
The factory between economy, society and politics. The controversial history of the Taranto steelworks

Marco Doria*

The Taranto steelworks has held and continues to hold an important place in the history of Italian industrialisation. Consequently, it has been the object of numerous studies. This article examines a selection of recent publications on the Taranto steelworks and, more broadly, on the history of Italian state-owned companies and the IRI (Industrial Reconstruction Institute). The purpose is to reflect on the role of the steel industry in the Italian economy, on state-owned enterprises and their relationship with politics and on the policies pursued after the Second World War in order to reduce the gap between the North and the South. Finally, the article will discuss public debates on these topics. In doing so, it places the various decisions and the different positions on the issue in a historical context. In conclusion, the article identifies a number of questions that have yet to receive an appropriate answer.

Key words: State-owned enterprises, IRI (Industrial Reconstruction Institute), Steel industry, Taranto, Southern Italy, Development models

Throughout history, factories across the world have become representative of more general processes, repeatedly and rightfully ending up at the centre of public debate — even if the examples are not many. As far as contemporary Italy is concerned, the first case that springs to mind is the Fiat Mirafiori factory in Turin, a symbolic place of twentieth-century Italian industry.¹ In second position, we could place the Ilva factory of Taranto, inaugurated at the beginning of the 1960s; like the Mirafiori factory, it has been a “protagonist” of the golden age, the troubled 1970s and the subsequent decades of globalisation, and in recent years it has received even more attention than the Fiat factory. In 2019, for example, Salvatore Romeo devoted a rich and detailed book to the history of the Taranto factory.² Romeo looks at the rela-

* Professor, Università degli studi di Genova; doria@economia.unige.it

¹ See Giuseppe Berta, *Mirafiori*, Bologna, Il Mulino, 1998, and Duccio Bigazzi, *La grande fabbrica. Organizzazione industriale e modello americano alla Fiat dal Lingotto a Mirafiori*, Milan, Feltrinelli, 2000.

² Salvatore Romeo, *L'acciaio in fumo. L'Ilva di Taranto dal 1945 a oggi*, Rome, Donzelli, 2019.

tionship between the factory and the city, placing it in the context of the “long course of the Italian steel industry” and in no way neglecting other perspectives of analysis, such as those developed in the field of political history and those focusing on the extraordinary intervention in the South of Italy. In this article, I will return to the various themes that Romeo tackles by “turning the telescope upside down”, that is, starting from more general issues to then arrive at Taranto and the steelworks: this different angle will enable me to focus on some of the basic problems of the history of contemporary Italy.

The steel industry in the world and in Italy: dynamics and figures

From a global perspective, the history of the steel industry does not take the curved shape of a parabola. Statistical data collected by the World Steel Association show a continuous and impressive growth in the global production of raw steel (i.e. steel that is subsequently subjected to various secondary processes to obtain different types of finished steel products): in 1950, 189 million tonnes were produced; 595 million in 1970; and 850 million in 2000. In 2018, the production of raw steel exceeded 1,808 million tonnes (China now produces 51.3% of global production and India follows at a distance with 106 million tonnes, having surpassed Japan and the United States).³ The trend in steel production in Italy shows a different dynamic from that of the rest of the world; it resembles that of the countries whose industrialisation process has started long ago. In 1950, just over two million tonnes of steel were produced in Italy, much less than the production of French and West German steelworks in the same period (8.5 and 11.9 million tonnes, respectively).⁴ In the following decades, the Italian steel industry underwent a remarkable catching-up process in comparison to other Western European steel industries, which had also grown: it produced 8.2 million tonnes of steel in 1960, 17.3 million in 1970 and 26.5 million in 1980. From the 1980s onwards, Italian production repeatedly and significantly fluctuated, remaining steadily above 20 million tonnes and reaching a peak of 31.5 million in 2006; only in 2009 production dropped to 19.9 million tonnes owing to the effects of the crisis, although these were soon overcome in terms of steel production, with 28 million tonnes being produced in 2011 and around twenty-four million in the years between 2016 and 2019.⁵ Hence, in the context of a constant and increasingly marked growth

³ World Steel Association, *World Steel in Figures*, Brussels, 2019.

⁴ Gian Lupo Osti, *L'industria di stato dall'ascesa al degrado. Trent'anni nel gruppo Finsider. Conversazioni con Ruggiero Ranieri*, Bologna, Il Mulino, 1993, p. 325.

⁵ The World Steel Association (see *Steel Statistical Yearbook, sub anno*) offers a wealth of data on the production of raw steel and various finished steel products across the world and in individual countries, on the consumption and international trade of steel products and on the technologies adopted in the production process. On the Italian case during the second half of

in the global production and consumption of steel, the earliest industrialised countries have enjoyed a substantial consumption stability during the last few decades and succeeded in maintaining significant production levels, even if the produced volumes have seen relevant fluctuations.

