

*Regional Policies in Southern Italy from the End of WW2 to the Present and the End of Convergence.
Comparing Two Policy Paradigms*

by Flavia Martinelli

Several studies have highlighted how, during the first 35 years following WW2, a substantial reduction of the socioeconomic gap between Southern Italy and the rest of the country has occurred, whereas since the early 1990s the convergence process has come to an end, despite the very relevant transformations reported both in the social and productive structure of the South and in its relations to the North. The reasons for the convergence observed in the first period and for the resumption of divergence in the second may be traced back to three factors: first, broader contextual variables, external to the South, such as the structural trends of Western capitalism and the position of the Italian model; second, the entity, the architecture and the aims of public policies deployed to bridge the gap over time; third, endogenous factors such as the productive structure and the infrastructural endowment, but especially immaterial factors such as the entrepreneurial, social and institutional capital.

This essay retraces the evolution of the ‘Southern Question’ from the end of WW2 to date, in the broader context of the transformations of Western capitalism, focusing especially on the second order of factors – i.e., the characteristics of *public intervention*. In the first section, a heuristic representation of the two policy ‘regimes’ that unfolded in Europe after WW2 is proposed: the ‘Fordist-Keynesian’ regime and the ‘Neo-liberal’ regime. In the second and third sections a reassessment of the evolution of regional policies and the socioeconomic transformation in Southern Italy is offered, in the light of the main analytical parameters identified in the review of the two regimes. In the last section some key questions are raised, to better appraise a number of policy failures observed in recent public interventions and to address the current challenges.

Keywords: Regional Gaps; Capitalist Regimes; Southern Italy; Regional Policy; EU Cohesion Policy; Policy Governance.

JEL Classification: R58; P11; H77; O18; O43.

The “Extraordinary” Transitions of Italy

by Adriano Giannola

The bailout offered to Italy by the NRRP recalls the remote season of the extraordinary intervention, today devoid of spirit and an extraordinary tool to face the transitions on the agenda (about energy, climate). Looking at the origin of methods and rules of proven regulatory effectiveness, quickly forgotten, refers to the experiences of the New Economy, Taylorism, Fordism, the managerial revolution that from the 1930s ruled the global economy. The metamorphosis of the regulatory system then made it possible to tackle – thanks to the Republican Constitution – the “historical” theme of economic unification with the logic of a plan. The vision of the New Economy prevailed, different from Fordism and Keynesianism, of which it shares the Tayloristic matrix of the “science of production”. Reflecting on the constitutive aspects of the “miracle” of that time helps identify the reasons why the country, with the transition to the “flexible district specialization” of the 90s, became the Great Sick of Europe, experienced the implosion, the ghettoization of the South, the decline of the North: issues of embarrassing topicality, obstinately dispelled.

Keywords: New Economy; Fordism; Extraordinary Intervention; State Shareholding; National Recovery and Resilience Plan; Flexible Specialization; Energy Transition.

JEL Classification: B12; E12; O11.

The Industrialisation of Southern Italy: XXI-Century Dynamics

by Gianfranco Viesti

The aim of this essay is to analyse the dynamics of manufacturing industry in Southern Italy in the 21st century. It shows the limited number of industrial activities, due to the lack of chemical and mechanical industries, considered quite more advanced sectors. It shows that in the 21st century the industrial value added in the South is decreasing, and the productivity gap compared to the Italian average is increasing; a part of the industrial structure has disappeared whereas other parts have consolidated. It shows also that during 2015-19 industrial employment in Southern Italy increased faster than the national average in specialized sectors, highlighting a geographic polarization in manufacturing industry, that is much weaker in Calabria and in the Islands. The increase in employment in 2015-19 was concentrated in a limited number of provinces. Moreover, exports in 2000-19 decreased in some industries but grew in others.

