political stability and civilian authority by assisting in the repression of domestic terrorism, particularly the activities of the Red Brigades (Brigate Rosse—BR) on the left but also of right-wing terrorist groups. The successful liberation of United States Army Brigadier General James Dozier from captivity in January 1982 as well as the sentencing of 25 BR leaders to life imprisonment in February 1983, several years after their capture by the Carabinieri, were regarded as a decisive victory in the struggle to maintain domestic order (see Threats to Public Order, this ch.).

Italian Defense Industry

During the 1970s Italy emerged as one of the leading manufacturers and exporters of military equipment. In 1985 the Italian defense industry was ranked fifth among noncommunist exporters of military equipment (after the United States, Britain, West Germany, and France) and fourth among weapons producers within the Western European Union (WEU—see Glossary). Italian weapons production accounted for 12.5 percent of all military equipment produced by members of the WEU.

Although a few privately owned firms contributed to defense production, Italy's defense manufacturers are primarily state-owned companies. Eight large holding companies, controlled by the Ministry of Government Holdings, accounted for more than 50 percent of annual production. Overall, about 8,000 companies, employing more than 1.3 million workers, were recognized as official suppli-

ers to the Italian armed forces, but of these only about 200, with a combined work force of 80,000, were actively involved in the production of military equipment. In 1983 the defense industry accounted for 7.4 trillion lire (about US\$3.7 billion), a nominal increase of 17.5 percent over 1982. However, the increase in real terms, after inflation, was only about 2 percent. Nevertheless, defense industries have performed more profitably than other sectors of Italian industry. Defense contractors achieved an annual average production increase of 4.4 percent since the mid-1970s, compared with 3.5 percent for industry as a whole. Defense industries have also shown higher levels of productivity than the national average. For example, the defense industry work force, 2 percent of the total manufacturing sector, accounted for 4.3 percent of the total industrial turnover for 1983.

The Italian defense industry has been able to satisfy about 80 percent of the annual equipment requirements of the country's armed forces, the remaining equipment has been imported either from NATO as part of international programs or from specific countries as a result of bilateral agreements. Italian firms nevertheless managed to export 60 percent of defense production since 1975. For example, in 1983 exports amounted to 1.14 trillion (US\$4.2 billion). Exports, however, did not compensate for the high cost of imported equipment. As a result, Italy's defense balance of payments have evened out, although the defense trade balance has shown a surplus since the mid-1970s. This paradox was partially explained by the dependence of Italian defense industries on imported components and subassemblies that were then integrated into weapon systems of Italian design.

Italian defense industries produce a variety of military aircraft, naval ships, armored vehicles, light and heavy ordnance, ammunition, and a wide range of electronic and optical equipment. Among the more important firms are Fiat, which produces tanks and small vehicles; OTO Melara, which produces armored vehicles, missile launchers, and artillery pieces; Costruzione Aeronautiche Giovanni Agusta, which produces helicopters; and Beretta, which produces a variety of small arms.

Italy has traditionally held a sizable share of the world market for new production of small arms but in 1985 had yet to threaten the dominant position held by the United States (with the M-1, M-14, and M-16 rifles) and Belgium (with the variety of small arms produced by Fabrique Nationale). A number of Italian companies have been active in the small arms market, including Franchi and Socimi, which produce a full range of machine pistols and assault rifles. Nevertheless, Beretta remained the largest and best

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known. In 1984, for example, Beretta was selected to produce the 9mm 92SB-F semiautomatic pistol for the United States Army as a replacement for the Colt M-1911 .45-caliber handgun. Beretta has been active in the international arms market for decades, and its weapons have been manufactured under license in Egypt, Nigeria, Morocco, Indonesia, Iraq, Brazil, and the United States.

Internal Security

Police System

In 1985 the police system was built primarily on three armed, national-level organizations whose tasks and functions overlapped (see fig. 18). The first were the Carabinieri and the second, the State Police, which had broad responsibility for maintenance of public order, law enforcement, and civilian assistance. The third organization was the Customs Police, which shared jurisdiction over enforcement of criminal laws with the Carabinieri and the State Police but was specifically organized for the prevention and repression of crimes related to tax evasion and other fiscal offenses, as well as of smuggling.

The State Police and Customs Police were quasi-military organizations. Except at the top level, they were uniformed, and large contingents of police personnel were normally housed in military-style barracks.

The Carabinieri, State Police, and Customs Police had jurisdiction throughout the national territory. The Customs Police were normally found along the borders, at airports, and in urban areas because of the nature of their duties. The Carabinieri policed all sparsely populated parts of the country but had contingents in all towns and cities as well. The State Police predominated in urban areas, but mobile units could be dispatched wherever and whenever necessary.

Each city and town also had its own armed Urban Police, which supplemented the State Police. The Urban Police were primarily concerned with vehicular traffic, enforcement of local regulations, building inspections, and other local duties. They were not used for crowd control, nor did they have any jurisdiction over the investigation of crime. Whenever members of the Urban Police apprehended someone in a criminal act, the suspect was remanded to the custody of the State Police. The Urban Police organization, consisting in 1985 of about 2,000 in Rome and Milan and lesser

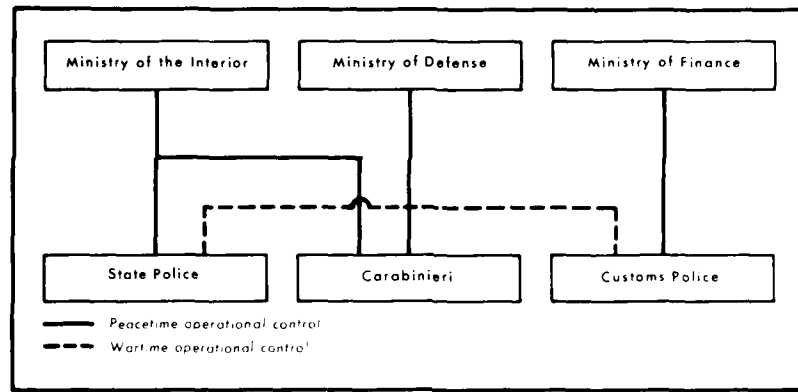


Figure 18. Internal Security Organizations, 1985

units in smaller cities and towns, freed the State Police of minor duties.

Coordination of the three national police forces and of the municipal police forces occurs primarily at the provincial level. The *prefect* would generally meet daily with the State Police prefect chief as well as with the local commander of the Carabinieri and representatives of the other organizations as needed.

There were also top-level coordinating committees concerned with specific kinds of serious crime. Since 1967 the State Police has had a special national headquarters unit, referred to by the acronym Criminalpol, which was concerned with armed bank robberies, kidnaping, narcotics traffic, illicit arms dealings, and homicides. Criminalpol provided for the exchange of information on criminal activities and police techniques and facilitated liaison among all law enforcement organizations. The State Police had an active office dealing with the International Criminal Police Organization (Interpol) and Criminalpol served as a link between this organization and other Italian law enforcement agencies.

In May 1974, in response to increased terrorist activity in Italy, the government organized the General Antiterrorism Inspectorate, which was to coordinate all police activities necessary to cope with terrorism. On October 24, 1977, the parliament enacted Law No. 801 on the "Formation and Organization of the Intelligence Services and the Regulation of State Secret." This legislation was designed not only to improve the effectiveness of the previous intelligence services but also to cope more effectively with the in-

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creased number of terrorist organizations in Italy and the escalation of political violence throughout the country. The reformed intelligence service, SISMI, was assigned all intelligence and security functions pertaining to military and defense matters. SISMI is subordinate to the Ministry of Defense. The security service, Service for Intelligence and Democratic Security (Servizio Informazioni Sicurezza Democrazia—SISDE), was assigned all intelligence and security functions for the defense of the Italian democratic state and of the institutions established under the Constitution. SISDE was given primary responsibility for dealing with terrorist activities and was subordinate to the Ministry of the Interior. Under Law No. 801, police officers may not serve as members of the intelligence services; however, explicit channels of communication were established to ensure full cooperation on criminal and terrorist investigations between police and intelligence officers.

State Police

The 68,000-man State Police, formerly known as the Public Security Police (Corpo delle Guardia di Pubblica Sicurezza), was a component of the Ministry of the Interior but in the event of war or national emergency would come under the control of the Ministry of Defense. The top officials of the State Police in Rome, as well as the prefect chiefs in each of the 95 provinces, were civilians, called *funzionari* (functionaries). The State Police were organized into the territorial force, distributed throughout the country, and the mobile force, which included highway police, railroad police, and frontier police. Because of the nature of its duties, the mobile force was commanded from Rome rather than through the chiefs at the provincial level. The highway police had jurisdiction on the autostrada system and other intercity routes, while the Urban Police had jurisdiction over traffic on local routes. The frontier police patrolled the national frontier, airports, and maritime ports of entry. The State Police also had river and canal lifesaving patrols, frogmen, mountain climbers, skiers, and mounted patrols.

In 1985 the mobile police also served as a riot control unit, whose personnel were carefully selected and highly trained. The antiriot unit was formed in the late 1940s by the then minister of the interior, Mario Scelba, to cope with the left-wing demonstrations and disorders that plagued the government of Alcide De Gasperi. Small, highly mobile units, called Celeri (flying squads), used jeeps and were supported by other, more fully equipped police in

larger vehicles. The mobile police had a full range of riot-control equipment, including water cannon and armored vehicles.

The State Police also had an extensive intelligence network, composed primarily of paid informants. The police often had prior knowledge of demonstrations with a potential for violence. In such instances, high-ranking civilian State Police officials would be present to closely direct police activities. In 1985 only about 500 women served in the State Police as *funzionari* concerned primarily with family and juvenile matters.

The State Police made extensive use of scientific methods for combating crime. In 1985 high-speed computers were available to assist over 100 forensic crime laboratories, some of which were mobile and had an efficient system of fingerprint classification.

In 1985 police schools included the Superior Police School for *funzionari* in Rome and the police academy and an NCO school in Genoa. The State Police had an extensive program to train its personnel in technical subjects in keeping with the policy of making the organizations as self-sufficient as possible. The State Police tried to reduce to a minimum the need for outside experts and also worked to have all experts and specialists be full-fledged State Police personnel rather than civilian employees, because it believed that State Police personnel would be less subject to subversion and labor union pressure than would civilians.

In the mid-1980s the State Police had less popular acceptance than the other internal security organizations. The educational level of State Police personnel tended to be lower than that of the Carabinieri or the Customs Police, and there was rarely mutual respect between the State Police and the populace. Urban Police were most often native to the locality, and the prosaic nature of their duties made any major conflict with the citizenry unlikely. As a result, unlike the State Police, the Urban Police met with little public resentment, but also received little real respect.

As the period 1969-75 was characterized by strong anti-law enforcement attitudes, increased political violence and public awareness of police efforts to combat it altered public perception. The abduction and murder of Prime Minister Aldo Moro and the assassination of his police escort in March 1978 marked a turning point not only in the political response to combat terrorism but also in popular attitudes toward the police (see Threats to Public Order, this ch.). The State Police and the Carabinieri have successfully penetrated terrorist groups, have prevented increased violence, and have been instrumental in the conviction and sentencing of terrorists. The number of terrorist incidents was also reduced



Police officer-candidates in annual parade



*Carabinieri during ceremony
before Tomb of the Unknown
Soldier, Piazza Venezia*



Antiterrorist police during training exercise



Bersaglieri marching on the double

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from 2,498 in 1978 to 628 in 1982 as a result of increased police activity.

Customs Police

In 1985 the 48,000 Customs Police, under the Ministry of Finance, were responsible for the protection of land and sea borders from smugglers and persons attempting to enter Italy illegally. They were also responsible for the apprehension of counterfeiters and tax evaders. The Customs Police, known as *finanzieri*, were directly subordinate to the minister of finance but would be controlled by the minister of defense in wartime or during a state of emergency.