Starting in the late nineteenth century, when Italy was still taking its first, difficult steps on the road towards industrial development, the Italian iron and steel industry was increasingly considered a strategic sector. Although not everyone agrees with this assessment, criticised in particular by exponents of economic liberalism, it seems to apply to the years of the First World War, when producing arms and ammunition — hence steel — was fundamental to winning the war. Not surprisingly, this orientation was confirmed in the 1930s, as Italy adopted an “autarkic” perspective with regard to the goal of steel self-sufficiency, although independence from imports of the required raw materials was not possible due to the country’s limited natural resources. In the aftermath of the Second World War, the iron and steel issue remained in the foreground. The main protagonist of the debate and advocate of an organic development project for the sector was Oscar Sinigaglia, a manager of great value who regained the leadership of Finsider after being ousted from the top management of the public iron and steel industry following the approval of the racial laws. During the reconstruction years, the government’s objective was to encourage the permanent affirmation of the Italian industry, the prerequisite for which was the presence of a modern and efficient iron and steel industry capable of adequately supporting the mechanical sector in an open and outward-looking economic system.⁶ As we have seen, this policy has had good results, even if the sector experienced moments of crisis in the 1970s and 1980s only to find relative stability further ahead, in a far more turbulent context.

the twentieth century, see also the comprehensive and detailed essay by Margherita Balconi, *La siderurgia italiana (1945-1990). Tra controllo pubblico e incentivi del mercato*, Bologna, Il Mulino, 1991.

⁶ The seminal essay by Franco Bonelli, *Lo sviluppo di una grande impresa in Italia. La Terni dal 1884 al 1962*, Turin, Einaudi, 1975, which takes a business history approach by linking the history of Terni to the country’s transformations, paved the way for numerous studies on the steel industry. These include a special issue of “Ricerche storiche”, 1978, VIII, n. 1, January-April, *La siderurgia italiana dall’Unità a oggi* (Atti del convegno, Piombino, 30 September-2 October 1977); Franco Amatori, *Cicli produttivi, tecnologie, organizzazione del lavoro. La siderurgia a ciclo integrale dal piano “autarchico” alla fondazione dell’Italsider (1937-1961)*, “Ricerche storiche”, 1980, X, n. 3, September-December, pp. 557-611; and Franco Bonelli (ed.), *Acciaio per l’industrializzazione. Contributi allo studio del problema siderurgico italiano*, Turin, Einaudi, 1982. For a history of the steel industry in the years following the Second World, see G.L. Osti, *L’industria di stato dall’ascesa al degrado. Trent’anni nel gruppo Finsider. Conversazioni con Ruggiero Ranieri*, cit., and M. Balconi, *La siderurgia italiana (1945-1990). Tra controllo pubblico e incentivi del mercato*, cit. Additionally, various relevant essays can be found in the *Storia dell’IRI* series published by Laterza, which I will cite in subsequent notes.

It is, then, perfectly legitimate to ask ourselves how strategic the Italian steel sector still is in the present, and a positive answer to this question seems reasonable and justified. After Germany, the Italian steel industry is the second largest in Europe (not taking into account Russia) and the tenth largest in the world; the net trade balance of steel products has been negative in the last four years, which shows that a significant level of internal consumption is not fully satisfied by national production. The European Commission has included steel among the “six strategic value chains”, even if it has also warned that the technologies that are adopted in the production process can be heavily polluting. In this regard, though, it is worth emphasising that 80 per cent of Italian steel is produced using electric furnaces, a less polluting process than that using blast furnaces powered by fossil fuels. In 2017, the electric furnace accounted for 40 per cent of steel production in the countries of the European Union, as opposed to 25 per cent worldwide.⁷

Public enterprise and the steel industry

The Industrial Reconstruction Institute (Istituto per la Ricostruzione Industriale, hereafter IRI), along with its holding company Finsider and its operating companies, was responsible for the Taranto steelworks until the latter was privatised. This specific context, marked by obvious and very important interactions with politics, determined the project that led to the factory’s construction. First Italsider, then Nuova Italsider and subsequently Ilva — without this succession of names changing the factory’s public character in any way — controlled the plant and were responsible for its management from the beginning of the 1960s until the 1990s. The history of public enterprise, or state participation, thus emerges clearly when looking at the Taranto factory. Historiography has approached the subject of state-owned industry during different “cycles” that usually reflect the varying appreciation of the system of state-controlled companies in public opinion, due to the achieved economic results as well as the changing ideological and political mainstream. In post-war Italy, a debate unfolded on the fate of state-owned companies — unquestionably a legacy of the twenty-year Fascist period — that terminated with the inevitable acceptance of this legacy in a radically changed political context.⁸ Subsequently, state-owned companies were increasingly regarded as an indispensable

⁷ Lorenzo Sala, *Quanto è strategico il settore dell'acciaio?*, www.lavoce.info, 29 September 2019.