The main conclusion of this study is that without an explicit industrial policy the industrial sector is unlikely to grow. A consolidation can occur, but only in the areas already characterized by industrial activities. Manufacturing production may grow only if new, different, production activities will be located in the South. This is hard to be achieved exclusively because of market forces. This can occur as a result of a “mission-oriented” industrial policy, aiming at locating in the South the new production and research activities needed for the digital and green transition of the Italian economy in the 2020s and 2030s.

Keywords: Southern Italy; Industry; Industrial Policy.

JEL Classification: L52; O20; R10.

Policies and Tourism Development in the South from the End of WWII to the Present

by Chiara Corazziere and Flavia Martinelli

This essay traces back the evolution of tourism in the South of Italy from the end of WW2 to date, with the aim of ascertaining the role of public policies and local actors – in the broader context of national and international tourism trends – and identifying the reasons for the weaknesses of the Southern tourism model and the implications for its future.

The *periodisation* adopted to analyse the 70 years considered is based on the main turning points of both tourism trends and public policies. Two main phases are identified: the *1950-1991 period*, characterised by the impetuous development of mass tourism and, in the South of Italy, by the centralised special State intervention for the development of the South; the *1991-2019 period*, characterised by a decline of domestic tourism, the development of new tourism demands and forms of intermediation, as well as the end of national policies for the South and the full ‘regionalisation’ of public policy, also within the scope of the European cohesion policy.

Regarding tourism *trends*, the focus is on the *demand side* and, more specifically, on the demand for *accommodation* in hotels and other lodging categories, which represent the core of the tourism sector in the two main areas of the country. As to *public intervention*, the focus is on the debate and on the contents of policies deployed in the different phases (aims, strategies, tools, financial resources), with the aim of identifying continuities and turns.

Keywords: Tourism; Southern Italy; Regional Policy; European Cohesion Policy; Integrated Development Strategies.

JEL Classification: Z32; Z38; R58; P25.

Southern Italy, Cities, Urbanization

by Giuseppe Fera

This paper aims to outline the role that the urbanization process had in the development of Southern Italy, in the light of the various effects that it has produced in terms of building and housing policies, urban planning, welfare policies, etc. The paper examines three different periods:

a) Urban growth, construction and land rent (1950-1970). The land rent and the building sector played a role of drivers of the development of the Southern cities and represented the sectors where most capital accumulation took place. Furthermore, construction, as a labor-intensive sector, played a decisive role in the absorption of the workforce leaving the countryside; likewise, the political and social role of the so-called “building social block” and the support policies to help home ownership arose. Such a period was characterized by the absence of any urban policy. Investments in Southern cities provided for (minimal) personal services and some mobility infrastructure but did not include advanced tertiary activities to support companies.

b) Urban sprawl (1970-1992). The construction of new transport infrastructure, mass motorization, the overall increase in incomes, the remittances of emigrants, in parallel with the crisis in the urban real estate market, due to the new urban planning and building legislation, encouraged sprawl and low-intensity urbanization, largely managed by individual families, through self-construction processes which, in the South, are mainly linked to illegal housing. Politics replied with tolerance for the phenomenon and a series of building amnesties, designed to get political consensus. It was a “democratic” urbanization of Southern suburbs transferring the advantages of urbanization from the building social block to the families.

c) Urban redevelopment (1992 to date). Two phenomena have characterized this period: the consolidation of metropolitan growth with a process of decentralization of services and production activities in the more peripheral areas, and above all, the affirmation of interventions in existing cities. Urban regeneration policies in Southern Italy cities have been struggling to establish themselves due to the poor skills of the administrative offices and the absence of an adequate entrepreneurial network. However, thanks to the funding of European and national public programmes (PIC Urban, so-called “Contratti di quartiere”), several municipalities have been able to use the available resources to promote the regeneration and tourist development of their historic centres and to improve the housing and environmental quality of some decayed neighborhoods.

Keywords: Southern Italy; Construction; Urbanization; Self-Construction; Urban Redevelopment.
JEL Classification: R14; R21; R31.