The Customs Police evolved from a military border guard established in Piemonte in 1814. The ground and naval units of the Customs Police have served in combat during wartime. Customs Police had several uniforms: those on the Alpine borders were equipped in skiing garb; those performing coast guard duties wore a navy-style uniform; and uniformed personnel elsewhere wore a gray-green, hip-length jacket with matching trousers and a peaked cap emblazoned with the corps insignia, a yellow flame. There was also a small plainclothes branch, whose personnel investigated tax evasion and similar offenses.

Recruits enlisted for three-year terms. If their on-the-job performance was satisfactory, they continue to serve successive three-year tours until reaching retirement age. Officers were selected through a nationwide competitive written examination among secondary-school graduates. Individuals who passed the test were sent for four years of education at the Customs Police Academy in Rome. NCOs were also selected by a competitive written examination and underwent a two-year course at the Customs Police School at Lido di Ostia.

Customs Police with demonstrated aptitude for Alpine border duties and mountain rescue activities were given further training at the Customs Police Mountaineering School at Predazzo. Personnel selected for coast guard duty were trained at the nautical school in Gaeta. Those personnel showing relevant aptitude in the police school in Rome were given instruction in economics, accounting, and law for dealing with tax evasion and fiscal crimes.

The duties and responsibilities of the Customs Police are broad. They may enter and search a citizen's home on their own initiative if they have probable cause that financial laws are being broken. They also have free access to business records. Customs

Police are also involved in the suppression of narcotics traffic, with anticounterfeiting measures, and with the apprehension of smugglers of works of art and archaeological treasures. The coast guard element of the Customs Police also maintains surveillance over shallow coastal waters and apprehends persons attempting to remove artifacts from the coastal areas.

Criminal Justice System

The criminal justice system is based on the Napoleonic code, which in turn was based on the codification of Roman law under Emperor Justinian. Crimes and punishments are spelled out in great detail in the penal codes, which have a strong moral aspect and deal with matters that in many countries are left to individual responsibility. The codes attempt to be as complete as possible; for example, there is a section that pertains to athletics.

In contrast to adversary proceedings, where a neutral judge and jury decide the fate of the accused, the Italian system relies heavily on an investigating judge who balances the interests of society with those of the suspect. The investigating judge has the function of determining whether a person is to be charged with a crime. During the investigation, which is sometimes prolonged over a number of years, the suspect is ordinarily detained in prison. At trial, the presiding judge, who is different from the investigating judge, takes a major part in the questioning. The rules of evidence tend to be less stringent and therefore less advantageous to the accused. The purpose of the trial is not only to establish guilt or innocence with regard to a specific charge but also to discover all ascertainable facts relevant to the case in question.

In contrast to the practice in some countries by which information about previous arrests and convictions is regarded as irrelevant, this information is admissible in Italian trials. The penal codes allow the recognition of a person as a habitual criminal, but this provision is rarely invoked.

Italy had no death penalty in 1985, although in recent years some public sentiment advocated such a penalty for terrorists who assassinate police or other public officials. Nevertheless, there was little or no sentiment favoring capital punishment in other situations. The maximum penalty for most serious crimes was life imprisonment, and individuals receiving this sentence had no prospect of release until they were near death.

Magistrates and judges are not selected from the ranks of experienced lawyers, but are judicial civil servants throughout their

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careers. After completion of a basic legal education, an individual decides to become a lawyer, magistrate, or judge. For the latter careers, competitive examinations then determine the location of employment as well as subsequent advancement into the higher levels of the Ministry of Pardons and Justice. The body of judges is self-governing, through an institution called the Superior Council of the Magistrature.

Judges and magistrates are divided by their allegiance to professional organizations that have strong political coloration. In the 1980s higher-ranking judges and magistrates belonged primarily to conservative political associations, while their middle- and lower-ranking colleagues belonged to political associations that ranged from middle-of-the-road to the moderate left. Such ideological differences among the magistrates and judges have had a probable effect on the functioning of the judicial system, especially when it dealt with the political violence of the last decade.

The criminal justice system works within a framework of constitutionally guaranteed individual liberties, due process, and equality before the law (see *The Judicial system*, ch. 4). Nonetheless, the system is archaic in some respects, its workings are difficult for the public to comprehend, and its slow, cumbersome bureaucracy has only served to increase skepticism over the workings of the judicial system.

Although the Constitution was promulgated in 1948, parliament was unable to accomplish a revision of the penal codes, which in 1985 remained in many respects unchanged from the original 1931 version. Since 1956 the Constitutional Court has nullified those provisions that were particularly unsuitable for a democratic society. Parliament has also revised some parts of the codes. Nonetheless, other parts still strongly reflect the fascist era: charges may still be made under the catchall phrases "subversive propaganda," "association for criminal purposes," and "instigation to class hatreds." The codes make it a crime to insult a government official, and a verbal insult to a police officer can result in imprisonment.

Police procedures are carefully circumscribed by law and judicial oversight. Arbitrary arrest is not practiced. Anyone detained by the authorities must be charged within 48 hours or released. Habeas corpus does not exist under Italian law; however, as a safeguard against abuse, "liberty tribunals" are empowered to review evidence in cases of persons awaiting trial and to decide whether continued detention is warranted. In normal criminal cases, the duration of allowable pretrial detention varies according to the seriousness of the crime. Until 1984 pretrial detention could extend up

to three years prior to the initial trial; thereafter, detention could theoretically continue up to three times that long during the appeals process. In serious cases involving terrorism or involvement in organized crime, detention through appellate procedures could extend for up to 10 years before a final verdict was rendered.

A reform of laws governing preventive detention was passed by the parliament in early 1985. The new law limited the maximum period that any person could be held in preventive detention, even for the most serious crimes, to six years and to no more than two years at each step of the trial and appeals process. Maximum periods of preventive detention are substantially less for more minor crimes. The reform also contained measures aimed at streamlining Italian judicial procedures and speeding trials.

An addition to the penal codes in 1965 permitted the government to place anyone considered to be a danger to society in "obligatory domicile," which usually meant detainment on small islands where they could be easily controlled. This provision has been used to detain those suspected of involvement in Mafia activities and other crimes.

The Constitution establishes the control of the judiciary over the police in their criminal justice activities, and the penal codes closely regulate police actions in this area. The penal codes specify that the police exercise routine functions under the direction of the public prosecutors and investigating judges and that the police are obligated to assist judicial authorities in their investigations.

If the police apprehend a suspect in the act of committing a crime, or if they have a basis to believe that a suspect in a serious crime is about to escape, the police may act on their own initiative but are obligated to inform judicial authorities within a specified time. The actions the police may take on their own initiative include arrest and preliminary interrogation of the suspect as well as the search of the suspect's residence. Arrested persons must be promptly arraigned before a judicial official, and the public prosecutor must be notified within 48 hours. A magistrate must also be informed of the house search, and any sealed papers must be transmitted unopened to the appropriate judicial authority. Prior judicial approval is necessary before the police may tap telephones.

The slow, ineffectual, and apparently improper handling of the December 1969 terrorist bombing in Milan, which resulted in 16 deaths, intensified dissatisfaction with the judicial system. The Milan bombing coincided with others throughout the country, and the police initially attributed the crimes to anarchists. They arrested Pietro Valpreda, a well-known anarchist leader, shortly after the Milan bombing and held him in preventive detention until Decem-

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ber 1972, when he was released by the court. The government had attempted to bring Valpreda and three other anarchists to trial in Rome in February 1972, but further delays ensued; the trial was moved first to Milan and then to southern Italy. The evidence against Valpreda and the other anarchists had several flaws, and the government appeared to have stronger evidence against right-wing extremists Franco Freda and Giovanni Ventura, against whom it brought court proceedings in March 1972.

Considerable press speculation appeared about the possible collusion of the anarchist left and neofascist right in the Milan bombings, but the government was unable to successfully prosecute the accused within the judicial time limit of detention without trial. Accordingly, the three suspects were released from preventive detention in August 1976 but were then put under obligatory domicile on an island. In 1985 the three suspects were to be reaccused and retried to establish the nature and extent of the link between the left and right, at least to the extent that it contributed to the Milan bombing of 1969.

Newspapers reflecting most political viewpoints castigated the police and courts for being unable to discover and punish the perpetrators in the 16 years that have elapsed since 1969. The newspapers were also critical of the government investigation of the allegations that police and SID officials participated in the initial cover-up of neofascist involvement in the Milan bombing.

Deficiencies in the criminal justice system occur partly because of rivalry and overlapping among the police organizations and partly because of poor cooperation between police personnel and officials assigned directly to the Ministry of Pardons and Justice. Moreover, the judicial system suffers many of the ills that beset the entire bureaucracy. For example, in the early 1980s some court proceedings were prolonged because of the methods of transcription: each step of the proceedings would be slowly described to the court secretary and recorded by hand. In addition, the reluctance of magistrates and judges to serve in remote locations contributed to long backlogs of investigations and trials in those parts of the country.

Successive Italian governments have responded to the backlog of court cases and overcrowding in the prisons by giving amnesty to large numbers of people on religious and other holidays. In May 1970, for example, a backlog of over 1.3 million serious criminal cases prompted the twenty-fifth such amnesty since 1945. Such amnesties were a poor substitute for judicial reform and contributed to a lack of respect for the system. Innocent prisoners released after years of preventive detention were no doubt embittered be-

cause the government had not provided an opportunity to confirm their innocence. The premature release of hardened criminals tended to erode police morale and further discredit the judicial process.

Prison conditions vary widely. In some cities prisons were designed for that purpose, while in others centuries-old monasteries and convents and other unsuitable or poorly maintained facilities are used for the detention of prisoners. Prison officials have been at the forefront of the campaign to improve prison conditions and have instituted humane and rehabilitative programs. Government publications have, nevertheless, conceded major shortcomings in the prison system, including overcrowding, poor food, inadequate educational services, insufficient provision for families, failure to separate various categories of prisoners, and the prevalence of homosexuality. Cruel and degrading punishment is prohibited by law, and violations are punished. In March 1984, for example, an appeals court confirmed the conviction of four members of Italy's antiterrorist police accused of having abused a suspect to obtain information.

A high proportion of the prison population consists of persons awaiting trial in preventive detention. In December 1983, of the 40,225 prisoners, 27,080, or 67.3 percent, were awaiting trial. About half of the persons brought to trial and determined to be innocent have spent years confined in proximity to convicted felons. Many persons, however, were held in prison for only a few days, and the number of persons who had been in prison at some time during 1983 was probably more than 300,000.

The prison system was run by the Ministry of Pardons and Justice. Top officials were magistrates who tended to serve only one- to three-year tours in the prison system and complete the bulk of their careers elsewhere in the criminal justice system. Prison guards, who are armed, numbered about 15,000 in 1985. Over 85 percent of these came from the Mezzogiorno. Many of them had been unemployed before taking jobs as guards, and most of them had little education.

Threats to Public Order

From the early 1970s until the mid-1980s the police and the courts faced increasing crime of all sorts, especially violent crime. Political kidnappings, assaults, and bombings—usually the work of extremist factions of the left or the right—have decreased in

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number from the late 1970s but were still a major concern in 1985.

Ordinary Crime

In 1983 crime of all kinds measured by official statistics declined slightly from 1984, which had seen a 5-percent increase over 1981. The number of violent crimes declined by 12 percent, from 149,000 to 133,000, as did the rate of crimes against individuals, such as rape and extortion. In 1983, however, fiscal crime increased by about 9 percent.

Despite the apparent decline in violent crime in 1983, the Italian public remained concerned about the general rise in crime since the early 1970s, especially in violent crimes such as kidnapping and armed robbery. Before World War II Italy was a predominantly agricultural country, and in most regions crime was not a serious problem. Banditry was a well-established custom in Sardinia. In Sicily and Calabria the legacy of centuries of foreign rule and weak governments bolstered the Mafia, which before 1940 had been primarily confined to the agricultural areas of southern Italy.

Before 1969 kidnapping for ransom tended to occur infrequently except in Sardinia, Sicily, and Calabria, but by the mid-1970s it was a serious problem throughout the country. In 1977, for example, over 60 kidnappings occurred, involving members of wealthy families and political figures. The wave of kidnappings reached its nadir with the abduction and murder of Aldo Moro in 1978. Some wealthy people moved away from Italy in fear of kidnappings, while others increased personal security through bodyguards and armored vehicles.

