

A Special Case or Simply a Case of Regional imbalances? Italy's Southern Question in Transnational Perspective

Un caso unico o un caso universale? La questione meridionale in prospettiva transnazionale

ABSTRACT In recent years there has been a general consensus that the economic disparities between Italy's North (and North East and Centre) and the South should be approached not as a special case but as one example case of regional imbalances and under-development evident in many other European states and in the USA. For reasons that are reviewed in this paper, those arguments took shape in the 1980s and early 1990s and were accentuated by the evident failures of the final decades of the post-war development programme and the *Cassa per il Mezzogiorno*. The critique of those policies, combined with new ideas promoted by the spectacular successes of the Third Italy in the 1980s paved the way for new policy proposals that looked to promote local initiatives in the southern regions and build up new stock of "social capital". The crisis of the Italian political system in the early 1990s and the post Maastricht expansion of EU regional development and cohesion policies created the opportunities for adopting new policies that were focused on specific regions and localities and abandoned the broader notion of a "Questione Meridionale". The annual reports of SVIMEZ over the last 7 years and especially the two most recent (for 2013 and 2014) offer a clear picture of the failure of these policies to prevent the North-South disparities increasing. Among the reasons that have been advanced to explain the continuing relative decline of economic and social conditions throughout the South, this paper focuses on the analysis developed shortly before the end of his career by Luigi De Rosa. Surveying the course of the southern economies since Unification, De Rosa argued that reasons for the failure to develop adequate or consistent responses are best explained by the power exercised at a political level by powerful vested interests especially in the North but also in the South. In the intervening decade, the problems have been exacerbated not only by the problems facing the European and global economies and the most productive sectors of the Italian economy, but also by what Gianfranco Pasquino has termed the persisting "transition

without end" that remains unresolved since the Italian political crisis of the 1990s.

Negli ultimi anni, gli studiosi hanno affrontato il tema del divario tra il Nord (e il Nord Est e il Centro) e il Mezzogiorno non più come un caso in qualche modo "unico", quanto piuttosto come un esempio, più o meno "universale", di sottosviluppo e di squilibrio regionale, presente peraltro in molti paesi europei e negli Stati Uniti. Per una serie di ragioni, che vengono discusse in questo scritto, tale nuovo approccio ha preso forma negli anni Ottanta e nei primi anni Novanta, in concomitanza con la crisi delle politiche di sviluppo attuate negli anni del dopoguerra, in particolare da parte della *Cassa per il Mezzogiorno*. La serrata critica di quelle scelte, unitamente ai successi della cosiddetta "Terza Italia", hanno, infatti, aperto il varco a politiche volte alla promozione dei singoli territori e alla costruzione del "capitale sociale". All'inizio degli anni Novanta, la crisi sistema politico italiano, da una parte, e le politiche dell'Unione europea per la coesione e per lo sviluppo, dall'altra, hanno contribuito a creare le condizioni per l'adozione di queste nuove politiche centrate sulle specificità locali, le quali hanno segnato, di fatto, la fine dell'idea stessa di una complessiva "questione meridionale". I rapporti redatti dalla SVIMEZ negli ultimi sette anni — gli anni della crisi — e, in modo speciale, i più recenti (2013-2015), registrano però il fallimento anche di quelle politiche. Il divario, infatti, invece di diminuire, è aumentato. Tra le ragioni che possono contribuire a spiegare il persistente arretramento relativo delle condizioni economiche e sociali del Mezzogiorno, questo scritto pone in evidenza, in particolare, quelle già illustrate, poco prima della sua scomparsa, da Luigi De Rosa. Nel ricostruire, infatti, le vicende del Mezzogiorno dall'Unità d'Italia in poi, De Rosa attribuiva l'incapacità di articolare risposte coerenti alla responsabilità politica di influenti interessi costituiti, attivi non soltanto nel Nord del Paese ma anche nel Mezzogiorno. Nel decennio successivo alla scomparsa di Luigi De Rosa (2004), questi problemi si sono acuiti, non soltanto a causa dell'impatto della crisi europea e globale, ma anche di ciò che Gianfranco Pasquino definisce la "transizione senza fine" del Paese, iniziata già negli anni Novanta e tuttora irrisolta.

