

Francesco Dandolo, Renato Raffaele Amoroso, *Cassa per il Mezzogiorno, Europa e Regioni nella stagione dell'industrializzazione: "Informazioni SVIMEZ" e la cultura del nuovo meridionalismo (1961-1973)*, Quaderno SVIMEZ no. 62, Svimez, Rome, 2020, pp. 370.

This book, like an earlier work by Francesco Dandolo, *Il Mezzogiorno fra divari e cooperazione internazionale. "Informazioni SVIMEZ" e la cultura del nuovo meridionalismo (1948-1960)*, is the fruit of a research project promoted by SVIMEZ to celebrate its 70th anniversary. It adds to our knowledge of that organization's history and its role in the elaboration of development strategies for the South of Italy, and represents a valuable contribution to the literature on Italy's Mezzogiorno and to the field of Italian economic history in general. The study's distinctive feature is its use of the dossiers published by the bulletin *Informazioni SVIMEZ* between 1961 and 1973 and of papers and monographs published by the organization's research center, to reconstruct the gestation of, and debate on, the measures for industrialization that characterized the second phase of extraordinary intervention in the South. Given the pivotal role of SVIMEZ in formulating Southern Italy development policies based both on theoretical analysis and on solid statistical

studies, the use of *Informazioni SVIMEZ* allows the authors to conduct a complex, rich investigation of the social, political, economic, institutional and cultural dynamics that shaped extraordinary intervention.

The text comprises seven chapters, each signed by one of the authors. Chapters two, three and four follow a chronological approach, while chapters one, five and seven are thematic, regarding, respectively, collaboration with the European Community institutions, emigration from the South, and the economic evolution of Southern Italy. This structure means that same issues are treated from multiple perspectives, sometimes producing a somewhat disjointed explanation. The introduction and the conclusions are signed by both authors.

Chapter one highlights the direct impact of European development on the Rome Treaties, in the broader context of European integration during the entire period considered. It presents the underlying thesis that the tension between the free competition envisaged by the Common Market and the development needs of backward regions was fundamental in shaping the results of the program of extraordinary intervention in the South of Italy – and, as in the case of the recognition of France's preferential relationship with its North African possession, its isolation from the Mediterranean context. As remarked in the Introduction, in fact, the importance assigned to regional development in the European context was among the essential elements of stage two of the extraordinary intervention, and in this sense the principle of equal progress enshrined in Article 117 of the Treaty of Rome proved fundamental. However, priority was given to the free market, and in the course of the 1960s the European Commission increasingly applied the principle of competition with the aim of limiting incentives, preferential investments, tax breaks and similar measures that were deemed essential for the action of industrialization hitherto legitimated by Article 117. This, together with the factors analysed in the following chapters, reduced the scope for pursuing industrial policy measures for the South and eroded confidence in them.

The second chapter deals with conceptualization of extraordinary in-

tervention in the course of stage two, defining its salient features, and the commencement of industrialization. The chapter begins with a detailed discussion of the shift marked by Law 634/1957, from a first phase of investment, focused on infrastructure and agriculture, in line with the analysis of externalities and «social fixed capital» proposed by Paul Rosenstein-Rodan and by Ragnar Nurske; to a second phase that, in keeping with François Perroux's approach, stressed the creation of highly integrated industrial development poles which, thanks to the contribution of complementary industries and the multiplier, were supposed to lead the progressive development of depressed regions. The author analyses the emergence of some of the factors that would have the greatest influence on the implementation of special intervention in the South and on the debate surrounding it. Among these factors were the gradual retreat from the 1957 law and the merging of numerous poorly organized consortia with development centers; the burden of ordinary operating expenses placed on the Cassa del Mezzogiorno (the Southern Development Fund), due to the shortcomings of local administrations; the refusal of private industry to shift investments from the congested regions of the North to the Mezzogiorno, and the hostility of Confindustria, its trade association, to the introduction of disincentives to investing in the North.

Chapters three and four examine the way these issues evolved. Chapter three traces the debate that preceded the Cassa del Mezzogiorno Refinancing Law of 1965 and the myriad links between the 1963-64 recession and the Southern question. It pays special attention to the debate between the advocates of Southern development policy and Confindustria, in which the latter argued that investment in the South entailed a distortion in the use of resources. The disparities between North and South were exacerbated by renewed migration to the North, which the author ascribes to the recession. This led to a fresh spate of investments by state-owned corporations and the start of "programmed bargaining," an attempt to involve private industrial groups in the economic planning. One outcome of this was the plan to build the Alfasud automobile