Drug abuse appears to be less severe than in many countries, but it has increased since the mid-1970s and is a matter of considerable public concern. An Italian official information service estimated that the number of people addicted to hard drugs probably did not exceed 3,000; an additional 40,000 people used hard drugs on a regular basis but were not considered to be addicted. In 1980, a parliamentary investigating committee placed the number of drug users at 600,000, and this figure has appeared frequently in the press. The law imposes severe penalties on persons possessing or trafficking in drugs, and the police and courts enforce the law vigorously. Nevertheless, because of Mafia involvement in narcotics trafficking, in the 1980s Italy was regarded as a major link in the European drug market.

In 1972 the Ministry of Health tightened rules on the dispensing of amphetamines and barbiturates by pharmacies after a survey indicated that 1.7 million Italians regularly used them in small quantities. The authorities considered the abuse of these substances to be the country's primary domestic drug problem.

Thefts of works of art and items of archaeological interest have been a serious problem in Italy for decades, and such crimes were on the increase during the 1970s and early 1980s. The quantity of works of art is immense, and many are found in rural churches and small museums. They are difficult to guard, and the number of security guards is insufficient. Many items of archaeological interest that belong to the state are located in rural areas or in shallow coastal waters where natural conditions preclude protection from the illegal removal of the artifacts. Once stolen, artistic works are quickly smuggled out of Italy and sold on the international market. The ready market for these stolen goods compounds the problems of protecting Italy's artistic heritage.

Organized Crime

According to police and senior magistrates, in 1984 organized crime in Italy, as embodied in the Mafia of Sicily and the *camorra* of Naples, represented a greater threat to the internal security of Italy than did political violence. Officials of the Sicilian regional government were forced to resign in early 1984 after the arrest of the deputy premier on charges of corruption and the disclosure that the premier was under investigation on similar charges. The involvement of these and other Italian government officials in corruption cases illustrated the power and extent of organized crime. The decisive factor in its spread was the drug trade, which operated primarily from the Rome area, where serious crime figures exceeded the national average.

The Mafia was once defined as a "criminal organization with the aim of the illegal enrichment of its own members. Using force, it operates as a parasitic middleman between owners and workers, between producers and consumers, between citizens and the state." The precursors of the modern Mafia were the *compagnie d'armi*, small private armies that feudal landowners employed in the fifteenth and sixteenth centuries to enforce their authority. In the absence of law courts, these armies dispensed primitive justice. By the time the term *Mafia* came into general use in the nineteenth century, the descendants of the *compagnie d'armi* had evolved into a secret, hierarchical organization, divided into specialized sectors

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that controlled Sicily's cattle, pasturelands, slaughterhouses, fruit plantations, market gardens, and ports. The nucleus of the "honored association," as the Mafia members euphemistically referred to their organization, was the family, whose members were linked by blood or marriage. The Mafia often represented a stronger political machine than the provincial government of Sicily.

To consolidate his dictatorship, Mussolini attempted to eradicate the Mafia in the mid-1920s. Using draconian police methods, such as torture and summary execution, the police succeeded in weakening the Mafia control but were unable to prevent its eventual resurgence. After World War II the Mafia regained its influence not only through the collection of "protection money" for guarding property, irrigation systems, and fishing fleets but also through greater involvement in urban economic affairs. The Mafia gained control of the wholesale market for vegetables, meat, and fish and engaged in cigarette smuggling as well as real estate speculation.

By the mid-1970s the Mafia had assumed international, rather than regional, dimensions. Mafia-sponsored kidnappings throughout Italy extorted large ransoms from the families of the abducted. More serious, however, was Mafia involvement in the international narcotics market. Opium derivatives were brought to Sicily, processed into heroin, and smuggled throughout Europe and to the United States. The expansion of the Sicilian banking system was also linked to Mafia involvement in narcotics. During the 1970s the number of Sicilian bank branches increased by 400 percent compared with an 80-percent increase in the rest of Italy. The Customs Police and the investigating magistrates probed the origin of Mafia accounts and strongly suspected that laundered money from the sale of narcotics was being invested in construction, tourism, and the economy in general.

In an effort to eradicate the Mafia, the Italian government had appointed the deputy commander of the Carabinieri, General Dalla Chiesa, as prefect of Palermo, Sicily, with responsibility for the fight against the Mafia. After the assassination of the general in September 1982, over 100 suspected Mafia members were arrested and charged with suspected involvement in the Dalla Chiesa assassination. However, in 1985, the case had not yet been argued in the Italian courts. In addition, the parliament passed specific anti-Mafia legislation.

The new law specified that association with the Mafia was a criminal offense. The law widened the powers of the police and the courts to define criminal association and empowered magistrates to examine witnesses privately—to break the Mafia code of *omertà*, or (silence)—and to order Mafia suspects to live under police surveil-

lance in remote areas. The law also gave the authorities power to break banking secrecy in investigating the accounts of Mafia suspects, their families, and associates, as well as those of suspected firms. It also allowed the supervision of public and private work projects, the tapping of suspects' telephones, and the confiscation of illegal profits. Association with the Mafia was punishable by three to six years of imprisonment, while the organization of Mafia activities was punishable by nine years of imprisonment, or up to 15 years for activities involving arms. "Illicit competition accompanied by violence and threats" would be punishable by two to six years of imprisonment.

Activities of the camorra have been primarily confined to the region of Naples. Like the Mafia, the camorra developed as an auxiliary police under the rule of the Bourbons in the seventeenth and eighteenth centuries. After the unification of Italy in the 1860s, the camorra became involved in smuggling and extortion, activities that were still carried out in the 1980s. Since the mid-1970s the camorra has revived open gang warfare in the Naples region and was regarded as responsible for two-thirds of all violent deaths in Naples. In June 1983 more than 500 people were arrested on suspicion of camorra activities and were still being held in preventive detention in 1985.

Political Violence

Politically connected violence is rooted in Italian history. For many centuries defiance of foreign overlords often took a violent character. Disorder and loss of life preceded and followed the unification of the country in 1861. In 1869, for example, 250 people were killed and 1,000 wounded during protests in southern Italy over a new grain tax imposed by the Piedmontese rulers of the new country. Several times the new government was required to undertake military operations to quell dissident disturbances in the south. A number of casualties also resulted from political disturbances in the late 1890s. During the early 1920s street clashes between political factions were commonplace. Mussolini's rise to power was at least partially aided by the willingness of his supporters to use violence.

From the end of World War II until the late 1960s Italy was preoccupied with recovery from the war; a booming economy held promise of higher standards of living, and authorities were able to handle the challenges to domestic order instigated by political extremists. By the late 1960s, however, domestic order was chal-

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lenged on several fronts. In 1968 and 1969 students formed anarchist and radical-leftist terrorist organizations that fomented disorder at several universities and openly clashed on the streets with neofascist and far-right groups. Amid declining economic conditions and a national political stalemate, labor unions were engaged in strikes and disorders in the summer and fall of 1969, as were similar groups in West Germany and France. Some of the unionists formed anarchist and radical-leftist groups similar to those of the students, and these labor extremist groups also engaged the neofascists in street battles. Since December 1969, politically motivated bombings, murders, and kidnappings have become a recurring feature of Italian life.

Observers have estimated that over 14,000 terrorist acts were committed between 1968 and 1982 by well-organized terrorist groups and by occasional groupings of individuals in the name of ideologies or in the pursuit of specific goals. These groups have been classified into a number of categories: communist, neofascist, anarchist, separatist, counterseparatist, nationalist, ecological, feminist, internationalist, and transnational.

The often ambiguous ideological line between these groups, which in some cases have professed multiple ideologies, has induced most observers to distinguish simply between terrorism of the left and terrorism of the right. Aggregate statistics of terrorist activity reflect not only intensity but also trends of escalation and de-escalation. Fewer than 150 incidents were recorded in 1968, several hundred incidents occurred each year from 1969 to 1975, over 1,000 in 1976, and over 2,000 per year during the 1977-79 period. A constant decline in terrorism since 1979 has been the result of increased apprehension and penetration of terrorist groups by the police. In 1982 there were 628 criminal acts attributed to terrorist groups.

All terrorist groups of the ideological left have shared the same goal—the “overthrow of the bourgeois, capitalist, imperialist state and the establishment of the dictatorship of the proletariat.” This was to be accomplished not only through the dissemination of Marxist-Leninist propaganda but also through attacks on the property of industrialists, as well as kidnapping and assassination.

The BR have been the best known of the left-wing terrorist groups. Established in the late 1960s, the BR were initially active in proselytizing Marxism-Leninism but quickly moved toward more violent activity. The original declared aim of the BR was to create a situation in which a fascist coup could be effected. The BR felt that such a coup would lead the PCI to return to the “revolutionary” role that it had abandoned by working within the political

system and participating in ruling coalitions. The BR felt that a PCI return to an ideological role would lead to an outbreak of civil war that would eventually bring the left to power. The PCI, however, has supported antiterrorist legislation and has also expelled party members involved in terrorist organizations.

The BR carried out their first terrorist act in 1970 with the bombing of a Milan electronics firm. In 1972-73 they kidnapped several company officials and subjected them to propaganda trials and brainwashing before releasing them. The BR escalated their "attack on the state" in 1974 with the abduction of a Genoese magistrate, Mario Sossi. The assassination in June 1976 of the state prosecutor, Francesco Coco, led to the first postponement of the trial against BR founder Renato Curcio, who had been captured earlier that year. The murder of the head of the Turin lawyers' association, Fulvio Croce, in April 1977 led to a second postponement. BR attacks against sectors of Italian society such as journalists, DC officials, and industrialists became frequent in 1977 and were characterized by the shooting of victims in the legs or kneecaps. Targets were selected specifically to intimidate the establishment—journalists and editors to prevent exposure in the media, teachers and university professors to ensure that the left-wing intellectual climate prevailed, and DC supporters to weaken political opposition to terrorism.

To demonstrate their contempt for the democratic state, on March 16, 1978, the BR kidnapped the head of the DC and former prime minister, Aldo Moro, and killed his five bodyguards. Massive police and army operations over the next few weeks failed to uncover any trace of Moro, who according to a series of communiques from the BR underwent a "trial by people's court" and was "condemned to death." The kidnappers eventually demanded the release of all government-held BR prisoners in return for Moro's freedom, but the government refused to enter into negotiations with the BR, a decision supported by all major political parties and trade union federations, including the Communist-affiliated General Confederation of Italian Labor. Subsequently, the Christian Democrats and Socialists were apparently prepared for concessions, but Moro's bullet-riddled body was found on May 9, 1978, in the center of Rome.

In the wake of the Moro killing, as well as other BR murders, 63 members of the BR were eventually arrested and put on trial. At the conclusion of the trial in early 1983, life sentences were imposed on 32 of the defendants. Lesser sentences were meted out to those defendants who had cooperated with the police in the investigation of the BR. Among observers of BR activity, as well as

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among the captured terrorists themselves, the Moro kidnapping and murder were regarded as the "apex of the armed struggle against the state." BR activity since 1978 has been restricted by police activities and also by public revulsion at the increased violence. The December 1981 kidnapping of General Dozier, then deputy chief of staff for logistics and administration at NATO Allied Land Forces Southern Europe headquarters in Verona, was foiled when the State Police, acting on information provided by captured BR members, freed Dozier and arrested his captors. BR-claimed murders have continued into the mid-1980s. The victims have been mostly limited to police officers and prison guards.

The effect of increased counterterrorist operations by Italian law enforcement officials has altered the nature of BR terrorism. The kidnapping of Dozier and the February 1984 assassination of United States diplomat Leamon R. Hunt indicated that the BR intended to demonstrate their strong anti-American and anti-NATO sentiment that had previously appeared only in their writings. This apparent commitment to anti-Americanism had the potential for inducing support from left-wing French and West German terrorist groups for activity in Italy. Increased external support for the BR could, however, cause the Italian left-wing terrorist movement to lose its "revolutionary autonomy" and play a secondary role to non-Italian ideological interests.