⁸ Valerio Castronovo (ed.), *Storia dell'IRI 1. Dalle origini al dopoguerra 1933-1948*, Rome-Bari, Laterza, 2012 (in particular Marco Doria, *I trasporti marittimi, la siderurgia*); Marco Doria, *Impresa pubblica e politiche industriali negli anni della ricostruzione*, “Il Politico”, 2017, 3, pp. 237-255.

part of the country's economy and production system. The report that Pasquale Saraceno wrote in 1956 highlighted the structure, importance and even modernity of public enterprise. A decade later, in his preface to the Italian edition of Andrew Shonfield's successful book on modern capitalism, Saraceno himself recalled that "large part of the stimulus to expansion" that Western economies were experiencing "is determined by the activity carried out by public institutions", and this was also the case for Italy, to which the British scholar turns his attention. The IRI's good reputation at the time is well testified by the essay that Michael Posner and Stuart Woolf wrote in 1967 — published in Italy by Einaudi in the same year — with the explicit didactic intention of informing English readers.⁹ In Italy, those were the glorious years of state-owned enterprises, which in the early 1970s reached the peak of their development though not in terms of employees and turnover, which were destined to grow in the decade that closed the golden age, but in terms of corporate efficiency and prestige. The most recent and well-documented studies on public enterprises in the twentieth century clearly underline the changes that have taken place since then, until their decisive downsizing and substantial liquidation at the end of the century.¹⁰ Although the IRI has obviously been characterised by its link with politics ever since its birth in 1933, in the post-war period, in the 1950s and — to a lesser extent — in the following decade the Institute "enjoyed a reasonable degree of success in stemming external conditioning" and in elaborating its industrial and business strategies.¹¹ Public managers could take advantage of a sort of benign neglect granted by the De Gasperi and subsequent governments, also because of their undisputed competence and authority.¹²

The history of the IRI's steel industry is a good example of these more general dynamics. As is known, it was precisely within Finsider that the development plan for the sector — named after its main representative, Sinigaglia — took shape in the aftermath of the Second World War. In the 1950s, it was

⁹ Ministero dell'Industria e del Commercio, *L'Istituto per la Ricostruzione Industriale - IRI, III. Origini, ordinamenti e attività svolta (rapporto del Prof. Pasquale Saraceno)*, Turin, UTET, 1956; Andrew Shonfield, *Il capitalismo moderno. Mutamenti nei rapporti tra potere pubblico e privato*, Milan, Etas Kompass, 1967 (the quotation from Saraceno is at p. XIII); Michael V. Posner, Stuart J. Woolf, *L'impresa pubblica nell'esperienza italiana*, Turin, Einaudi, 1967.

¹⁰ Among the many essays published on this topic, it is worth mentioning Fabrizio Barca, Sandro Trento, *La parabola delle partecipazioni statali: una missione tradita*, in F. Barca (ed.), *Storia del capitalismo italiano dal dopoguerra a oggi*, Rome, Donzelli, 1997, pp. 185-236; Francesco Silva (ed.), *Storia dell'IRI 3. I difficili anni '70 e i tentativi di rilancio negli anni '80*, Rome-Bari, Laterza, 2013; Roberto Artoni (ed.), *Storia dell'IRI 4. Crisi e privatizzazione*, Rome-Bari, Laterza, 2013; and Pierluigi Ciocca, *Storia dell'IRI 6. L'IRI nell'economia italiana*, Rome-Bari, Laterza, 2015. For a discussion of public enterprises from an international perspective, see Pier Angelo Toninelli (ed.), *The Rise and Fall of State-Owned Enterprises in the Western World*, Cambridge, Cambridge University Press, 2000.

¹¹ P. Ciocca, *Storia dell'IRI 6. L'IRI nell'economia italiana*, cit., p. 178.

¹² F. Barca, S. Trento, *La parabola delle partecipazioni statali: una missione tradita*, cit., p. 194.

again Finsider's technicians who developed an industrial and corporate project for the first phase of investments that gave life to the Taranto plant, whose construction began in 1960 and was completed in 1964, when it was officially inaugurated. In the second half of the 1960s, pressure from the political system — already a determining factor in the decision to build the plant — made itself strongly felt, imposing progressive extensions and compromising the possibility of an economically efficient form of management. The largest steelworks in Italy — and certainly one of the largest in Europe — employed 7,041 direct workers in 1969 and 21,251 in 1979, and financed the activities of a vast world of contractors. In 1969, Taranto produced 2.7 million tonnes of steel and 2.3 million tonnes of cast iron; by 1979, production had risen to 7.5 million tonnes of steel and 7.2 million tonnes of cast iron.¹³ These are considerable figures, despite being much lower than Finsider's forecasts a few years earlier. Nevertheless, Taranto — even if it was not the only Finsider plant with disastrous results — accumulated equally considerable losses that were eventually fatal for the company, for Finsider and for the IRI itself.