Southern Italy and Inner Areas. An Evaluation of the Effects of Policies from 1950 to the Present on the Southern Settlement System for a Third Way between Central Planning and Local Development

by Francesco Martinico and Fausto Carmelo Nigrelli

This paper aims at defining the methodological framework for verifying the territorial effects of national policies in support of Southern Italian Regions (*Mezzogiorno*). Such evaluation requires a new standpoint, i.e., a detailed geo-referenced analysis of the funds used to help development. So far, this approach has been marginally adopted in the existing studies. We consider this kind of study useful for defining a comprehensive evaluation of these policies designed to overcome the considerable weaknesses of the settlement system in the *Mezzogiorno*, with a special focus on inner areas. Some of the proposed analyses have been tested by using data currently available. In particular, the study focuses on actions implemented by the local agencies for the development of industrial activities (*Consorti per le Aree e i Nuclei di Sviluppo Industriale*) and the construction of dams, as far as the 1950-1970 period is concerned. For the following period (1994-2000) the Territorial Employment Pacts have been studied. Despite the difficulties faced in collecting relevant data, this study confirms the methodological assumptions, that is an inadequate consideration of the settlement inefficiencies. This limit is clearly reflected by the increasing differences among more developed areas and inner ones. The proposed evaluation methodology may give hints for correcting the cohesion policies already implemented, taking into account the previously made mistakes.

Keywords: Mezzogiorno; Inner areas; Southern Settlement System.

JEL Classification: R12; R52; R58.

Regional Development and Industry: the Case of the Campania Region

by Sabrina Ruberto and Gaetano Vecchione

This paper analyses the economic evolution of the Campania region from the second post-war period to today with particular attention to the industrial sector. After analysing the economic and productive profile of the Campania region, the study examines the developments in the industrial sector with an in-depth analysis of production specializations. In particular, a sectoral specialization index is computed and analysed for each province of Campania and for each geographical division of Italy from 1951 to 2018. The contribution also highlights the importance of the classic drivers (identified in physical capital, human capital and innovation) of regional development in Campania and of the institutions that designed the policies.

Keywords: Industrial Sectors; Industrial Specialization; Classic Drivers of Development; Campania; Italy.

JEL Classification: L16; O11; R11.

Economic Planning in the Phases of Economic History: Evidence from the Transport Sector

by Pietro Spirito

Starting in the 1980s, the season of economic planning in Western economies came to an end. With the affirmation of neo-liberalism, the geometric power of the market unfolded without controls and without supervision. Today we are picking up the pieces, after the repeated crises that have arisen not only in the financial economy but also in the real economy. This article traces back the season of public planning from the second post-war period to the end of the Seventies, highlighting that this tool accompanied the season of the economic miracle and of Italian development; from the Vanoni Plan, to the Additional Note of La Malfa, from the Giolitti Plan to the Ruffolo Report, the public authorities have drawn the development trajectory of the Italian economy, together with a central role played by large public companies as an engine of growth but also as a laboratory for building the future. In the second section of this article, we apply this method of reconstructing economic processes to the transport sector, to show that the end of planning is causing a series of fallouts on public choices. Institutional planning and public company planning are the two engines needed to imagine and build the organizational architectures, plans and actions that are essential to keep overall factor productivity at an adequate level.

Keywords: Public Companies; Railways; Geopolitics; Major Works; Economic Miracle; Neo-liberalism; Planning; Economic Planning; Technique; Transport.

JEL Classification: O21; O38; N7.