The threat posed by neofascist right-wing terrorist organizations is second only to that by the left-wing groups. The neofascist groups have neither the clear-cut ideology and revolutionary fervor of the left nor an equal organizational sophistication. At the same time, many right-wing militants have apparently dedicated themselves to the commission of crimes as a form of adventurous living in no way related to revolutionary or ideological goals. Neofascist violence has been more indiscriminate than the carefully directed attacks of the left. The neofascist groups have displayed attitudes indicative of nationalism, anticommunism, anticapitalism, racial superiority, anticlericalism, rigid order, and romantic adventurism.

Individuals active in right-wing terrorist organizations have generally shared a background in the neofascist Italian Social Movement (Movimento Sociale Italiano—MSI), the most conservative political party with representation in parliament, in the MSI's youth organization (Fronte della Gioventù—FdG), or in other neofascist organizations without ties to the MSI. Those who deserted the MSI or the FdG generally did so because of the disillusionment with the party's insufficient right-wing stance and its limited role within the political scene. Other right-wing terrorists come directly from the ranks of petty criminals.

Typical of the right-wing terrorist groups is the Armed Revolutionary nuclei (Nuclei Armati Rivoluzionari—NAR), a neofascist organization that authorities have held responsible for major bomb explosions and for the killing of its political opponents. Its actions included the bombing of the Capitol in Rome on April 20, 1979; a bomb attack on the Regina Coeli prison in Rome on May 14, 1979; and an explosion at the Bologna railroad station on August 2, 1980, when 85 persons were killed and 194 injured. The Bologna attack was carried out "in honor of Mario Tutti," a right-wing extremist serving a life sentence for the murder of a police officer and also charged with involvement in the bombing of a Rome-Madrid express train in 1974.

Another neofascist group, New Order/Black Order (Ordine Nuovo/Ordine Nero) claimed responsibility for a bomb attack on the Milan-Naples express train on December 23, 1984. In that attack, 15 people were killed and 116 wounded.

In 1985 terrorist organizations in Italy could be described as having failed to meet its objective of the radical overthrow of state institutions. Its propaganda and tactics proved to be ill-suited to bring about any sort of political change. Because of decreased popular support and increasingly effective counterterrorist legislation and activity by the police, terrorist organizations of all ideologies had suffered major setbacks through 1984, and terrorist actions had dwindled to low levels.

Foreign-sponsored terrorism has been sporadic in Italy, but discussion of political violence would be incomplete without mention of the attempted assassination of Pope John Paul II. On May 13, 1981, while holding a public audience within St. Peter's Square in the Vatican, Pope John Paul II was seriously wounded by bullets fired at him by Mehmet Ali Agca, a Turkish national, who was apprehended immediately after the shooting. Subsequent investigation uncovered the apparent involvement of several other Turkish and Bulgarian nationals in the assassination plot. Efforts to establish the motivation for the plot were inconclusive, but some evidence suggested an apparent attempt by the Bulgarian secret police, presumably acting on behalf of the Committee for State Security (Komitet Gosudarstvennoy Bezopasnosti—KGB) to stifle the resurgence of the Roman Catholic Church in Eastern Europe. Although Agca was subsequently tried and convicted of attempted murder, Italian judicial efforts to investigate the conspiracy have, in late 1985, yet to reach any conclusive findings about the nature and scope of foreign involvement in the attempted assassination.

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Information about current developments in the Italian armed forces is difficult to find in English. Most discussions about NATO forces contain only peripheral references to Italy, but some commentary on readiness may be found in journals such as *NATO's Sixteen Nations* and *Jane's Defence Weekly*.

Valuable discussions of Italian terrorism may be found in a recent report of the Subcommittee on Security and Terrorism of the United States Senate Committee on the Judiciary, *Terrorism and Security: The Italian Experience*, and in a series of articles and monographs by Vittorfranco S. Pisano. Pisano's work is noteworthy for its unbiased discussion of the intricacies of the Italian terrorist situation. A less objective discussion of international terrorism may also be found in *The Terror Network* by Claire Sterling. (For further information and complete citations, see Bibliography.)

Appendix A

Table

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Appendix A

Table 1. Metric Conversion Coefficients

When you know	Multiply by	To find
Millimeters	0.04	inches
Centimeters.....	0.39	<i>inches</i>
Meters	3.3	feet
Kilometers.....	0.62	miles
Hectares (10,000 m ²).....	2.47	acres
Square kilometers.....	0.39	square miles
Cubic meters.....	35.3	cubic feet
Liters.....	0.26	gallons
Kilograms.....	2.2	pounds
Metric tons.....	0.98	long tons
.....	4.4	short tons
.....	2,204	pounds
Degrees Celsius (Centigrade).....	9 divide by 5 and add 32	Degrees Fahrenheit

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Table 2. Population by Region, 1981 Census

Region	Province	Population	Region	Province	Population
Abruzzi.....	L'Aquila, Chieti, Pescara, Teramo	1,217,791	Piemonte	Alessandria, Asti, Cuneo, Novara, Turin, Vercelli	4,479,031
Basilicata	Matera, Potenza	610,186	Puglia	Bari, Brindisi, Foggia, Lecce, Taranto	3,871,617
Calabria	Catanzaro, Cosenza, Reggio Calabria	2,061,182	Sardinia	Cagliari, Nuoro, Oristano, Sassari	1,594,175
Campania.....	Avellino, Benevento, Caserta, Naples, Salerno	5,463,134	Sicily	Agrigento, Caltani- setta, Catania, Enna, Messina, Palermo, Ragusa, Siracusa, Trapani	4,906,878
Emilia-Romagna	Bologna, Ferrara, Forli, Modena, Parma, Piacenza, Ravenna, Reggio Emilia	3,957,513	Toscana	Arezzo, Florence, Grosseto, Livorno, Lucca, Massa-Carrara, Pisa, Pistoia, Siena	3,581,051
Friuli-Venezia Giulia.....	Gorizia, Pordenone, Trieste, Udine	1,233,984	Trentino-Alto Adige.....	Bolzano-Bozen, Trento	873,413
Lazio.....	Frosinone, Latina Rieti, Rome, Viterbo	5,001,684	Umbria	Perugia, Terni	807,552
Liguria.....	Genoa, Imperia, Savona, La Spezia	1,807,893	Val d'Aosta.....		112,353
Lombardia	Bergamo, Brescia, Como, Cremona, Mantova, Milan, Pavia, Sondrio, Varese	8,891,652	Veneto	Belluno, Padova, Rovigo, Treviso, Venice, Verona, Vicenza	4,345,047
Marche	Ancona, Ascoli Piceno, Macerata, Pesaro, Urbino	1,412,404	TOTAL		50,556,911
Molise.....	Campobasso, Isernia	328,371			

Source: Based on information from Italy, Istituto Centrale di Statistica, *Annuario statistico italiano, 1984*, Rome, 1984, 7-8.

Table 3. *Circulation of Leading Daily Newspapers, 1983*

Newspaper ¹	City	Ideological Orientation	Circulation (in thousands)		
			Press Agen- cy ²	News- paper ³	Other Source ⁴
<i>Avanti!</i>	Rome	Socialist	n.a.	54	n.a.
<i>Corriere della Sera</i>	Milan	Moderate	475	625	n.a.
<i>Gazzetta del Mezzogiorno</i>	Bari	Moderate	74	100	n.a.
<i>Il Gazzettino</i>	Venice	Moderate	112	138	n.a.
<i>Il Giornale Nuovo</i>	Milan	Right	177	261	n.a.
<i>Il Giorno</i>	-do-	Left	202	278	n.a.
<i>Il Mattino</i>	Naples	Moderate	140	179	n.a.
<i>Il Messaggero</i>	Rome	Left	249	313	n.a.
<i>La Nazione</i>	Florence	Moderate	204	252	n.a.
<i>La Notte</i> (evening).....	Milan	Moderate	102	130	n.a.
<i>Pace Sera</i>	Rome	Communist	n.a.	n.a.	200
<i>La Repubblica</i>	-do-	Left	289	404	n.a.
<i>Il Resto del Carlino</i>	Bologna	Moderate	213	264	n.a.
<i>Il Secolo XIX Nuovo</i>	Genoa	Left	150	177	n.a.
<i>Il Secolo d'Italia</i>	Rome	Neofascist	n.a.	n.a.	80
<i>La Stampa</i>	Turin	Moderate	397	522	n.a.
<i>Stampa Sera</i> (evening).....	-do-	Moderate	24	126	n.a.
<i>Il Tempo</i>	Rome	Right	130	190	n.a.
<i>L'Unità</i>	Milan and Rome	Communist	n.a.	n.a.	400

n.a.—not available.

¹ Unless otherwise noted, newspapers are morning editions.

² Certified circulation according to the press agency, Accertamento Diffusione Stampa.

³ Circulation declared by the newspaper itself.

⁴ Circulation according to other source.

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Table 4. Consolidated Account of the Public Sector, Selected Years, 1976-84

(in trillions of lire)¹

	1976	1980	1981	1982	1983	1984
Revenue						
Current Revenue						
Direct taxes.....	12.3	38.0	51.6	66.7	83.3	93.7
Indirect taxes.....	15.0	34.1	39.0	47.7	60.4	69.5
Social security contributions.....	21.9	49.0	59.1	73.8	87.9	99.4
Sales of goods and services.....	3.9	6.7	8.6	11.0	13.6	15.1
Other ²	2.4	6.7	8.6	9.0	10.0	11.3
Total current revenue.....	55.5	134.5	166.9	208.2	255.2	289.0
Capital account revenue.....	0.3	0.6	0.7	0.9	0.9	1.1
Total revenue.....	55.8	135.1	167.6	209.1	256.1	290.1
(as percentage of GDP) ³	(35.6)	(39.9)	(41.7)	(44.4)	(47.5)	(47.4)
Expenditure						
Current expenditure						
Wages and salaries.....	19.8	47.7	64.0	75.1	88.3	100.4
Intermediate consumption..	7.8	17.7	22.8	28.8	34.8	40.2
Social services.....	24.4	53.5	71.2	87.8	107.8	119.6
Subsidies to firms.....	2.3	4.8	5.4	7.9	9.9	10.2
Interest payments.....	7.4	21.5	29.5	40.6	49.8	60.3
Other.....	1.5	2.5	2.7	4.8	4.1	4.7
Total current expenditure.....	63.2	147.7	195.6	245.0	294.7	335.4
Capital account expenditure...	7.8	17.7	22.7	28.8	36.2	44.9
Total expenditure.....	71.0	165.4	218.3	273.8	330.9	380.3
(as percentage of GDP).....	(45.3)	(48.8)	(54.4)	(58.2)	(61.4)	(62.4)
Total Deficit	15.2	30.3	50.7	64.7	74.8	90.2
(as percentage of GDP).....	(9.7)	(8.9)	(12.6)	(13.7)	(13.9)	(14.7)
Total public sector borrowing requirement						
(as percentage of GDP).....	(11.4)	(11.1)	(13.3)	(16.3)	(17.0)	(16.7)
GDP	156.7	338.7	401.6	470.5	539.0	612.2

¹ For value of the lire—see Glossary.

² Includes income from capital.

³ Gross domestic product.

Source: Based on information from Banca d'Italia, *Annual Report, 1984* (Rome, May 1985), 174-75, 186-87.

Appendix A

Table 5. *Composition of Labor Force, 1979-84*

	(in millions)					
	1979	1980	1981	1982	1983	1984
Active labor force						
Agriculture.....	3.0	2.9	2.7	2.5	2.5	2.4
Construction.....	2.0	2.0	2.1	2.1	2.0	1.9
Industry.....	5.6	5.7	5.5	5.5	5.3	5.1
Services.....	9.6	9.9	10.2	10.4	10.7	11.2
Total active labor force.....	20.2	20.5	20.5	20.5	20.5	20.6
of which self-employed, in percent).....	(28.3)	(28.4)	(28.5)	(28.4)	(29.1)	(29.9)
Inactive labor force						
Unemployed.....	0.2	0.2	0.2	0.3	0.4	0.5
In search of first employment.....	0.9	0.9	1.0	1.1	1.3	1.2
Others in search of employment.....	0.6	0.6	0.7	0.6	0.6	0.7
Total inactive labor force.....	1.7	1.7	1.9	2.0	2.3	2.4
TOTAL.....	21.9	22.2	22.4	22.5	22.8	23.0

Source: Based on information from Banca d'Italia, *Annual Report, 1984*, Rome, May 1985, 686, appendix.

