

The Rise and Fall of the Italian Economy

CARLO BASTASIN

LUISS University

GIANNI TONIOLO †

Duke University



CAMBRIDGE
UNIVERSITY PRESS

Contents

<i>List of Figures</i>	page vii
<i>List of Tables</i>	ix
<i>Preface</i>	xi
1 Italy's Parabola, 1861–2022	1
2 Slow Economic Unification, 1861–1896	16
2.1 Political Unification as an Opportunity for Growth	16
2.2 Disappointing Growth	19
2.3 Cultural and Political Flaws of Unification	20
2.4 Causes of Delayed Catch-Up Growth	25
2.5 “ <i>E Pur Si Muove</i> ” (And Yet It Moves)	31
3 Convergence and Sorpasso	37
3.1 Catching Up (Belatedly) with the “First Globalization”: The Credibility Issue	37
3.2 The Catch-Up Pace Slows Down, 1914–1939	47
3.3 Setting the Stage: Reconstruction	55
3.4 A Golden Age	58
3.5 Growth Slows Down, Convergence Continues, 1973–1991	71
4 The Trauma of 1992	85
4.1 A New World	85
4.2 The Many Crises of 1992	89
4.3 A Constellation of Uncertainties	92
4.4 The Citizens and the Crises	95
4.5 Southern Consequences of the Fiscal Policies	100
5 The Lost Opportunity, 1996–2007	103
5.1 The Second Divergence	103
5.2 The Vicious Circle: Debt and Uncertainty	105
5.3 Privatizations and the Restructuring of Italian Capitalism	110
5.4 Excluded from the Euro?	113
5.5 The Half-Caught Benefits of the Euro	116

5.6	The Success of Creative Destruction	120
5.7	The Destructive Part of the Process	121
5.8	As Stable as Germany	123
6	Sliding toward Zero Growth	127
6.1	Years of Crisis, 2008–2013	127
6.2	Collapse of the Sovereign Debt	131
6.3	The Specter of Zero Growth	134
7	The Canary in the Coalmine	144
	<i>Notes</i>	156
	<i>References</i>	162
	<i>Index</i>	168