For more than two decades it has been widely argued that despite its long history of Italy's *Questione Meridionale*, the historic and contemporary economic disparities betwe-

en the North and the South are not peculiar to Italy. This marks an important shift away from the principles that had dominated the development policies of previous Italian governments, and especially those associate with the founding of the Cassa per il Mezzogiorno (CasMez) in 1950 and the policy of *intervento straordinario* that followed.

Although not finally wound up until 1992, the CasMez had effectively ceased to operate since 1984. The public campaign against the policies of *intervento straordinario* therefore came before the anti-southern politics of the Northern League in the late 1980s, even though their frequently racist rhetoric has contributed to heighten the emotional tone of these debates. But demands for revision of the central objectives of post-war policies for the South came above all from economists, intellectuals and political figures. These criticisms found wide support in the South where the newly founded journal *Meridiana*, provided an influential forum for debating past and future development projects for the South.

Many now argued that the initiatives promoted by CasMez had aggravated rather than resolved the situation and that since the 1970s the greater part of its funds had been syphoned off for purposes that had more to do with political patronage and even corruption than development. The errors lay not only in application, however. The *intervento straordinario*, critics claimed, was premised on outdated forms of "top-down" planning which was why in practice they were frequently ineffective and misguided: for example, the heavy industrial projects of the 1970s that endowed the Mezzogiorno with an anachronistic industrial plants that were ridiculed as "cathedrals in the desert". The new steel plants at Gioia Tauro and Taranto, for example, were inactive while the broader economic "linkages" that the advisers of the CasMez had predicted never materialized (Bagnasco, 1977; Trigilia, 1992).

Critics of the *intervento straordinario* insisted that too often it addressed a Mezzogiorno that no longer existed. Thanks to the *rimborso agrario* and of the initial infrastructural projects funded by the CasMez in the 1950s and thanks to Italy's post-war *miracolo economico*, the nature of the *Questione Meridionale* had changed out of recognition. Mass emigration in the 1950s and 1960 — much of it drawn for the first time to the expanding industrial cities of northern Italy — had depopulated the rural South, removing the chronic problems of rural over-population and under-employment described so vividly in Carlo Levi's *Cristo si è fermato a Eboli*.

In the early 1990s the Sicilian historian Giuseppe

Giarrizzo spoke for many when he took the lead in calling for new approaches and the need to break with the long tradition of writings and analysis referred to in Italian simply as "meridionalismo". The problems of the Mezzogiorno at the end of the 20 century, Giarrizzo argued, were no longer rural but urban and metropolitan. Nor were they unique. Indeed, the conditions of urban decay, underemployment, underemployment, delinquency, drug abuse and organized criminality that were only too evident in the great southern cities had little to do with the *Questione Meridionale*. They were better understood, and hence addressed, in terms of a transnational crisis of contemporary post-industrial cities, as evident in New York, Detroit or Los Angeles as in Napoli or Palermo (Giarrizzo & Iachello, 2002).

Calls for new approaches to the economic and social problems of the South came at a moment of much wider changes, and not only within Italy. 1992 was the year of the Maastricht Treaty and the decisive moves toward closer integration of the Europe Union's economic and the single European currency Maastricht also gave new impetus to the programmes for development launched in 1987 on the principle of regional cohesion (Leonardi, 2005).

Italy's willingness to follow these new directives was increased by the political storms that had overwhelmed the country in the same years. An important element of the crisis was the scale of political corruption revealed by the criminal courts, which further discredited the clientelist politics that were now widely associated with the *intervento straordinario*. But above all it was the catastrophic condition of public order in many parts of the South that gave urgency to the demands for new approaches and new solutions. The Irpinia earthquake of 1980 had been followed by the murderous competition between organized crime cartels in their attempt to control flows of reconstruction funds and rebuilding contracts. A spiral of violence culminating in 1992 with the assassinations in Sicily of the magistrates Giovanni Falcone and Paolo Borsellino.

In shaping new policies for the South the spectacular rise of the Third Italy - that is the North East and Centre - during the 1980s offered one model. The dynamic economic growth of the Third Italy had been driven by localized and family-run enterprise (the Benetton Model) that proved capable of establishing a strong presence on international markets. In looking for the broader lessons to be learned, many economists and sociologists emphasized the social and cultural conditions, inherited entrepreneurial skills and attitudes, social and commercial networks - in short: "social capital" - that had contributed to the success of

these small and medium sized enterprises (SMEs) (A. Bagnasco, C. Trigilia).