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Table 6. Unemployment and Participation Rates by Geographic Area and Sex, 1979-84 ¹

(in percentage)

Year	North			South			Total		
	Male	Fe- male	Total	Male	Fe- male	Total	Male	Fe- male	Total
Unemployment Rates									
1979.....	3.2	10.0	5.5	7.3	18.9	10.9	4.9	13.3	7.7
1980.....	2.9	9.3	5.1	7.5	20.2	11.5	4.8	13.1	7.6
1981.....	3.5	10.6	6.1	8.1	21.5	12.2	5.4	14.4	8.4
1982.....	4.2	11.3	6.7	9.0	21.9	13.0	6.1	14.9	9.1
1983.....	4.9	12.4	7.7	9.4	23.4	13.8	6.6	16.2	9.9
1984.....	5.1	14.0	8.4	9.5	23.8	14.0	6.8	17.1	10.4
Participation Rates									
1979.....	56.8	28.6	42.3	50.6	21.2	35.6	54.2	25.3	39.4
1980.....	57.3	29.5	43.0	50.6	21.8	35.9	54.4	26.0	39.9
1981.....	57.3	30.5	43.5	51.0	21.5	36.0	54.7	26.5	40.3
1982.....	56.9	30.4	43.3	51.2	21.6	36.1	54.6	26.7	40.3
1983.....	56.8	30.7	43.4	51.6	22.4	36.7	54.6	27.3	40.6
1984.....	56.7	31.7	43.8	51.6	22.3	36.7	54.6	27.8	40.9

¹ The participation rate is the total labor force divided by population. Table excludes central Italy, whose employment and participation rates are between those of the north and the south.

Source: Based on information from Banca d'Italia, *Annual Report, 1984*, Rome, May 1985, 70, appendix.

Appendix A

Table 7. Gross Domestic Product (GDP) at Market Prices, Selected Years, 1975-84

(in trillions of lira at 1970 constant prices)*

	1975	1980	1981	1982	1983	1984
Agriculture, forestry, and fishing	5.4	5.8	5.8	5.7	6.2	5.9
Industry						
Energy.....	3.8	4.3	4.2	4.2	4.1	4.1
Manufacturing.....	20.3	27.0	26.8	26.1	25.5	26.5
Construction.....	4.9	5.2	5.3	5.2	5.1	5.1
Total industry.....	29.0	36.5	36.3	35.5	34.7	35.7
Services						
Commerce and lodging.....	11.4	14.1	14.2	14.2	14.2	14.7
Transportation and communications.....	4.7	5.9	5.9	6.1	6.1	6.3
Credit and insurance.....	2.9	3.7	3.8	3.8	3.9	4.1
Public administration.....	8.4	9.0	9.1	9.2	9.3	9.4
Other services.....	9.8	11.3	11.5	11.6	11.7	12.1
Total services.....	37.2	44.0	44.5	44.9	45.2	46.6
Value added at market prices	71.6	86.3	86.6	86.1	86.1	88.2
Net imputed bank service and indirect import taxes	-0.7	-0.7	-0.9	-0.8	-1.2	-1.1
GDP AT MARKET PRICES	70.9	85.6	85.7	85.3	84.9	87.1

*For value of the lira—see Glossary.

Source: Based on information from Banca d'Italia, *Annual Report, 1984*, Rome, May 1985, 53.

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Table 8. Composition of Merchandise Trade, 1975 and 1984

(in billions of lira and percentage of total)*

	1975		1984	
	Value	Percent- age	Value	Percent- age
Exports				
Agriculture, forestry, and fishing.....	953	4.2	3,492	2.5
Extractive industry.....	54	0.2	128	0.3
Manufacturing.....				
Food processing, beverages, and tobacco...	1,062	4.6	6,161	4.8
Textiles.....	1,979	8.7	11,441	8.9
Clothing, leather goods, and furs.....	1,841	8.1	13,801	10.7
Wood processing.....	386	1.7	3,480	2.7
Metalmiscani (excluding transport equip- ment).....	5,597	24.5	32,991	25.5
Transport equipment.....	2,933	12.8	12,881	10.0
Chemicals.....	1,367	6.2	10,873	8.4
Metallurgy.....	2,111	9.2	11,344	8.8
Derivatives of petroleum and coal distil- lation.....	1,378	6.0	6,183	4.8
Other manufacturing.....	2,795	11.8	16,330	12.6
Total manufacturing.....	21,859	95.6	125,395	97.2
TOTAL EXPORTS.....	22,866	100.0	129,015	100.0
Imports				
Agriculture, forestry and fishing.....	3,059	12.2	12,262	8.3
Extractive industry.....	6,964	27.6	33,972	22.9
Manufacturing.....				
Food processing, beverages, and tobacco...	2,483	9.9	11,068	7.5
Textiles.....	748	2.8	5,170	3.5
Clothing, leather goods, and furs.....	285	1.1	2,605	1.8
Wood processing.....	373	1.5	2,125	1.4
Metalmiscani (excluding transport equip- ment).....	3,408	13.5	18,699	12.6
Transport equipment.....	1,628	6.5	11,855	8.0
Chemicals.....	2,122	8.4	15,357	10.4
Metallurgy.....	1,886	7.5	12,257	8.3
Derivatives of petroleum and coal distil- lation.....	723	2.9	10,576	7.1
Other manufacturing.....	1,554	6.1	12,232	8.2
Total manufacturing.....	15,177	60.2	101,914	68.8
TOTAL IMPORTS.....	25,200	100.0	148,178	100.0

*For value of the lira—see Glossary.

Source: Based on information from Banca d'Italia, *Annual Report, 1984*, Rome, May 1985, 92, appendix.

Appendix A

*Table 9. Geographic Distribution of Trade, Selected Years,
1975-84*

(in percentage)

	1975	1978	1981	1984
Exports				
Organization for Economic Cooperation and Development (OECD)				
European Communities (EC)				
West Germany.....	18.8	19.0	15.5	16.1
France.....	13.2	14.3	13.6	14.0
Other.....	11.6	16.4	11.0	15.3
Total EC.....	46.6	49.7	43.1	45.4
United States.....	6.5	7.1	6.8	10.9
Other OECD.....	14.3	13.1	13.4	14.5
Total OECD.....	67.4	69.9	63.3	70.8
Eastern Europe and China				
Soviet Union.....	2.9	2.0	1.7	2.2
Other Eastern Europe and China.....	3.8	2.7	2.0	4.8
Total Eastern Europe and China.....	6.7	4.7	3.7	7.0
Organization of Petroleum Exporting Countries (OPEC).....	10.7	12.6	17.1	11.7
Other.....	15.2	12.8	15.9	13.5
Total Exports.....	100.0	100.0	100.0	100.0
Imports				
Organization for Economic Cooperation and Development (OECD)				
European Communities (EC)				
West Germany.....	17.1	17.4	15.6	15.9
France.....	13.3	14.6	12.5	12.4
Other.....	13.2	13.3	12.6	15.0
Total EC.....	43.6	45.3	40.7	43.3
United States.....	8.7	6.8	6.8	6.1
Other OECD.....	10.5	11.9	11.1	13.5
Total OECD.....	62.8	64.0	58.9	62.9
Eastern Europe and China				
Soviet Union.....	2.3	3.0	3.4	4.8
Other Eastern Europe and China.....	3.4	2.6	2.3	3.0

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*Table 9. Geographic Distribution of Trade, Selected Years.
1975-84—Cont.*

(in percentage)

	1975	1978	1981	1984
Total Eastern Europe and China	5.4	5.6	5.7	7.8
Organization of Petroleum Exporting Countries (OPEC).....	20.4	17.8	21.4	15.7
Other.....	11.4	12.6	14.0	13.6
Total Imports.....	100.0	100.0	100.0	100.0

Source: Based on information from Banca d'Italia, *Annual Report, 1984*. Rome, May 1985, 89, appendix.

Appendix A

Table 10. Balance of Payments on a Transactions Basis, 1979-84¹

(in billions of lira)²

	1979	1980	1981	1982	1983	1984
Exports, f.o.b. ³	59,278	65,823	85,011	97,968	109,381	127,808
Imports, f.o.b.	60,069	79,814	97,043	108,707	114,063	138,593
Trade balance	- 791	-13,991	-12,032	-10,739	-4,682	-10,785
Freight and insurance....	-1,089	-1,137	-1,460	-1,380	-1,820	-2,220
Tourism	5,564	6,000	6,693	8,930	10,954	11,412
Property income	-451	-561	-3,630	-5,307	-5,918	-6,855
Other services.....	944	359	342	-84	872	1,311
Emigrant remittances.....	956	1,059	1,325	1,607	1,727	1,963
Private transfers	220	116	314	380	404	348
Public transfers	- 800	-136	-777	-819	-354	-362
Total services and transfers.....	5,344	5,700	2,807	3,327	5,865	5,597
Current account balance.....	4,553	-8,291	-9,225	-7,412	1,183	-5,188
Medium- and long-term capital movements.....	266	3,054	9,652	7,250	1,284	1,618
Short-term capital movements.....	-2,148	-305	1,734	-2,065	616	745
Total capital movements.....	-2,404	2,749	11,386	5,185	1,900	2,363
Errors and omissions.....	-325	-716	-628	-294	710	2,882
Overall balance	1,824	-6,258	1,533	-2,521	3,793	57
Changes in official reserves.....	1,004	7,886	1,322	-1,505	6,792	6,654
Changes in banks' net external position	-2,626	-1,946	-2,208	3,921	-11,183	-7,666
Exchange rate adjustments.....	-202	318	-647	105	598	955
TOTAL.....	-1,824	6,258	-1,533	2,521	-3,793	-57

¹ All figures net, except exports and imports.

² For value of the lira—see Glossary.

³ Free on board.

Source: Based on information from Banca d'Italia, *Annual Report, 1984*, Rome, May 1985, 86-87, 98, appendix.

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Table 11. Cabinets, May 1948–September 1985

Prime Minister	Date Formed	Member Parties
Alcide De Gasperi.....	May 23, 1948*	DC, PSDI, PRI, PLI
Alcide De Gasperi.....	January 27, 1950	DC, PSDI, PRI, PLI
Alcide De Gasperi.....	July 26, 1951	DC, PSDI, PRI
Alcide De Gasperi.....	July 16, 1953	DC
Giuseppe Pella.....	August 17, 1953	DC
Amintore Fanfani.....	January 17, 1954 (Failed confidence vote)	DC
Mario Scelba.....	February 10, 1954	DC, PSDI, PLI
Antonio Segni.....	July 7, 1955	DC, PSDI, PLI
Adone Zoli.....	May 16, 1957	DC
Amintore Fanfani.....	July 1, 1958	DC, PSDI
Antonio Segni.....	February 19, 1959	DC
Ferdinando Tambroni.....	March 26, 1960	DC
Amintore Fanfani.....	July 26, 1960	DC
Amintore Fanfani.....	February 21, 1962	DC, PRI, PSDI
Giovanni Leone.....	June 22, 1963	DC
Aldo Moro.....	December 4, 1963	DC, PRI, PSDI, PSI
Aldo Moro.....	July 22, 1964	DC, PRI, PSDI, PSI
Aldo Moro.....	February 23, 1966	DC, PRI, PSDI, PSI
Giovanni Leone.....	June 24, 1968	DC
Mariano Rumor.....	December 13, 1968	DC, PRI, PSI
Mariano Rumor.....	August 5, 1969	DC
Mariano Rumor.....	March 29, 1970	DC, PRI, PSI, PSU
Emilio Colombo.....	August 6, 1970	DC, PRI (withdrew February 27, 1971) PSI, PSU
Giulio Andreotti.....	February 17, 1972	DC
Giulio Andreotti.....	June 26, 1972	DC, PSI, PLI
Mariano Rumor.....	July 7, 1973	DC, PSI, PSU, PRI
Mariano Rumor.....	March 15, 1974	DC, PSI, PSDI
Aldo Moro.....	November 23, 1974	DC, PRI
Aldo Moro.....	February 12, 1976	DC
Giulio Andreotti.....	July 30, 1976 (resigned January 16, 1978)	DC
Giulio Andreotti.....	March 13, 1978	DC
Giulio Andreotti.....	March 21, 1979 (lasted only 10 days; persisted as caretaker government)	DC, PRI, PSDI
Francesco Cossiga.....	August 4, 1979 (resigned March 19, 1980)	DC, PSDI, PLI
Francesco Cossiga.....	April 4, 1980 (resigned September 27, 1980)	DC, PSI, PRI
Arnaldo Forlani.....	October 19, 1980 (resigned May 26, 1981)	DC, PSI, PSDI, PRI

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Table 11. Cabinets, May 1948–September 1985—Cont.