The decision taken at the end of the 1950s to build the plant and the suggestion to “double” it, proposed by the IRI's Technical advisory committee on the iron and steel industry in 1969 and endorsed by the government in 1970, have been long and bitterly debated. These events have certainly fuelled — and continue to fuel — a “public use of history” on themes such as the backwardness of the South, dedicated policies for its development, the interconnection of economy and politics, and the functioning (or malfunctioning) of public enterprise, on which I will make some considerations in this article. First, though, it is worth recalling some useful data to contextualise choices that also — and for some above all — represented industrial policies. In the second half of the 1950s, the rapid growth of the Italian economy was accompanied by a considerable expansion in the demand for steel, which was expected to increase significantly. The forecasts made at the time proved to be correct: in the following decade, both the production and consumption of steel grew considerably. This trend confirmed the anticipation of a further increase in demand, which would have had to be met without recourse to imports, particularly significant for flat-rolled products, thus increasing domestic production. However, the economic situation in the 1970s was very different from expectations: the sudden slowdown in growth and fiercer competition between companies at European and international level plunged the steel industry — that is, the steelworks in European countries — into a deep crisis. In 1980, the Euro-

¹³ The employment data can be found in M. Balconi, *La siderurgia italiana (1945-1990). Tra controllo pubblico e incentivi del mercato*, cit., p. 302; the production figures were taken from Ruggiero Ranieri, Salvatore Romeo, *La siderurgia IRI dal piano Sinigaglia alla privatizzazione*, in Franco Russolillo (ed.), *Storia dell'IRI 5. Un gruppo singolare. Settori, bilanci, presenza nell'economia italiana*, Rome-Bari, Laterza, 2014, p. 182.

pean Commission declared a state of “manifest crisis” in the sector and, based on the provisions of the Treaty establishing the European Coal and Steel Community (ECSC), promoted a programme of restructuring and reducing the production capacity to counteract the fall in prices and recover business efficiency.¹⁴ The solutions identified by the top management of the Italian public steel industry (i.e. the government and its Ministry of State Holdings, the IRI and Finsider) appeared weak, belated and utterly inadequate. Thus, having to resort to bank credit following huge investments without adequate capital, Italsider was weighed down by financial burdens but also affected by — often exacerbated — disputes with trade unions and a significant rise in labour costs that was not matched by productivity gains. Subsequently, it recorded heavy budget deficits and was saved from bankruptcy only thanks to repeated injections of public money.

By the 1980s, the idea that a systematic privatisation of public enterprises could be beneficial had not yet gained ground. Some years later, though, in the troubled two-year period of 1992-1993, the government decided to proceed rapidly along the road to privatisation; Ilva Laminati Piani, the company that controlled the Taranto plant, was sold to the Riva group in 1995.¹⁵ Thus ended, at least momentarily, the long history of the public iron and steel industry in Italy. Pierluigi Ciocca, speaking more generally about the IRI, explicitly asked whether privatisation had been “a necessary route”.¹⁶ Looking at the context of the early 1990s from a historical perspective, the motivations that then led to such an outcome clearly emerge. In more recent times, the always controversial issue of public control of companies — including Ilva, given its recent vicissitudes — has returned to the centre of debate.

The history of the Taranto factory also offers interesting perspectives for analysing entrepreneurial history,¹⁷ especially that of the public entrepreneurs

¹⁴ For an analysis of the economic dynamics of the sector and a contextualisation of the various industrial policy strategies that have been adopted, see M. Balconi, *La siderurgia italiana (1945-1990). Tra controllo pubblico e incentivi del mercato*, cit., and Ruggiero Ranieri, Salvatore Romeo, *La siderurgia IRI dal piano Sinigaglia alla privatizzazione*, cit.. For an extensive discussion of the European and Italian steel industry, hence of the context in which the choices concerning Taranto were made, see S. Romeo, *L'acciaio in fumo. L'Ilva di Taranto dal 1945 a oggi*, cit., pp. 55-88 and 127-139.

¹⁵ S. Romeo, *L'acciaio in fumo. L'Ilva di Taranto dal 1945 a oggi*, cit., pp. 197-207.

¹⁶ P. Ciocca, *Storia dell'IRI 6. L'IRI nell'economia italiana*, cit., p. 264.