The critical role of "social capital" in the process of economic growth was given new publicity by the debates inspired by the finding of a study by the American political theorist Robert D. Putnam. Putnam's study argued that the historical divide between the Two Italies (North and South) demonstrated the cultural and institutional pre-requisites for successful modern economic growth and democracy. Because of its inherited historical "civic tradition" the North was a success story: because historically it lacked those pre-requisites both modern economic growth and democracy were absent in the South (Putnam, 1993)

The new interest in the example of the Third Italy and the role of "social capital" in economic and institutional development pointed to the need for new policies in the South. But that was accompanied by the growing belief that the *intervento straordinario* had increased corrupt mediation and inter-mediation and created a pervasive mentality of "dependence" in the South. The new policies were designed to restore the rule of law, hence to combat both crime and the culture of dependence, and instead promote the development of "social capital" and the development of active citizenship and new entrepreneurial networks at a local level (Trigilia, 1992).

The new project looked to utilize and valorize the diversities present within the South that previous policies had neglected. By focusing on those areas where there were signs of new forms of growth - Apulia, the Abruzzi, Molise and Basilicata - it was hoped that new dynamic centres would emerge that would cause the South to fragment into its component parts, with the more dynamic areas taking the lead.

While these debates were taking place the Italian state and its administration - especially local administration - were being reorganized in ways that shifted new powers to local government and the regions (these originated in 1970), including the introduction of elected mayors. Fiscal federalism, many believed, would open up even greater opportunities for independent local growth and development.

Indeed, this was a moment of great optimism when everything seemed to promise a new and brighter future and for the South. There was much talk of valorizing human capital and skills, of reviving the Mediterranean vocations of the great southern ports cities, of Catania becoming the Silicon Valley of Sicily.

In those circumstances there were many reasons to argue that Italy's South was not in any sense unique.

Regional imbalances could be identified in all the advanced European states, as well as in the United States. At the end of the 20th century, the internal disparities in wealth and employment between Italy's North and South were no greater than those between London and the rest of the UK, or between the (Flemish) north and (Francophone) south in Belgium. In Spain, Germany, Greece the disparities were equally evident while in the first years of the new century there were numerous examples of rapid economic growth in previously poor or under-developed states - for example, Spain, Portugal and in particular Ireland. Why should the Mezzogiorno not follow the path set by the new Irish Celtic Tiger?

One answer, it seemed, was to stop treating the South as a special case, but to approach its problems on a regional and local basis with the aim of valorizing its diversity and potential human capital. This shift in approach was officially recognized when in October 2001 the provision specifying the need of the Mezzogiorno e le Isole for special support contained in the Constitution of 1948 in favour of regions below the national average. The amendment passed with a majority of just 4 votes but it announced a significant shift in public policy (De Rosa, 124-5).

The objectives of the new policy shifts were clearly set out in the same year by Fabrizio Barca, a brilliant young economist who Carlo Azeglio Ciampi had recruited to the Treasury to lead the department for development and cohesion planning. Barca acknowledged that "The Mezzogiorno stands as Italy's greatest challenge". The population of the peninsular South, Sicily and Sardinia was roughly 21 millions (one third of the Italian population), and accounted for 21% of Italy's unemployed. But the economic conditions of the Italian South were not unique, he argued, and that similar internal disparities could be found in the United Kingdom, in Greece, in Spain and in Germany after reunification.

The solution, therefore, lay in unlocking then hitherto underutilized human and material resources of the South through a combination of new policies designed to promote local initiatives and to remove the layers of bureaucracy, mediation and corruption that had accumulated from the past. Barca saw this as a unique opportunity not only for the Mezzogiorno, but for Italy and for Europe too. If the policies succeeded, Barca concluded "... the Mezzogiorno, while providing Europe with an important test of a new regional policy, would also represent the experimental ground for a more radical and true renewal of Italy's ruling class and for a decisive strengthening of its statehood"

(Barca, 2001).