works in the province of Naples. Chapter four reviews the discussion in the second half of the 1960s on employment imbalances and the widening divergence between private and public enterprises in what they held to be "useful." The problems were exacerbated following the protests in Avola and Battipaglia. While the parliamentary discussion of those events brought out the way in which private investment was worsening economic dualism, the confederation of industry now openly asserted the impossibility of achieving economic unity between the North and the South, taking up the 1950s theme of productive diversification. This discussion, Dandolo recounts, became a debate on the Cassa del Mezzogiorno, with the proponents of Southern development on one side, and, on the other, the "programmers," who argued for regional decentralization and the scaling back of extraordinary investment in the South. The outcome was the refinancing law of 1971, embodying a series of compromises. A point of particular interest in the chapter regards contemporary analyses of the relationship between technology and employment. During the decade, it had emerged that high rates of growth in industrial production were accompanied by high rates of productivity growth, determining low rates of increase in employment. Companies had achieved large increments in production with modest increases in employment, and the workforce expelled from agriculture had been absorbed by the construction and tertiary sectors. The author connects this theme, ignored in the plans, with the analysis offered by Paolo Sylos Labini, who, investigating the "malaise of the economy," saw the wage hikes of 1969 and the consequent momentary drop in profits as the product of oppressive working conditions and insufficient investment.

Chapters five, six and seven offer in-depth thematic analyses. Chapter five examines migration by combining, according to the SVIMEZ methodology, quantitative methods with qualitative evaluation. It treats the changing profile of migration from the South during the 1960s and the effects of migration in the regions of departure and destination. Amoroso underlines the socio-cultural and not directly economic factors at work, and the effects of new models of consumption.

The chapter pays special attention to the different patterns of urbanization that migration produced in the North and South, their social and political effects and their impact on workers' demands.

Chapter six consists of two parts. The first examines the debate on the growth and distribution of debt during the second phase of extraordinary intervention and the accompanying construction and use of indicators. What emerged was the need to adapt Southern development policy to a situation marked not only by differences between North and South, but also by growing disparities among the regions of the South. The second part of the chapter treats the evolution of savings and banks' investment functions in the South, both elements deeply affected by Italy's systemic problems and regional imbalances. In this sense, emblematic is the observation by the Director of Banco di Napoli, Salvatore Guidotti, that most of the investments by a local bank in a backward area could only result in expenditure on machinery, goods and services that generally had to be imported from abroad or from elsewhere in southern Italy, thus implying a flow of purchasing power from the bank to other regions.

Chapter seven investigates the changing relationship between investment and consumption during the period considered. The studies carried out by SVIMEZ showed that the population of the South tended to duplicate the spending patterns of the consumer society, putting new forms of consumption even before the satisfaction of primary needs. This created concern that the Mezzogiorno would become an outlet market for products foisted on the South by big industry. However, others saw new patterns of consumer spending as the result of an increase in incomes. At the beginning of the 1970s, the question of the relationship between consumption and investment divided the pro-South front. Southern advocates close to the Republican Party underlined the need to limit the consumption of products from regions outside the South, supported economic planning as an essential tool for overcoming imbalances, and became increasingly critical of extraordinary intervention. According to Guglielmo Tagliacarne, the pre-eminent Italian statistician

of the time, whose work was decisive throughout the course of the discussion, consumption threatened to make the Southern regions tributaries of the rest of the country. This brought to the fore the question of the profitability of investments, which turned on the possibility of reconciling rapid economic growth with territorial rebalancing. While Augusto Graziani argued that the solution to the imbalance between private consumption and social employment lay in investments in the welfare state and in a partial trade-off for workers between smaller wage increases and larger benefits in the form of social investments; and Nino Novacco affirmed that North-South dualism was not only economic but also concerned public demand, and pointed to social housing and public education as the top issues; the SVIMEZ analyses discovered the emergence of an urban question in the South that was fully as important as the peasant question had been previously. In sum, as demonstrated by 1973 Naples employment crisis, immediately followed by the cholera outbreak in that city and elsewhere in the South, an urban dimension was compounding the problem of Southern underdevelopment.

This reviewer thinks the book would have profited by the addition of a concluding study of the significance of 1973 as a turning point for Southern development policies, comparable to the analysis provided for 1957. The events of that year had an enormous impact on Southern policies, particularly with regard to the divergence between profitability and development in the field of investment and the changes brought about by the implementation of the new regional legislation. It is to be hoped that a future volume of this SVIMEZ series will take up the question.

The authors achieve their objective of offering a complex analysis, conducted on the basis of the material deriving from *Informazioni SVIMEZ* and the association's publications. Their work is a corrective to the simplistic and superficial opinions that even today hinder development initiatives for the Mezzogiorno, which remain decisive for the future of the Italian and the European economy.

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