¹⁷ In addition to works such as Paride Rugafiori's *I gruppi dirigenti della siderurgia “pubblica” tra gli anni Trenta e gli anni Sessanta*, in F. Bonelli (ed.), *Acciaio per l'industrializzazione. Contributi allo studio del problema siderurgico italiano*, cit., pp. 335-368, and Daniela Felisini's *Biografie di un gruppo dirigente (1945-1970)*, in Franco Amatori (ed.), *Storia dell'IRI 2. Il “miracolo” economico e il ruolo dell'IRI*, Rome-Bari, Laterza, 2012, pp. 151-258, there are also valuable eyewitness accounts from important managers of the public iron and steel industry that offer an “insider” perspective on public management and, more generally, on the history of this industry and the IRI. Other than the aforementioned work by Gian Lupo Osti, see also Alessandro Fantoli, *Ricordi di un imprenditore pubblico*, Turin, Rosenberg & Sellier, 1995.

who, over the course of half a century, designed and managed the factory in a changing and never simple context. From the moment the Taranto project started to take shape, various actors from the IRI's and Finsider's top management accepted the challenge: on the one hand, the managers trained by Sinigaglia and accustomed to obeying an eminently technical and industrial logic; on the other hand, the executives of the state-owned holding system who were much more ready and willing to accept political indications.

As mentioned above, in 1995 Ilva Laminati Piani became part of the group that Emilio Riva had founded in the Lombardy region in the 1950s. Its story is emblematic of the vicissitudes of another steel industry and another Italy; after a brief start-up phase in which Riva's company traded scrap iron, during the economic boom it began producing electric furnace steel. Riva ran the company with a decisive attitude, showing a capacity to innovate and consolidate the company until it became one of those pocket-sized multinationals that represented the most dynamic face of Italian capitalism at the end of the century.¹⁸ Riva adopted the same entrepreneurial style in the management of Taranto: he reduced the workforce, brought down the average age and selected the most "loyal" workers, whereas the trade unions were severely marginalised and an equally clear break was made with the inefficient world of suppliers that had weighed so heavily on the plant's balance sheet. In the spirit of Draghi's famous "whatever it takes", The strong focus on cost containment, or in Draghi's famous words, "whatever it takes", led the entrepreneur and his collaborators to neglect the investments needed to limit the heavy environmental pollution caused by full cycle processing. In 2012, the situation became explosive as magistrates seized the factory and Riva, along with other members of the family, were subjected to judicial investigations. In 2013, the Letta government put the company under special administration, after which its management returned to public hands. The subsequent Renzi government began searching for a new buyer; at the end of a very complex procedure, the proposal made by Arcelor Mittal was considered the best. An Indian group that had become a global steel giant, with 180,000 employees and producing 50 million tonnes of steel in four continents and 14 countries, in 2006 Mittal launched a successful takeover bid for Arcelor, heir to the great Franco-Luxembourg steel industry.¹⁹ Once the agreement between Arcelor Mittal and the Italian government was signed, the criminal liability of the Taranto plant's managers for crimes against the environment largely related to the past became

¹⁸ Margherita Balconi, *Riva 1954-1994*, Assago, Giampiero Casagrande editore, 1995. In 1994, the Riva group's 5,713 employees (2,740 in Italy) produced 5.7 million tonnes of steel.

¹⁹ For a discussion of the developments of the Ilva plant from its privatisation until 2018, see S. Romeo, *L'acciaio in fumo. L'Ilva di Taranto dal 1945 a oggi*, cit., pp. 231-290; on Arcelor Mittal see Federico Rampini, *L'impero di Cindia*, Milan, Mondadori, 2006, pp. 58-65, and Roy Tirthankar, *A Business History of India. Enterprise and the Emergence of Capitalism from 1700*, Cambridge, Cambridge University Press, 2018, pp. 218, 231.

the object of discussions, whereas serious uncertainties persisted on the international steel market. Consequently, it is not possible to speak of a new season for the southern steelworks being fully under way. The potential and no longer questionable arrival of a large Indian multinational corporation that would mark the factory's definitive entry into the globalisation of the twenty-first century, along with the full return of public management or the dismantling of the plant, are all options — with very different values — to be considered for a history that has yet to be written.

Politics and the southern question

The case of the Taranto steelworks is truly emblematic of the political dimension of the IRI's history. In 1950, an inter-ministerial committee chaired by Ugo La Malfa tackled the issue of how state-controlled companies should be coordinated and what direction they should be given. A few years later, the issue was taken up again and with greater determination: the Christian Democrat party, no longer steered by De Gasperi and with Amintore Fanfani emerging as the new leader, clearly wanted to assert a more direct and incisive control by the government (and by the relative majority party) over state-owned enterprises. The law establishing the dedicated ministry, approved in December 1956 with a very large parliamentary majority, responded to this objective. The law explicitly defined the role of public enterprises as a tool of the government's economic policies, and this approach found new breath when the centre-left started governing in the 1960s, with attention being turned to economic planning.²⁰ It was precisely in those years that the idea of a new large steel plant to be built in Taranto emerged, a political choice that the IRI and Finsider were forced to accept by starting the construction of the new plant.²¹ Next, the government insisted that the plant be “doubled”, and in 1969 the IRI's technical advisory committee was invited to discuss potential ways of expanding the production capacity of steel; interestingly, the alternative solution to expand the existing steel plant of Piombino (in Tuscany) was discarded for purely polit-