Prime Minister	Date Formed	Member Parties
Giovanni Spadolini (PRI).....	June 28, 1981 (resigned August 7, 1982)	DC, PSI, PSDI, PRI
Giovanni Spadolini (PRI).....	August 23, 1982 (resigned November 13, 1982)	DC, PSI, PSDI, PRI, PLI
Amintore Fanfani.....	December 11, 1982 (resigned April 29, 1983)	DC, PSI, PSDI, PLI
Bettino Craxi (PSI).....	August 4, 1983 (still in office in September 1985)	DC, PSI, PSDI, PRI, PLI

DC Partito Democrazia Cristiana (Christian Democratic Party)
 PLI Partito Liberale Italiano (Italian Liberal Party)
 PRI Partito Repubblicano Italiano (Italian Republican Party)
 PSDI Partito Socialista Democratico Italiano (Italian Social Democratic Party)
 PSI Partito Socialista Italiana (Italian Socialist Party)
 PSU Partito Socialista Unitario (Unitary Socialist Party)

*De Gasperi also formed the four preceding governments (December 10, 1945 to May 23, 1948).

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Table 12. Parliamentary Elections, 1976-83

Party	1976		1979		1983	
	Number of Seats	Percent-age of Seats	Number of Seats	Percent-age of Seats	Number of Seats	Percent-age of Seats
Chamber of Deputies						
DC.....	262	38.7	262	38.3	225	32.9
PCI.....	228	34.4	201	30.1	198	29.9
PSI.....	57	9.6	62	9.8	73	11.4
MSI-DN.....	35	6.1	30	5.3	42	6.8
PR.....	14	3.1	16	3.0	29	5.1
PSDI.....	15	3.4	20	3.8	23	4.1
PLI.....	5	1.3	9	1.9	16	2.9
PR.....	4	1.1	18	3.1	11	2.2
DP.....	6	1.5	0	0.0	7	1.5
SVP.....	3	0.5	4	0.6	3	0.5
PDI P.....	0	0.0	6	1.4	0	0.0
Other.....	1	1.4	2	2.1	3	2.7
Senate						
DC.....	135	38.9	138	38.3	120	32.4
PCI.....	116	33.8	109	31.5	107	30.8
PSI.....	29	10.2	32	10.4	38	11.4
MSI-DN.....	15	6.6	13	5.7	18	7.3
PR.....	6	2.7	6	3.4	10	4.7
PSDI.....	6	3.1	9	4.2	8	3.8
PLI.....	2	1.4	2	2.2	6	2.7
PR.....	0	0.8	2	1.3	1	1.8
DP.....	0	0.2	0	0.0	0	1.1
SVP.....	2	0.5	3	0.5	3	0.5
PDI P.....	0	0.0	0	0.0	0	0.0
Other.....	4	1.8	4	2.5	4	3.5
DC.....	Partito Democrazia Cristiana (Christian Democratic Party)					
DP.....	Democrazia Proletaria (Proletarian Democracy)					
MSI-DN.....	Movimento Sociale Italiano-Destra Nazionale (Italian Social Movement-National Party)					
PCI.....	Partito Comunista Italiano (Italian Communist Party)					
PDI P.....	Partito Democratico di Unità Proletaria per il Comunismo (Democratic Party of Proletarian Unity for Communism)					
PLI.....	Partito Liberale Italiano (Italian Liberal Party)					
PR.....	Partito Radicale (Radical Party)					
PR.....	Partito Repubblicano Italiano (Italian Republican Party)					
PSDI.....	Partito Socialista Democratico Italiano (Italian Social Democratic Party)					
PSI.....	Partito Socialista Italiana (Italian Socialist Party)					
SVP.....	Südtiroler Volkspartei (South Tyrol People's Party)					

Appendix A

Table 13. Local Elections, 1980 and 1985

	1980		1985	
	Number of Seats	Percentage of Seats	Number of Seats	Percentage of Seats
Regional elections				
DC.....	290	36.8	276	35.0
PCI.....	233	31.5	225	30.2
PSI.....	86	12.7	94	13.3
MSI-DN.....	37	5.9	41	6.5
PRI.....	18	3.0	25	4.0
PLI.....	15	2.7	13	2.2
PSDI.....	30	5.0	24	3.6
DP.....	3	0.9	9	1.5
Green Party.....	0	0.0	9	1.7
Other.....	8	1.5	5	2.0
Provincial elections				
DC.....	988	35.5	951	33.5
PCI.....	827	31.5	824	29.9
PSI.....	349	13.2	374	13.7
MSI-DN.....	150	6.5	179	7.3
PRI.....	79	3.5	98	4.4
PLI.....	53	2.9	49	2.6
PSDI.....	130	5.4	103	4.1
DP.....	3	0.6	14	1.6
Green Party.....	0	0.0	16	1.0
Other.....	6	0.5	31	1.7
Communal elections				
DC.....	15,919	34.9	17,036	33.9
PCI.....	11,736	30.7	12,317	28.5
PSI.....	5,479	14.1	6,489	14.9
MSI-DN.....	810	4.3	1,190	5.3
PRI.....	844	3.8	1,213	4.8
PLI.....	375	2.6	413	2.4
PSDI.....	1,670	5.3	1,463	4.4
DP.....	55	0.7	122	1.1
Green Party.....	0	0.0	73	1.0
Other.....	1,337	4.4	3,435	3.7
DC.....	Partito Democrazia Cristiana (Christian Democratic Party)			
DP.....	Democrazia Proletaria (Proletarian Democracy)			
MSI-DN.....	Movimento Sociale Italiano-Destra Nazionale (Italian Social Movement-National Right)			
PCI.....	Partito Comunista Italiano (Italian Communist Party)			
PLI.....	Partito Liberale Italiano (Italian Liberal Party)			
PRI.....	Partito Repubblicano Italiano (Italian Republican Party)			
PSDI.....	Partito Socialista Democratico Italiano (Italian Social Democratic Party)			
PSI.....	Partito Socialista Italiana (Italian Socialist Party)			

Source: Based on information from *Corriere della Sera*, Milan, May 14-16, 1985; and *La Repubblica*, Rome, May 14-16, 1985.

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Table 1-4. Major Army Weapons, 1985

Type	Estimated in Inventory	Country of Origin
Armored vehicles		
M-47 main battle tank (MBT)	550	United States
M-60 A1 MBT	300	-do-
Leopard 1 MBT	920	West Germany
M-106 armored personnel carriers (APC)		United States
M-113		-do-
M-548	1,410	-do-
M-577		-do-
AMX-VCI		Italy
Artillery		
155mm SP gun/howitzer	36	United States
105mm model 56 pack howitzer	320	Italy
155mm howitzer	724	-do-
Lance surface-to-surface missile (SSM)	6	United States
Aircraft		
Agusta-Bell AB-206 helicopter	140	Italy
AB-205 A helicopter	100	-do-
Chinook CH-47 transport helicopter	24	United States
Agusta-Bell A-129 combat helicopter	60 (on order)	Italy

Source: Based on information from *The Military Balance, 1984-1985*, London, 1984.

Appendix A

Table 15. Major Naval Weapons, 1985

Type	Estimated in Inventory	Country of Origin
Submarines		
Sauro-class	4	Italy
Toti-class	4	-do-
Tang-class	2	United States
Aircraft carriers		
<i>Giuseppe Garibaldi</i> STOVL or helicopter carrier...	1	Italy
<i>Littorio Veneto</i> helicopter carrier with 9 AB-212 antisubmarine warfare (ASW) helicopters.	1	-do-
Cruisers		
Andrea Doria-class with 4 AB-212 ASW helicopters.	4	-do-
Destroyers		
Audace-class with 2 AB-212 ASW helicopters	2	-do-
Impavido-class	2	-do-
Frigates		
Maestrale-class with Teseo surface-to-surface missiles (SSM) and Aspide surface-to-air missiles (SAM).	7	-do-
Lupo-class with Teseo SSM and Sea Sparrow SAM.	4	-do-
Alpino-class with 2 AB-212 ASW helicopters	2	-do-
Bergamini-class with 1 AB-212 ASW	2	-do-
Aircraft		
Agusta Bell AB-212 ASW helicopters	55	-do-
On order		
Sauro-class submarines	2	-do-
Audace-class destroyers	2	-do-
Maestrale frigate	1	-do-
Minesweepers		
Aggressive-class ocean minesweepers	4	United States
Agave-class coastal minesweepers	13	Italy
Aragosta-class inshore minesweepers	5	-do-

Source: Based on information from *The Military Balance, 1984-1985*, London, 1984.

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Table 16. Major Air Force Weapons, 1985

Type	Estimated in Inventory	Country of Origin
Combat aircraft		
Lockheed F-104S jet interceptor.....	72	United States
Aermacchi MB-339 fighter/ground attack aircraft (FGA).....	15	Italy
Lockheed F/RF-104G reconnaissance aircraft.....	30	United States
Transport aircraft		
C-222 general purpose transport aircraft.....	38	Italy, West Germany, Britain*
Lockheed C-130H.....	10	United States
Aircraft on order		
Tornado multiple role combat aircraft (MMRCA).....	64	Italy, West Germany, Britain*
AM-X FGA aircraft.....	187	-do-
Agusta Bell AB-212 helicopter.....	18	Italy

*Joint production under auspices of North Atlantic Treaty Organization.

Source: Based on information from *The Military Balance, 1984-1985*. London, 1984.

Appendix B

The European Communities

The complex and ever changing institutions that make up the European Communities (EC—also commonly called the European Community) form more than a framework for free trade and economic cooperation. The signatories to the treaties governing the community have agreed in principle to integrate their economies and ultimately to form a political union. Frequent strong opposition from both the public and concerned politicians does not detract from the founders' intentions, born in the aftermath of World War II, to create a peaceful union of formerly hostile states.

The EC is actually a merger of three separate communities. The first, the European Coal and Steel Community (ECSC), was established by a treaty signed in Paris on April 18, 1951. After several false starts to expand the community, the original members agreed to form the European Economic Community (EEC, or Common Market) and the European Atomic Energy Community (EURATOM) by treaties signed in Rome on March 25, 1957. The EEC and EURATOM modeled their governing institutions on those of the ECSC. Another treaty, signed in Brussels on April 8, 1965, planned the merger of the institutions governing all three communities, which was achieved about two years later.

The governing bodies of the EC act under guidelines from any of the community treaties as necessary. The provisions of the EEC treaty are the broadest of the three treaties: the elimination of all barriers to trade and to the movement of persons, services, and capital; the development of common policies on trade, agriculture, and transportation; the regulation of fair business practices; the harmonization of economic policies and laws; the creation of social development funds and investment banks; and the allocation of special assistance to an association of former colonies and dependencies affiliated with the member states. Those of the ECSC and EURATOM treaties are similar but limited to their respective industries.