The time when Fabrizio Barca expressed these hopes now seems very distant, and after 2008 everything has changed. As far as the Mezzogiorno is concerned nothing captures better the failure of the hopes and optimism of the early 1990s to materialize than the SVIMEZ annual reports over recent years, the most recent of which described the situation today in the following graphic terms: "Un Paese diviso e diseguale, dove il Sud scivola sempre più nell'arretramento: nel 2014 per il settimo anno consecutivo il Pil del Mezzogiorno è ancora negativo (-1,3%); il divario di Pil pro capite è tornato ai livelli di 15 anni fa; negli anni di crisi 2008-2014 i consumi delle famiglie meridionali sono crollati quasi del 13% e gli investimenti nell'industria in senso stretto addirittura del 59%; nel 2014 quasi il 62% dei meridionali guadagna meno di 12mila euro annui, contro il 28,5% del Centro-Nord" (Rapporto SVIMEZ sull'economia del Mezzogiorno 2015, 30 luglio 2015, Roma).

These economic indicators for the South are in many respects a reflection of the flat performance of the Italian economy that began well before the crisis and of the EU economies that has followed it. It also has to be remembered that the North includes many of the richest regions in Europe, the South some of its poorest. Since the early 1990s the South has also suffered disproportionately from the cuts in public spending.

Nonetheless, not only have the southern regions performed worse than the rest of Italy, they have also lagged well behind those other regions and states with which they were frequently compared twenty years ago. Since the crisis, many of the eastern European countries, eastern Germany, Spain and Portugal - even Ireland - have shown signs of recovery. But not the Mezzogiorno (Economist, 2009).

So perhaps it is time to reconsider whether the Italian South is essentially comparable to other cases of regional disparities. As has frequently been noted, the South has many distinguishing features - not least that it is a region that is constituted by its history - the pre-unification Regno delle Due Sicilie rather than by shared institutions or culture. Indeed, one weakness of the many cultural explanations of the "exceptionalism" of the South is the diversity of the cultural diversity of the southern regions and their lack of common ties. Unlike regional politics in Spain or Belgium or the United Kingdom, separatist movements have been rare, essentially localized and short-lived. Another weakness of attempts to identify the South in terms of culture or institutions, is that economic growth

has proved to be weak even in those areas where there is no tradition, for example, of organized crime. On the other hand, the modern expansion of organized criminality - which has become a critical component of the contemporary *Questione Meridionale* and a major obstacle to economic growth - suggests that it is as much a product as a cause of economic under-development.

Without getting drawn into the mass of interpretations and arguments that had been advanced to explain and define the *Questione Meridionale* and its changing forms over time, a number of distinguishing and distinctive features can be identified. The first is its longevity. In economic terms a *Questione Meridionale* was defined only at the end of the 19th century, and the first measures of 'intervento straordinario' go back to Giolitti's government and the industrial development projects of Francesco Saverio Nitti before the First World War which were in some respects a model for the post-World War II initiatives (although due account would need to be taken of the TVA and the Rooseveltian New Deal) (Ekbladh, Bernardi).

From the start of the 20th century down to the present, however, there have been only two moments of economic convergence between the South and the North. The first in the decade before 1915, the second in the 1960s - both were periods of mass emigration out of the South. In neither case was that convergence maintained, in contrast to the convergence between the North West and the North East and Central Italy, which was also delayed but effective (Iuzzolino, Pellegrini, Viesti).

Another distinguishing feature - and one that is rarely mentioned when comparisons are made with other under-developed regions - is size. The Mezzogiorno, the peninsular South, Sicily and Sardinia, constitute one third of the Italian population. That makes the South different from other relatively under-developed regions in Europe.

It is the combination of these factors that make the Italian Mezzogiorno difficult to define as a region and hence difficult to compare with other European cases of regional imbalances. What do the different regions that constitute the Mezzogiorno then share, beyond their shared lack of autonomous economic development?

In recent years there has been growing support for the notion that the South is the consequence of forms of internal colonial subordination that has dominated the evolution of the modern Italian state since Unification. The thesis is not new and it has always suffered the lack of evidence to show how this process of exploitation has functioned. Nonetheless, these interpretations are now

widely accepted as demonstrated fact by those who support the new separatist movements that have grown in strength in the South in over the last decade and which are perhaps best understood in the context of the popular mobilizations against both state and EU austerity policies in other parts of Europe (Greece, Spain, Portugal) as well. Paradoxically, both the protests of the anti-Southern Northern League and the anti-northern southern popular movements seem too grounded in very similar social and economic discontents. An alternative line of inquiry — and one that has deep roots in the writings of the *meridionalisti* — focuses instead on the particular roles that the South has played and continues to play in the Italian political system. The classical formulation of those arguments can be found in the dualistic analyses of the North-South relationship advanced first by Gaetano Salvemini and then, in more ideological terms, by Antonio Gramsci.