²⁰ Franco Amatori, *Un profilo d'insieme: l'età dell'IRI*, and Fabio Lavista, *Dallo statuto del 1948 alla programmazione economica nazionale*, both in F. Amatori (ed.), *Storia dell'IRI 2. Il “miracolo” economico e il ruolo dell'IRI*, cit. (pp. 3-55 and 523-561 respectively).

²¹ See Onofrio Bellifemine, *Una nuova politica per il Meridione. La nascita del quarto centro siderurgico di Taranto 1955-1960*, Bologna, Il Mulino, 2018; on the political dimension of the process leading to the establishment of the plant, see Matteo Pizzigallo, *Storia di una città e di una “fabbrica promessa”: Taranto e la nascita del IV Centro Siderurgico (1956-1961)*, “Analisi storica”, V, 1989, n. 12-13, pp. 60-129. The IRI's connections with politics are discussed in Luciano Segreto, *Crisi della “governance” e rapporti con la politica*, in Francesco Silva (ed.), *Storia dell'IRI 3. I difficili anni '70 e i tentativi di rilancio negli anni '80*, cit., pp. 307-379.

ical reasons, supported by a certain confidence — destined to disappear shortly afterwards — in the advantages of large plants and economies of scale. Clearly, the choices relating to recruitment policies and negotiations with the variegated world of construction contractors are all political choices, as is the management of the long crisis in the sector. What prevailed was the will — shared by the majority of the government — to burden Italsider's budget and, in turn, that of Finsider, the IRI and the State with the huge costs of delayed (or failed) restructuring and the necessary reductions in the workforce.²² The instruments — very costly for public finance — that made this possible were unemployment benefits and specific legislative measures that allowed tens of thousands of steelworkers to retire early on very advantageous terms.

In the post-war political debate, the southern question, the problem of the South's backwardness and the most appropriate strategies to overcome this obstacle took — or rather regained, after the twenty-year Fascist interval — a specific weight. Compared to the North, the southern regions' backwardness was evident if one considers both economic indicators and social aspects,²³ and it was not ignored by the republican ruling class. The development of a new southern policy was mainly developed within the Association for the Industrial Development of Southern Italy (Associazione per lo sviluppo industriale del Mezzogiorno, hereafter SVIMEZ). SVIMEZ was set up at the end of 1946 by the Minister for Industry, the Socialist Rodolfo Morandi, and people linked to the IRI such as Donato Menichella, Giuseppe Cenzato, Francesco Giordani and Pasquale Saraceno.²⁴ The SVIMEZ's contributions, which considered industrialisation an essential factor for the growth of the southern regions when promoted by co-ordinated public and private interventions, were not immediately transposed into the concrete policies that would soon be implemented by the Development Fund for Southern Italy. By the mid-1950s, the persistent North-South divide led to a rethinking of the direction followed until then. A

²² In this regard, the statement that the Minister for State Holdings Clelio Darida made in 1985, when the need to reorganise the system of public enterprises had been pressing for some time, is exemplary. According to Darida, "in the projects this effort [to reorganise] is accompanied — and must continue to be so — by a precise commitment to limit restructuring operations and job cuts in surplus companies to the Centre-North as much as possible, safeguarding existing businesses in the South in full compliance with economic management" (Clelio Darida e al., *Rapporto sulle partecipazioni statali*, Rome, Edizioni Euroitalia, 1985, pp. 34-35).

²³ Emanuele Felice, *The Roots of a Dual Equilibrium: GDP, Productivity, and Structural Change in the Italian Regions in the Long Run (1871-2011)*, "European Review of Economic History, 2018, 23, pp. 499-528; Emanuele Felice, *I divari regionali in Italia sulla base degli indicatori sociali (1871-2001)*, "Rivista di politica economica", 2007, March-April, pp. 359-405.

