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**Economic fluctuations in Italy during the economic miracle
(1950-1973)**

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The economic history is dotted by a succession of various theories and schools of thought: since scholars, economists, even philosophers have questioned about the mechanisms and causes of certain processes within an economic system, here is that many theoretical strands have characterized the evolution of economic thought. No exception to the branch of studies concerning the determination and explanation of economic fluctuations; this area of study represents a very important part of economic theory and large, that even in recent times has received contributions and new theoretical proposals. It can be stated, moreover, that the concept of the economic cycle is the most important theoretical contribution and legacy that we inherited from capitalism of the nineteenth century, although with appropriate modifications and clarifications. In the evolution of economic theory, took turns periods of such great interest regarding the analysis and measurement of the fluctuations, always coincide with phases of great instability in the economic system, with periods of complete disinterest, but characterized by a sharp expansive movement inside the general economic trend; the explanation is mainly due to disillusionment in the ability to stabilize the economy through specific movements of economic policy, both monetary and fiscal type. The time evolution of this particular branch of economic thought it is punctuated by a series of theories centered on the concept of the economic cycle, and

these theories get varying degrees of success, becoming in turn the main lines of study and fringe theories. So, from this point of view, it is possible even to talk about a cycle of the study of economic fluctuations, with theories that succeed over time, through booms and recessions, reaching maximum and minimum points, according to the impact that they get within a broader theoretical views, economic systems like the cha are analyzed.

The temporal succession of phases of different theories of the cycle of success looks set to break with the methodological contribution of John Maynard Keynes and the introduction of specific anti-cyclical policies, developed in order to interrupt the alternating prosperity-depression. The crisis of 1929 and the subsequent long period of expansion of the Golden Age until the Seventies, contributing to the confirmation of the validity of the Keynesian paradigm: also the rising headline inflation, registered since the beginning of the twentieth century and considered the price to pay to achieve of full employment, does not change the opinion of the economists of the time. Since in the process of economic miracle, it is difficult to identify recessions, the theory of growth cycles or growth cycles develops, identifying the fluctuations around a trend of economic growth more or less strong. However, the experience of the oil shocks and subsequent downturns, have demonstrated the validity and relevance of the theory of the cycle, at the expense of this death foretold: could not rule out the ability of an economic system to vary over time, the only difficulty is in tracking a regularity in these variations. This implies, therefore, a different perspective to the study of cycles: the ambition gone to look for specific regular and outline specific rules of behavior, in a perspective of economic analysis, the observation of short-term movements can provide useful insights for understand the reactions to events that take place both inside and outside a given economic system.

This work consists of two parts:

- a purely theoretical first part, where I try to trace a path of evolution over time of the theories of the business cycle through the different phases of expansion and recession which reference is made first; an attempt will mainly draw mainly on the guidelines different types of cycles identified in time, and the various causes

that have been traced and that explain the alternation of different phases of growth and shrinkage of a given cycle.

- a second part, where I examine the fluctuations of the Italian economy during a particular period of expansion, namely during the economic miracle. The choice fell on this period for two reasons: primarily, because the years ranging from 1950 to 1973 represent the last cycle identified with certainty, that it is possible to find a beginning and an end, and secondly, because, Contrary to popular belief, this period not only describes a phase of growth without interruption, but suffers stages of recessions relative to trend growth and short breaks along the path of economic development that brings Italy to major international economies.

Regarding the analysis of economic fluctuations Italian from 1950 to 1973, we tracked the existence of three cycles lasting about seven years each, with minimum peak respectively, in 1958, in 1965 following the economic crisis due to the first claims wage and a subsequent rise in prices, and in 1972, during the energy crisis. The almost perfect regularity of the duration of these cycles confirms the existence of oscillatory movements around the trend of growth, however, at least until 1963, whether deviations that do not reach the threshold of 1%. The three phases also contribute together to form a broader secular cycle, contained in twenty-three year period, running from a relative minimum in 1950, reaches its maximum turning point in 1962, coinciding with the phase of maximum expansion of Italian production, for then go through a downturn with a minimum registered around 1972. The existence of these phases is also confirmed by the analysis of co-variables taken into analysis and their correlation with GDP: Finally, the income per capita shows a closer correlation, of course, followed by productivity, linked to more dynamic innovation within the production system rather than entering new labor, and imports, average GDP related to the extent that more production means more use of raw materials and resources which the country traditionally has not. If the negative correlation of unemployment confirms the paradigms of theories on the cycle, for which the increase of production corresponds a decrease in unemployment, while the price level remains in a state of cyclical weakness, a characteristic of the Italian economic boom, characterized by strong increases in

production rates with very low inflation, rather surprisingly, the negative correlation, although with a very small, private and public consumption: this feature can be explained taking into account the resistance of a traditional Italian family decided to increase consumption, where it persisted forms of consumption, especially for basic necessities, and the delay of Italian consumers in adapting to new consumer behavior, typical of more advanced societies.

Within the co-macroeconomic variables considered, exports and investment are the real towing of development, with appropriate caveats. Starting from the refutation of a development paradigm totally export-led, the importance of investment has identified, especially in plant, machinery and technical sectors, in order to give new impetus to the Italian production, long been subject to logical and easy profit protection from international competition of its contractors in the forties and fifties. The animal spirits, however, tend to wake up at the very instigation of the State has in place a new and effective competitor: the public entrepreneurship. In view of this general growth there are two distinct stages in particular: the first phase of development until 1962, expansion relative to trend, where economic growth is underpinned by investment in buildings until 1958, when the State launches a series of urban projects, and later in plant and productive development, by the individual entrepreneurs. At this early stage of development followed, reached the point of maximum expansion, a second wave of growth driven primarily by exports, which, in this period, constituting one third of Italian production. The concept of export-led growth is therefore valid only during this second phase. The secret of the success of Italian development period is determined, thus, a virtuous spiral of investment, innovation and profits, not at all disturbed by increases in labor costs, inflation and credit crunches, at least until 1962 and thereafter, the first union demands and the resulting wage increases reduce the profit margins of contractors and declining investments, thanks to a capital flow that is diverted abroad. The competitive advantage gained through the country remains at a level of exports still large, but it is an advantage of income: the government and the entrepreneurial class cannot find those elements that had previously provided substantial room for growth. The government changed from a strategy of accumulation of the agreement, to a

program dedicated to "assisted capitalism", losing its role as a competitor in the production landscape.