These are questions to which Luigi de Rosa dedicated a great deal of thought in the final years of his career, and his essay on *Provincia Subordinata* sets out alternative approaches that in the light of what has happened in and to the South in the decade since his death merit closer attention.

Carefully refuting the thesis that the South has since unification constituted a colony of the North, De Rosa instead insisted that, viewed over the long terms, the failure to address the economic problems of the South has not been the result of exploitation, but rather of a persistent pattern in which policy towards the South has always been shaped to accommodate the more powerful interests of northern industry, finance and services.

The most recent studies of the origins of the post WWII development project for the South reveal numerous examples of how those pressures and compromises worked out in practice. In this perspective, it was not the policies of the *intervento straordinario* but the political compromises that undermined them and determined how and when they would be applied. Nor was it not only the powerful northern industrial and financial interest that feared the prospect of state assisted competition from new southern industries. Pier Paolo D'Attore, for example, long ago drew attention to opposition from many of the major northern based labour unions to the development projects in the South (D'Attore, but see also Barca, 1997).

A wealth of recent studies suggests that it may be premature to pass only negative judgments on the *intervento straordinario* (e.g. Franzini), and Luigi De Rosa's studies offer an important basis for a revaluation of the

projects achievements and failures. It is important to note too that his analysis moves beyond simple denunciations of the causal role of the southern bourgeoisie and *ceti dirigenti meridionali* a theme that runs through the literature on the *Questione Meridionale* through Salvemini and Gramsci but also Giustino Fortunato and still has many influential advocates (e.g. Galasso, 2005). In many respects, recent emphasis on the deficits of 'human capital' (and extremely difficult term to define never mind measure) in the South continues the earlier critique of the southern *ceti dirigenti* in new terms, as Emanuel Felice, for example, makes explicit in his recent book (Felice, 2013).

De Rosa's approach was different and above all sought to show how the shortcomings of policy formulation and application for the South in the past and in the present can be traced to defects of the Italian political system (De Rosa, but see also Barca, 1997). In the decade since De Rosa's death evidence has continued to accumulate of the validity of his insights. The need to govern by consensus and the fragility of political consensus over the longer term has repeatedly frustrated attempts to evolve or sustain coherent policies.

There is no better example of this than the *intervento straordinario* which was far from the single minded project that its critics have denounced, but whose defects resulted from the repeated political compromises and play-offs that De Rosa documented in his essay. The political and institutional crisis of the early 1990s has not removed the political and institutional obstacles to formulation and implementing effective policies for the South. As De Rosa noted, the progressive devolution of power to the regions and localities since the 1990s, has made even more difficult both the formulation and the implementation of policies that address the needs of the South, while the process of sharing these tasks with the relevant EU bodies has accentuated regional approaches that do not accommodate a larger Southern Problem.

No one can deny the complexity of the issues posed by the persistence of the Southern Problem, which have been aggravated beyond measure by the continuing low growth rates in Europe and in the most advanced sectors of the Italian economy. In these circumstances to prioritize the needs of the South in domestic politics becomes ever more difficult, while the scale of the development needs the eastern European, Balkan and Baltic states makes it unlikely that other less advanced European regions will continue to receive high levels of EU support. But the 2015 SVIMEZ figures offer an alarming indication that the

Southern Problem is more than a set of regional problems and has been dangerously neglected. The emigration of the most qualified young southerners, the threat of de-industrialization, the resilience of organized crime are all signs of the failure of past and more recent policies, while popular discontent and protest in the South are another cause for alarm.

Seen in a broader, transnational perspective the economic difficulties experienced in the South are not unique. The policies that have been adopted by successive governments have frequently reflected the most innovative economic thinking of their time. But as De Rosa argued, over and over again the failure has been not in *formulation* but in *implementing* policies in the face of competing political interests in the South as well as the North (see also Triglia, 2012).

It would be good to conclude on a more positive note, but given prevailing global and European economic conditions there is not much room for optimism. If what Gianfranco Pasquino has termed Italy's 'faltering transition' is indeed without an end, the prospects for creating a political framework better equipped to address the urgent economic problems of the South do not seem promising (Pasquino, Gentiloni).

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