

CONTENTS

PART ONE: THE ITALIAN MIRACLE	
I THE POSTWAR ECONOMY OF ITALY IN PERSPECTIVE	3
II INFLATION AND MONETARY POLICY, 1945-1949	15
THE INFLATIONARY PROCESS	15
<i>The Wartime Inflation and Its Legacy</i>	15
<i>Renewed Inflation, 1946-1947</i>	18
<i>The New Monetary Policy</i>	24
THE IMPACTS OF MONETARY STABILIZATION	30
<i>Immediate Effects</i>	30
<i>Credit Control, Production, and Unemployment</i>	35
III THE LONG BOOM, 1948-1961: OUTPUT, PRICES, AND INCOME	44
THE GROWTH OF OUTPUT AND ITS STABILITY	47
<i>The Growth of Output</i>	47
<i>The Stability of Growth since 1948</i>	49
ASPECTS OF THE BOOM	53
<i>Savings and Investment</i>	53
<i>Prices</i>	57
<i>Labor Productivity</i>	61
THE EFFECTS OF INTERVENTION INTO THE SOUTH UPON INTERREGIONAL IMBALANCE	64
<i>The Evolution of the Policy of Intervention</i>	64
<i>Some Results</i>	69
IV THE LONG BOOM, 1948-1961: THE FOREIGN BALANCE AND MONEY SUPPLY	74
THE FOREIGN BALANCE	74
<i>The Current and Capital Accounts</i>	74
<i>The Increasing External Dependence of the Economy</i>	79
MONETARY AND FISCAL OPERATIONS	84
<i>The Money Supply</i>	84

xii | Contents

	<i>The Instruments of Monetary Policy</i>	90
	<i>The Link between Fiscal and Monetary Policy</i>	91
	<i>Fiscal Impacts upon Money Supply</i>	95
	<i>Concluding Remarks on Monetary Policy</i>	100
PART TWO: THE LABOR MARKET		
V	POPULATION AND THE LABOR MARKET	107
	QUANTITATIVE MOVEMENTS	108
	<i>Population Growth</i>	108
	<i>Birth and Death Rates</i>	109
	QUALITATIVE CHANGES	112
	<i>The Changing Age Structure of the Population</i>	112
	<i>Emigration</i>	116
	<i>Regional Population Changes</i>	120
	DOES ITALY HAVE A POPULATION PROBLEM?	125
VI	THE LABOR FORCE: ITS GROWTH AND USES	129
	QUANTITATIVE AND QUALITATIVE CHARACTERISTICS	129
	<i>The Evolution of the Labor Force since 1871</i>	129
	<i>The Labor Force in 1961</i>	138
	MOVEMENTS IN THE STRUCTURE OF EMPLOYMENT	142
	<i>By Sector since 1901</i>	142
	<i>Within the Industrial Sector after 1911</i>	143
	<i>Employment within the Advanced Industrial Sector, 1948-1961</i>	146
VII	THE PROBLEM OF UNEMPLOYMENT	151
	THE HISTORY OF THE UNEMPLOYMENT QUESTION IN ITALY	152
	<i>Structural vs. Cyclical Explanations</i>	152
	<i>The Problem and Its Interpretation before 1945</i>	153
	POSTWAR UNEMPLOYMENT	156
	<i>Aggregate and Structural Movements</i>	156
	<i>Comparative Evidence on Unemployment</i>	157
	<i>The Changing Structure of Registered Unemployment</i>	167
	THE QUESTION OF UNDEREMPLOYMENT	174
	<i>Clarification of Concepts</i>	174
	<i>Underemployment</i>	177