²⁴ On the SVIMEZ see the recent works that, in turn, refer to a rich historiographical production by Augusto De Benedetti, *L'IRI e il Mezzogiorno. Una interpretazione*, in Franco Amatori (ed.), *Storia dell'IRI 2. Il "miracolo" economico e il ruolo dell'IRI*, cit., pp. 581-583, Augusto De Benedetti, *Lo sviluppo sospeso. Il Mezzogiorno e l'impresa pubblica 1948-1973*, Soveria Mannelli, Rubbettino, 2013, pp. 47-59, and Onofrio Bellifemine, *Una nuova politica per il Meridione. La nascita del quarto centro siderurgico di Taranto 1955-1960*, cit., pp. 17-23.

central figure in this change of perspective was Saraceno, “the ideologist of the IRI” — as Daniela Felisini defined him — and the catalyst of the SVIMEZ group; under the direction of Ezio Vanoni, Saraceno drew up the Employment and income development scheme in Italy between 1955 and 1964. In the 1950s and 1960s, Saraceno was an influential member of the technical advisory committees for the steel industry, vigorously supporting the decision to build the Taranto steelworks and then to “double it”, providing “technical” justifications to back the political choices.²⁵

Law 634 of 1957 (supported by a large majority and approved with the abstention of the Communists and Socialists) provided direct public support for the industrialisation of the South through different forms of concessions and incentives. A decisive rule was that which established a “minimum” percentage of investments — namely 60 per cent of new investments, to reach 40 per cent of total investments — that public enterprises had to make in the southern regions. There was, then, a strong conviction that the North-South divide could only be bridged through industrialisation and that it was especially up to public enterprise to do so. Authoritative economists pointed to industrialisation as the way forward, including Paul Rosenstein-Rodan, who participated in conferences promoted by the SVIMEZ, and Albert Hirschman, one of the greatest scholars of development economics and the appropriate strategies to overcome conditions of backwardness.²⁶ The fact that industrialisation was mainly to be supported by state-owned enterprises, a typical scenario in the Italian case, meant that massive investments in basic sectors had to be made and with the aim of building large-scale plants.

Shortly after — and as a result of — the 1957 law, the strategy focusing on poles of development emerged.²⁷ The speech Saraceno prepared for the inaugu-

²⁵ D. Felisini, *Biografie di un gruppo dirigente (1945-1970)*, cit., pp. 211-223; on Saraceno see also Silvia Bruzzi, *Impresa pubblica, sviluppo industriale e Mezzogiorno: l'attualità della lezione di Pasquale Saraceno*, Pavia, Università degli Studi di Pavia, 2011; Claudia Rotondi, *Paradigms for Structural Growth and Development in Italy: Pasquale Saraceno's Contribution to the Theory and Practice of Economic Policy*, “Structural Change and Economic Dynamics”, 2019, Volume 51, pp. 361-370; and Alessandro A. Persico, *Steel for Development: Pasquale Saraceno and the Fourth Taranto Steelworks*, “The Journal of European Economic History”, 2019, 3, pp. 75-112.

²⁶ Augusto De Benedetti, *L'IRI e il Mezzogiorno. Una interpretazione*, cit., pp. 614-628.

²⁷ Actions in this direction were taken already at the start of the twentieth century, thanks mainly to Nitti's influence at the time; in the Fascist era, there had been no lack of projects and experiences of industrialisation promoted from above (Rolf Petri, *La frontiera industriale. Territorio, grande industria e leggi speciali prima della Cassa per il Mezzogiorno*, Milan, FrancoAngeli, 1990). On the history of the poles of development in Italy in the second half of the twentieth century, see Elio Cerrito, *I poli di sviluppo nel Mezzogiorno. Per una prospettiva storica*, “Studi storici”, 2010, anno 51, n. 3, pp. 691-797. Cerrito's essay, which contains an extensive bibliography, highlights how — alongside the Taranto plant — numerous other large-scale plants were built in the South on the initiative of public and private companies, including the Montecatini (subsequently Montedison) factory of Brindisi, Sincat in Siracusa, Anic in Gela,

ration of the Taranto factory exalted this strategy, emphasising its revolutionary — in Saraceno's opinion — impact.²⁸ Leaving aside the pompous tones, which were understandable given the event's highly political value and the importance of the factory being inaugurated, these ideas underpinned a policy that would be implemented and widely shared for nearly two decades. It wasn't until the 1970s that the image of the "islands of industrialisation" began to be overlapped by that of the "cathedrals in the desert", but the poles of development and the — increasingly contested — related model of industrialisation were still defended by its proponents and supporters.²⁹

Not even the main opposition force to the centrist and centre-left governments, namely the Italian Communist Party, erected any barricades when the laws that initiated this policy were enacted. Still, fierce polemics characterise official documents and the speeches of the party's top leaders against the large monopoly groups and "state capitalism", whereas the interpretations provided by leaders such as Emilio Sereni and above all Giorgio Amendola — in line with Gramsci's reflections — stimulated a constant call for a more "holistic" vision of the southern question. In this perspective, emphasis was placed on the partiality of interventions considered incapable of fostering an overall transformation of society and the economy of the South.³⁰

Alfasud in Pomigliano d'Arco, and the chemical and petrochemical plants in Sardegna. For a clear overview of this process in the context of Italy's more general economic development, see A. Graziani (ed.), *Leconomia italiana dal 1945 a oggi*, Bologna, Il Mulino, 1979 (in particular pp. 68-74) and A. Graziani, *Lo sviluppo dell'economia italiana. Dalla ricostruzione alla moneta europea*, Turin, Bollati Boringhieri, 1998.