An Efficient Management of the “External” Economic Activity of Public Administrations: “Program Management” and Return to Planning. The Experience of the Extraordinary Intervention and the NRRP

by Sabato Vinci and Eugenio D’Amico

This paper starts from the interpretation of the Public Administration rooted in the classical approach of the Italian school of business economics and addresses the issue of the relationship between planning and programming, with particular reference to the relevance of these concepts for the efficient organization of the “external” economic activity of public authorities. The work accounts for the strengthening of organizational methods inspired by the logic of program management as one of the principal results of reforms encouraged by New Public Management, with particular reference to the public procurement sector, but it identifies the fundamental limit in the increasingly strong programming action by single Administrations in front of inadequate strategic coordination of public economic activity. In fact, the failure of the match between the increasing program management by individual Administrations and an “upstream” general planning of the strategic objectives for vast areas, has weakened the programmes themselves in their capacity to deliver maximum yield from investments, exploiting synergies and complementarities. The paper concludes by giving an account of the fact that today’s context makes it possible to grasp some positive signs of trend reversal, on the basis of a collective cost-effectiveness assessment. These undoubtedly include the approval of the first general economic plan (the National Recovery and Resilience Plan - NRRP) after thirty years of rejection of policy models based on planning actions, as well as the preparation of a clear institutional and organizational system to guarantee a balanced implementation of the plan itself. Seeming to treasure the experience that was already at the basis of the “golden age” of the extraordinary intervention in Southern Italy – which was born within the cultural framework of SVIMEZ, consistent with an important economic-managerial literature – today the NRRP returns to propose the idea of an integrated governance system of the public action in the economy, where the moment of central planning by the State (and governmental coordination) may converge with the moment of programming (and implementation) by individual competent Administrations and providing appropriate institutional incentives for the convergence of particular programming within the general plan. Thus, this research allows the public management studies to take a step forward to understand the new challenges of general planning that today affect Italy as a whole in the NRRP post COVID-19 scenario.

Keywords: Public Management; Public Administration; Program Management.

JEL Classification: H83; H76; H54; O20.

Next Generation EU: Industrial Policy Initiatives in Times of Pandemic

by Elena Prodi and Marco Rodolfo Di Tommaso

Governments across the world have immediately responded to the spread of the COVID-19 disease through border closures, lockdown strategies and physical confinement measures to contain contagion. However, multiple waves of pandemic have unprecedentedly challenged not only public health, but also threatened food systems sustainability, disrupted trade linkages, and exposed the workforce to the risk of losing their livelihoods in developed and developing economies alike. In the coronavirus pandemic, health, economic, social, environmental, and human crises converge. In this context, many countries have soon witnessed a growing role of the State into domestic economies and societies. Different types of supports (e.g., cash transfers, relief measures for firms, employment retentions initiatives and child allowances, fiscal supports) have been deployed. In Europe, the “Next Generation EU” – a stimulus package of economic measures – has been deployed to support the recovery of the member States.

The present article introduces the current theoretical debate on the role of industrial policies; then, a comparative analysis of the Recovery and Resilience Plans that France, Germany and Italy have drawn up to access the “Next Generation EU” funds follows. The contribution not only shows and comments upon the heterogeneity of the priority intervention areas identified by these countries, but it also contextualizes such a comparative analysis with respect to the debate on the possible new role of industrial policies in the pandemic context, with the aim of stimulating a reflection on industrial policy actions face to the challenges of our present.

Keywords: NPRR; Covid-19; Italy; Mezzogiorno; Next Generation EU; Industrial Policy.

JEL Classification: O25; H7; H5.

Agricultural Question and Infrastructure. The Cassa per il Mezzogiorno in the Basilicata Region (1950-1957)

by Gerardo Gringoli and Serena Potito

The first years of intervention by the *Cassa per il Mezzogiorno* were devoted to the phase of direct action, that is the funding of territorial reorganization works in the rural areas of the South. In this context, Basilicata, for the first time in its history, was entirely involved in remediation programmes, indispensable for soil productivity, and in infrastructure works, as a function of a subsequent impetus towards a policy of industrialization of the territory that, however, did not achieve significant results. Using direct sources, and taking into consideration the literature on this matter, the result of the research highlights the consequent significant increase in Lucanian agricultural productivity after the first years of activity of the *Cassa per il Mezzogiorno*.

Keywords: Agricultural Question; Infrastructure; Basilicata; Cassa per il Mezzogiorno; 1950s
JEL Classification: N54; N74; N94.