	Contents	xiii
	<i>Concealed Unemployment</i>	177
	<i>Evidence concerning Underemployment</i>	178
	A COMPARISON WITH WEST GERMANY, 1951-1961	181
	WHY PERSISTENT MASS UNEMPLOYMENT, 1945-1959?	185
VIII	WAGE AND SOCIAL SECURITY POLICY	189
	ITALIAN WAGE POLICY SINCE THE THIRTIES	190
	<i>A Preliminary Sketch of the Current Wage System</i>	190
	<i>Between the Thirties and 1945</i>	191
	<i>From 1945 to the Pay Consolidation Agreement of June</i> <i>1954</i>	194
	<i>The Pay Consolidation Agreement and After</i>	205
	<i>Concluding Observations</i>	211
	THE RECENT EVOLUTION OF THE SOCIAL WELFARE SYSTEM	212
	<i>Its Origins</i>	212
	<i>Postwar Changes in the Social Security System</i>	213
IX	POSTWAR MOVEMENTS IN WAGES	221
	WAGE MOVEMENTS BY MAIN SECTORS	221
	<i>Relative Income Shares, 1950-1962</i>	221
	<i>Intersector Movements in Wages and Salaries</i>	223
	POSTWAR WAGES IN INDUSTRY	228
	<i>Interindustry Movements in Net and Gross Hourly</i> <i>Earnings</i>	228
	<i>Average Money and Real Wages in Manufacturing</i>	232
	<i>Factors in the Rise of Money Wages in Industry</i>	236
	<i>Causal Factors in the Rise of Industrial Wages</i>	242
	<i>Was There a Wage-Push at Work?</i>	245
	THE BROADER SIGNIFICANCE OF THE BIFURCATED WAGE SYSTEM	249
	PART THREE: DIVERSITIES OF STRUCTURE	
X	EVIDENCE OF THE DUAL CHARACTER OF THE ITALIAN ECONOMY	253
	INTRODUCTION	253
	<i>Conceptions of Dualism</i>	254
	DUALISM IN THE ITALIAN ECONOMY	258
	<i>Some Comparative Data</i>	258
	<i>The Labor Force in 1951</i>	262

xiv		Contents	
		<i>The Agricultural Side</i>	267
		<i>Underemployment and Unemployment</i>	270
XI		GEOGRAPHIC DUALISM: THE PROBLEM OF SOUTH ITALY	272
		THE PROBLEM	273
		<i>Economic History of the South before 1861</i>	273
		<i>The First Forty Years of Unification, 1861-1901</i>	281
		<i>Later History of the Southern Question: 1951</i>	284
		<i>Its Economic Position by 1951</i>	287
		CONCLUDING OBSERVATIONS	300
XII		LONG-RUN FORCES OBSTRUCTING THE EMERGENCE OF A UNIFIED INDUSTRIAL ECONOMY	303
		THE INHERENT AND ACQUIRED ADVANTAGES OF THE NORTH	303
		THE CHRONIC BACKWARDNESS OF THE SOUTH	308
		RESTRICTED CAPITAL FORMATION	315
		CONCLUSION	325
XIII		TECHNOLOGICAL RESTRAINTS: DID THEY DELAY ECONOMIC UNIFICATION?	327
		STRUCTURAL DISEQUILIBRIUM AND THE COMPETITIVE MODEL	327
		<i>Three Kinds of Structural Disequilibrium</i>	327
		<i>Disequilibrium and the Competitive Model</i>	331
		<i>The Problem of Fixed Coefficients in Production</i>	335
XIV		MARKET IMPERFECTIONS AS A FACTOR IN DELAYED ECONOMIC UNIFICATION	344
		BEFORE WORLD WAR II	344
		<i>Primitive Industrial and Social Unrest, 1890-1914</i>	344
		<i>Fascist Policy toward Labor and Product Markets, 1922-1940</i>	348
		<i>Conclusions on Fascist Economic Policy</i>	354
		MARKET IMPERFECTIONS AND CONTINUED OBSTRUCTION OF ECONOMIC UNIFICATION AFTER WORLD WAR II	355
		<i>Restraint of Internal Migration</i>	355
		<i>The Overvaluation of Labor in Technically Advanced Sectors</i>	361

<i>Imperfections in the Product Market</i>	373
CONCLUSION	380
XV ACHIEVEMENTS, PROBLEMS, AND PROSPECTS	381
EXPLAINING THE BOOM	381
<i>The Paradox of Alienation</i>	381
<i>The Advantages of Military Defeat</i>	383
<i>Rising Consumer Expectations</i>	384
<i>The Strength of Autonomous Investment</i>	385
<i>Industrial Leadership</i>	385
<i>The Role of Government</i>	387
ECONOMIC DEVELOPMENTS AFTER 1961	391
<i>Wages and Money Supply</i>	391
<i>The Payments Deficit</i>	397
<i>Underlying Forces in the Inflation Problem</i>	398
ISSUES AND PROSPECTS	399
<i>The Control of Wage Inflation</i>	400
<i>The Control of Public Spending</i>	403
<i>Development of the South</i>	404
<i>The Problem of Political Consensus</i>	409
Selected Bibliography	417
Notes	427
Index	465