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Belgium, France, Italy, Luxembourg, the Netherlands, and the Federal Republic of Germany (West Germany) are original members of the community. Britain, Denmark, and Ireland joined on January 1, 1973; Greece became a member on January 1, 1981. Portugal and Spain applied for membership in 1977, and after years of tortuous negotiations regarding their accession, treaties were signed in June 1985 to allow their entry on January 1, 1986.

The leading institutions of the EC are the Council of Ministers of the European Communities and the Commission of the European Communities, which are both headquartered in Brussels (see fig. A, this Appendix). The council tends to represent the interests of the individual member states; the commission represents those of the EC as a body. In theory, the fields of competence for each organization are separate; in practice, they overlap and blur. Generally, the council makes all the major decisions, acting on advice from the commission, which proposes and implements policy.

The council makes decisions by qualified majority or unanimous vote. For a qualified majority the votes are weighted roughly by population: Britain, France, Italy, and West Germany receive 10 votes each; Belgium, Greece, and the Netherlands, five each; Denmark and Ireland, three each; and Luxembourg, two. Unless the council acts on a proposal from the commission, it must have the approval of no fewer than six members for a qualified majority. An agreement reached in 1966 known as the Luxembourg Compromise requires unanimity, however, when any one country declares a decision to be of vital importance. Although the agreement is not part of an EC treaty document, it has been breached only rarely, as, for example, in May 1982, when Britain tried to veto a vote on agricultural policy to gain leverage in other budgetary negotiations. Unanimity is preferred for all major decisions. Several initiatives have been taken to make qualified majority voting the norm for all council actions. Each member appoints a permanent representative to the council to act as ambassador. The actual representative at meetings varies, however, but is usually a cabinet minister familiar with the issues under discussion. The presidency of the council rotates every six months. The council is assisted by a secretariat, which had some 1,800 staff members in 1984.

The commission has two representatives each from Britain, France, Italy, and West Germany and one representative from each of the other member states. They are appointed for four-year terms. In 1984 some 12,600 permanent and 650 temporary staff members, organized into 20 specialized directorates-general, aided the commission in performing its duties.

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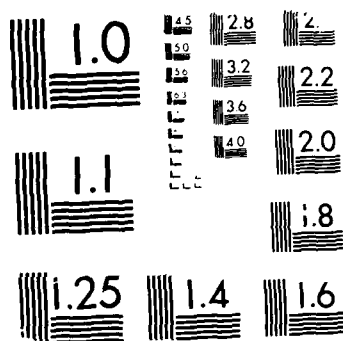
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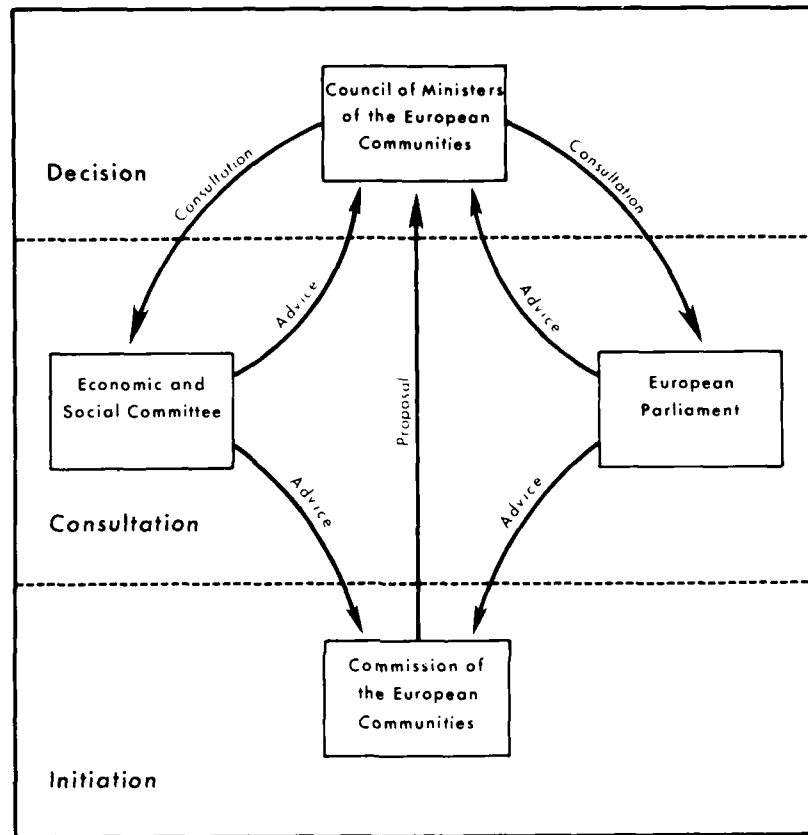
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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS 1963-A



Source: Based on information from Emile Noël, *Working Together: The Institutions of the European Community*, Luxembourg, 1985, 6.

Figure A. The European Communities' Decisionmaking Process, 1985

Since 1974 it has become customary for the heads of state or government of the members of the EC to meet three times a year in a summit conference called the European Council. Although there is no mention of this organization in any EC treaty document, some legal experts believe it to be the supreme manifestation of the Council of Ministers of the European Communities. The European Council has become an important forum for developing common approaches to foreign policy as well as economic issues. West Germany and Italy have proposed that its role be formalized.

The European Parliament, located in Strasbourg, France, has only advisory powers over the council and the commission, although it may remove the officers of the commission by a three-

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fourths vote of censure. It does not legislate but responds to actions or queries from the council and the commission and must approve the budget. If parliament rejects the budget, a complex procedure of month-to-month accounting ensues, which gives parliament some bargaining power. Parliament represents the European citizenry, who directly elect their representatives every five years according to local electoral laws. (There was an election in June 1984.) Britain, France, Italy, and West Germany elect 81 members each; the Netherlands, 25; Belgium and Greece, 24 each; Denmark, 16; Ireland, 15; and Luxembourg, 6, for a total of 434 representatives. Parliament had a support staff of 2,950 people in 1984.

The Court of Justice has the final say in interpreting and applying EC "laws," i.e., the policies of the council and the commission, and may judge any document or action except nonbinding opinions of the council. Individuals, corporations, governments, or EC institutions may bring suit to the court. The court may also render preliminary opinions on cases brought to it by other courts within the national judicial systems of the EC members. The court has 11 judges and five advocates-general who serve for renewable six-year terms. All members of the court must be chosen by unanimous decision of the council. In 1984 the court had 480 support staff members.

The Court of Auditors controls and monitors all budgetary revenues and expenditures of the EC. The court consists of 10 members selected by the council for six-year terms. In 1984 the court had a staff of 300 people.

From time to time, proposals from the council or the commission are discussed with the Economic and Social Committee, which is made up of about 150 representatives from employers' groups, trade unions, and other interest groups. Other important EC institutions include the European Investment Bank, agricultural advisory committees set up for individual commodities and markets, the European Social Fund, the European Agricultural Fund, and various other funds.

The plethora of organizations dealing with agricultural problems demonstrates the central importance of this sector to the EC. Most of the EC budget is geared toward applying the Common Agricultural Policy (CAP), which has stirred considerable debate in the 1980s. The CAP was initially successful in supporting the prices of farm products but by the early 1980s had become a drain on the budget. Britain, whose agricultural work force numbers less than one-third of the EC average, has been especially vigorous in

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demanding a reduction in both its budgetary contribution and CAP subsidies.

Another set of issues facing the EC concerned institutional reform. In June 1984 an ad hoc committee on institutional affairs was created to consider, among other proposals, the strengthening of the commission's powers, the more frequent use of the qualified majority in the council, and the expansion of parliament's responsibilities. Parliament has drafted the Treaty of European Union, which would broaden cooperation between the EC states and require the council to share its legislative powers with parliament. In 1985 it was trying to raise support for the treaty in the national parliaments of the member states. It was doubtful whether these efforts could persuade the council to relinquish any of its powers.

Appendix C

The North Atlantic Treaty Organization

The North Atlantic Treaty Organization (NATO; also called the Atlantic Alliance) is a defensive alliance formed in 1949 to maintain Western military preparedness and to deter conflict with the Soviet Union and the member states of the Warsaw Pact. NATO is an association of Western nations joined together to preserve their security through mutual guarantees and collective self-defense, as recognized by Article 51 of the United Nations Charter. It is an intergovernmental, not a supranational, organization in which member states retain their full sovereignty and independence. The member states of NATO are Belgium, Britain, Canada, Denmark, France, the Federal Republic of Germany (West Germany), Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey, and the United States.

The political task of NATO is to provide for periodic consultation on common political problems and also to give direction to the military aspects of the alliance. The military task of NATO in peacetime is to establish joint defense plans and necessary infrastructures and to sponsor joint training exercises among its members. In peacetime, national forces receive orders from their own national authorities; in war, all forces committed to NATO would be under the direction of the unified NATO command structure.

The aim of the alliance is to guarantee the security of its members and to foster stable international relations. It seeks to achieve these objectives through a policy based on principles of defense and détente. The alliance maintains a strong defense in order to ensure credible deterrence. At the same time, NATO seeks to establish a constructive East-West relationship through dialogue and mutually advantageous cooperation. This includes efforts to achieve significant, equitable, and verifiable nuclear arms reductions.

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Alliance decisions reflect the collective perceptions of the member states and are reached through consultation and consensus. The major forum for consultation within the alliance is the North Atlantic Council (NAC), which is composed of ministerial representatives of the 16 member nations. The NAC meets twice each year, and the members are represented by their ministers of foreign affairs. The NAC occasionally meets at the head of state level as well (see fig. A, this Appendix).

The Defense Planning Committee (DPC) is composed of representatives of the member countries that actively participate in NATO's integrated military structure and deals specifically with defense matters. At the ministerial level member nations are represented by their ministers of defense. (France withdrew from military participation in the alliance in 1966; Iceland has no military forces.) The secretary general of NATO presides over meetings of the DPC and the NAC.

Nuclear matters are discussed by the Nuclear Planning Group (NPG). The NPG meets twice each year at the level of ministers of defense and as required at the permanent representative level.

The permanent representatives of member countries (ambassadors) are supported by delegations at NATO headquarters in Everre, a suburb of Brussels. NATO military headquarters are located near Mons in southwest Belgium.

The Military Committee is the highest military authority of the alliance and is composed of the chiefs of staff of all member nations but France and Iceland. The chiefs of staff meet at least twice each year. To allow the Military Committee to function continuously, each member also has a permanent military representative. The Military Committee is responsible for recommendations to the NAC and the DPC on actions necessary for the common defense of the NATO area and for supplying guidance on military matters to the major NATO commanders.

The strategic area covered by the alliance is divided among three commands: Allied Command Europe (ACE), Allied Command Atlantic (ACLANT), and Allied Command Channel (ACCHAN). The commanders of these commands are, respectively, Supreme Allied Commander Europe (SACEUR), Supreme Allied Commander Atlantic (SACLANT), and Commander in Chief Channel (CINCHAN). ACE covers the area extending from the North Cape to the Mediterranean Sea and from the Atlantic Ocean to the eastern border of Turkey, excluding Britain and Portugal; the defense of this area falls under several NATO commands. ACLANT covers approximately 31 million square kilometers of the Atlantic Ocean. This area extends from the North Pole to the Tropic of Cancer and from

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the waters of North America to the coasts of Europe and Africa, except for the English Channel and Britain. ACLANT's primary wartime responsibility is to provide security for the Atlantic area by guarding the sea lanes and denying their use to an enemy in order to safeguard the reinforcement and resupply of NATO Europe with matériel and personnel. ACCHAN covers the English Channel and the southern areas of the North Sea. Its mission is to control and protect merchant shipping in the area and to cooperate with ACE in the air defense of the channel. The forces assigned to ACCHAN are primarily naval but also include maritime air forces. ACCHAN includes the Standing Naval Force Channel (STANAVFORCHAN), which is a permanent force composed of mine countermeasure vessels of NATO countries.

NATO military forces consist of three interlocking elements, known as the NATO Triad. The conventional forces are able to resist a conventional attack and sustain a conventional defense in forward battle areas until reinforced. The intermediate- and short-range nuclear forces enhance the conventional deterrent and, if necessary, the defensive effort of the conventional forces against a conventional attack. The nuclear forces would also deter and defend against an attack by nuclear forces of the same kind and provide a linkage to strategic nuclear forces of the United States and Britain, which constitute the third element of the NATO Triad.

NATO has adopted a defensive strategy of "flexible response." This means that NATO maintains sufficient forces to respond to any level of aggression and possesses the full spectrum of forces to counter any act of aggression with an equal or higher level of response. The maintenance of credible deterrence is increasingly difficult because of continued improvement and modernization of the Warsaw Pact forces and because of a common perception that NATO forces have become inferior to the Warsaw Pact. NATO defense policy is also based on eventual disarmament and arms control. In negotiations conducted in Geneva and Vienna, both sides have been discussing reductions not only in nuclear weapons and delivery systems but also in levels of conventional forces. The objective of these talks is an eventual balance of forces at much lower levels.

NATO has survived since 1949, despite policy differences between its members, because the members have been bound by common values and a common desire to unite in defense against a possible military attack by Warsaw Pact forces. Recognizing the political and economic constraints facing West European governments, they have nevertheless made progress in areas considered to be contentious in the early 1980s: sharing the NATO burden

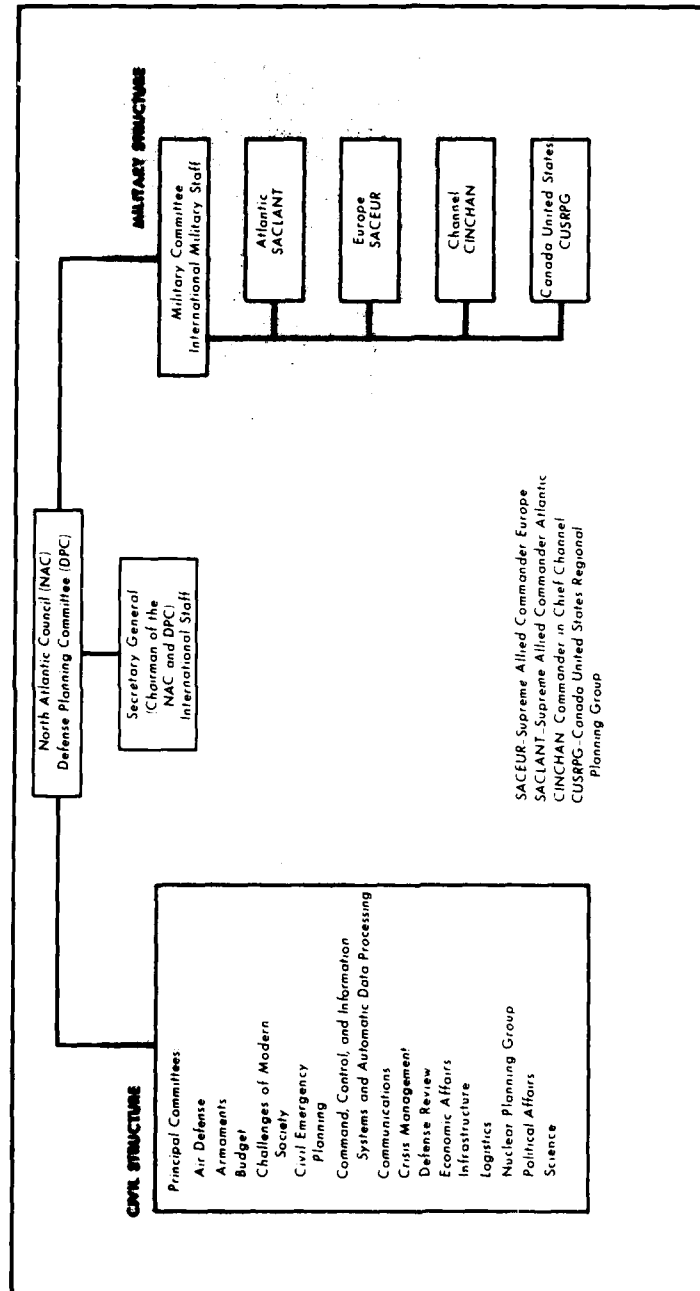


Figure A. Civil and Military Structure of North Atlantic Treaty Organization, 1984

Source: Based on information from NATO Information Service, *Nato Handbook*, Brussels, 1983, 30-56; and NATO Information Service, *The North Atlantic Treaty Organization: Facts and Figures*, Brussels, 1981, 89-112.

Appendix C

(maintaining equivalent levels of financial support), coordinating sanctions against the Soviet Union, and making common policies on problems outside the NATO area.

At least four previous controversies have presented greater cause for alarm than the issues facing the alliance in the 1980s: arguments over the European Defense Community (1950-54), American anger over the Suez invasion of 1956, French withdrawal from NATO military activities in 1966, and European concern about American involvement in Vietnam from 1965 to 1975. In addition, the alliance has been torn by debates over the Multilateral Force and Greek-Turkish conflicts over Cyprus.

Difficulties in the mid-1980s reflected the different attitudes the allies had toward Soviet behavior, problems outside the area, international economic difficulties, and defense doctrine and responsibilities. NATO has faced internal tensions created by the antinuclear movement, continued Greek-Turkish disputes, and a perceived growth in Eurocommunism. Many of these controversies have been magnified because of Western Europe's growing self-confidence and willingness to express openly doubts about American policies.

NATO's formal mandate does not encompass the defense of its members' vital interests if they lie outside the treaty area. Historically, the United States has resisted bringing the colonial and post-colonial commitments of Western Europe under the NATO umbrella. This long-held view has been modified as a result of the extraordinary impact of increased Western dependency on Persian Gulf oil, the revolution in Iran, and the Soviet invasion of Afghanistan. Despite their economic dependency, West Europeans have been less emotionally affected by these events than the United States and have resisted extending the NATO security area to include the Persian Gulf. Most policymakers agreed in the mid-1980s that a formal extension of NATO's area of coverage is unrealistic.

The economic problems confronting NATO members also exacerbate problems within the alliance. Divergent macro-economic policies are a primary source of tension between the allies. High United States interest rates have been blamed by West Europeans for attracting short-term capital to the United States, driving up the dollar's exchange rate relative to the West European currencies

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and pulling up interest rates in Western Europe. West European governments, especially that of West Germany, have pointed out that the more expensive United States dollar increases the cost of buying United States military equipment as well as importing oil. Higher interest rates also increase government budget deficits in Western Europe and make it harder for those states to meet defense-spending commitments.

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Glossary

DC—Partito Democrazia Cristiana (Christian Democratic Party).
Abbreviation is always DC rather than PDC.

GDP—Gross domestic product. The total value of all final (consumption and investment) goods and services produced by an economy in a given period, usually a year.

GNP—Gross national product. GDP (*q.v.*) plus the income from overseas investments minus the earnings of foreign investors in the home economy.

International Monetary Fund (IMF)—Established along with the World Bank (*q.v.*) in 1945, the IMF is a specialized agency affiliated with the United Nations and is responsible for stabilizing international exchange rates and payments. The main business of the IMF is to provide loans to its members (including industrialized and developing countries) when they experience balance of payments difficulties. These loans frequently carry conditions that require substantial internal economic adjustments by the recipients, most of which are developing countries.

Italian lira (L.)—The national currency. Since 1980 the lira has generally fluctuated downward; it was devalued 7.8 percent inside the European Monetary System in July 1985. The number of lira per US\$1 averaged 930.5 in 1980; 1,200 in 1981; 1,370 in 1982; 1,659.5 in 1983; and 1,935.9 in 1984. Before the July 1985 devaluation, the lira exchange rate sank to 2,200 lira per US\$1, but it appeared to have stabilized at around 1,900 lira per US\$1 by the end of August.

Mezzogiorno—Name used to designate the southern part of the Italian peninsula.

North-South—This refers to regional contrast between the north and south of Italy. In this context the south is collectively called the Mezzogiorno as opposed to the rest of Italy. The south includes the regions of Campania, Abruzzi, Molise, Puglia, Basilicata, Calabria, Sicily, and Sardinia. The Mezzogiorno is an official designation used for many purposes.

OECD (Organisation for Economic Co-operation and Development)—Established in 1961 to replace the Organisation for European Economic Co-operation, the OECD is an international organization composed of the industrialized market economy countries (24 full members as of 1984). It seeks to pro-

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mote economic and social welfare in member countries as well as in developing countries by providing a forum in which to formulate and coordinate policies designed to this end.

submerged economy—Economic activity or remunerated work not reported to the public authorities to avoid income taxes and social security contributions. Sometimes called the black or gray economy.

Western European Union (WEU)—In 1948 Belgium, Britain, France, Luxembourg, and the Netherlands signed a treaty envisioning a collective security arrangement that was at least inferentially a hedge against a militarily resurgent Federal Republic of Germany (West Germany). Meanwhile in 1949 NATO was formed. In 1954 a nine-power conference agreed in London to include West Germany and Italy in the as yet unorganized WEU, to terminate Allied occupation of West Germany, and to make it possible for West Germany to join NATO. The London agreement was ratified in 1955, when WEU also came into being. By acceding to the WEU, West Germany accepted limitations on its rearmament and weapons manufacture; separately, it also renounced the manufacture of atomic, bacteriological, and chemical weapons. In the mid-1980s the WEU, headquartered in London, dealt mostly with intra-European-union political questions, but also occasionally with European defense issues.

World Bank—Informal name used to designate a group of three affiliated international institutions: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC). The IBRD, established in 1945, has the primary purpose of providing loans to developing countries for productive projects. The IDA, a legally separate loan fund but administered by the staff of the IBRD, was set up in 1960 to furnish credits to the poorest developing countries on much easier terms than those conventional IBRD loans. The IFC, founded in 1956, supplements the activities of the IBRD through loans and assistance designed specifically to encourage the growth of productive private enterprises in the less developed countries. The president and certain senior officers of the IBRD hold the same positions in the IFC. The three institutions are owned by the governments of the countries that subscribe their capital. To participate in the World Bank group, member states must first belong to the International Monetary Fund (IMF—*q.v.*).

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550-50	Cambodia	550-81	Korea, North
550-166	Cameroon	550-41	Korea, South
550-159	Chad	550-58	Laos
550-77	Chile	550-24	Lebanon
550-60	China	550-38	Liberia
550-63	China, Republic of	550-85	Libya
550-26	Colombia	550-172	Malawi
550-91	Congo	550-45	Malaysia
550-90	Costa Rica	550-161	Mauritania
550-152	Cuba	550-79	Mexico
550-22	Cyprus	550-76	Mongolia
550-158	Czechoslovakia	550-49	Morocco
550-54	Dominican Republic	550-64	Mozambique
550-52	Ecuador	550-35	Nepal, Bhutan, and Sikkim
550-43	Egypt	550-88	Nicaragua
550-150	El Salvador	550-157	Nigeria
550-28	Ethiopia	550-94	Oceania
550-167	Finland	550-48	Pakistan
550-155	Germany, East	550-46	Panama
550-173	Germany, Fed. Rep. of	550-156	Paraguay
550-153	Ghana	550-185	Persian Gulf States
550-87	Greece	550-42	Peru
550-78	Guatemala	550-72	Philippines
550-174	Guinea	550-162	Poland
550-82	Guyana	550-181	Portugal
550-164	Haiti	550-160	Romania

550-84	Rwanda	550-89	Tunisia
550-51	Saudi Arabia	550-80	Turkey
550-70	Senegal	550-74	Uganda
550-180	Sierra Leone	550-97	Uruguay
550-184	Singapore	550-71	Venezuela
550-86	Somalia	550-57	Vietnam, North
550-93	South Africa	550-55	Vietnam, South
550-95	Soviet Union	550-183	Yemens, The
550-179	Spain	550-99	Yugoslavia
550-96	Sri Lanka (Ceylon)	550-67	Zaire
550-27	Sudan	550-75	Zambia
550-17	Syria	550-171	Zimbabwe
550-62	Tanzania		
550-53	Thailand		
550-178	Trinidad and Tobago		



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