²⁸ The steelworks "gives the theory as well as the practice of *meridionalismo* terms of reference and much broader possibilities than in the past"; "The formation of the poles of development is an essential tool" for the growth of the South, and "the centre of Taranto is, in this context, a truly revolutionary fact: indeed, it definitively breaks an economic equilibrium that had been stagnant for years." The quotation from Saraceno can be found in Augusto De Benedetti, *L'IRI e il Mezzogiorno. Una interpretazione*, cit., p. 628.

²⁹ Again in 1980, in an article entitled "Cathedrals in the desert?", published in the magazine *Nord e Sud*, Saraceno recalled how the public factories built in the South thanks to a strong national effort represent a large part of southern industry (Augusto De Benedetti, *L'IRI e il Mezzogiorno. Una interpretazione*, cit., p. 641). Also in 1980, in a discussion between Giuseppe Galasso (a distinguished historian and exponent of the Republican Party) and Gerardo Chiaromonte (an authoritative leader of the Italian Communist Party), the different evaluations — due obviously also to role playing — of the policy of extraordinary intervention and poles of development emerged clearly: while Galasso emphasised the positive, albeit partial, results of this policy, Chiaromonte pointed out the limits (Gerardo Chiaromonte, Giuseppe Galasso, *L'Italia dimezzata. Dibattito sulla questione meridionale*, Rome-Bari, Laterza, 1980).

³⁰ On the occasion of the conferences organised in 1970 by the Gramsci Institute and the Communist Party's Centre for economic policy studies, Eugenio Peggio emphasised the seriousness of the southern issue, painting a bleak picture of the South. In the Communist's opinion, what determined the situation was the lack of a general agrarian reform, the inadequacies of the industrialisation process, and the growth of cities in which "the bureaucratic-clientelar power, revitalised by the expansion of state monopoly capitalism, [...] prepares and facilitates the penetration of large national and foreign economic organisations" (Eugenio Peggio, *Capitalismo ital-*

However, as far as the specific case of Taranto is concerned, the differences in position of the various political forces were very blurred at a national level, despite the constraints imposed on them depending on whether they were in government or opposition; in local politics, there was unanimous support in Taranto for the construction and subsequent expansion of the steelworks. The game was played out — in close connection to the party's national leadership — by the leading exponents of the local branch of the Christian Democracy, head of the Taranto administration since 1956. In a city that, by the late 1950s, was experiencing difficult times, owing to the downsizing of the arsenal and the crisis of the shipyards, the birth of the steelworks was seen as a great opportunity to respond to the area's hunger for work and as a driver of growth. To give one example: in 1961, when the tube factory began its activities and the number of employees was still limited, Italsider received no less than 18,000 job applications.³¹

Conclusion: the factory, the city and the future

The impact of the construction and expansion of the Taranto steelworks was enormous. The growth of the urban population and incomes, the great gains of land rent, the emergence of lifestyles and consumption styles ever more similar to those of northern cities can largely be explained by the economic and social dynamics resulting from the very presence of the large factory.³²

iano anni '70, Rome, Editori Riuniti, 1970; quotation at p. 106). Bruno Trentin, a Communist trade union leader who was alert to the modernising aspects of Italian society brought about by “neo-capitalism”, also denounced the role of the large monopolies, whom he deemed responsible not so much for perpetuating backwardness as for intensifying the exploitation of the labour force (Bruno Trentin, *Da sfruttati a produttori. Lotte operaie e sviluppo capitalistico dal miracolo economico alla crisi*, Bari, De Donato, 1977; the book gathers important texts published in the 1960s and the 1970s). On Amendola's view on Italian economy, see Gianni Cervetti (ed.), *Giorgio Amendola. La politica economica e il capitalismo italiano*, Milan, Guerini e Associati, 2007; on his analysis of the South and its potential transformation, see Amedeo Lepore, *Il meridionalismo di Giorgio Amendola*, in *La famiglia Amendola. Una scelta di vita per l'Italia*, Turin, Cerabona, 2011, pp. 211-246.

³¹ Matteo Pizzigallo, *Storia di una città e di una “fabbrica promessa”: Taranto e la nascita del IV Centro Siderurgico (1956-1961)*, cit., p. 129. The local political dynamics are also discussed in Onofrio Bellifemine, *I cattolici e la nascita del centro siderurgico di Taranto: una città del Sud alla vigilia dell'industrializzazione (1956-1964)*, “Italia contemporanea”, 2019, n. 289, pp. 72-96, and in S. Romeo, *L'acciaio in fumo. L'Ilva di Taranto dal 1945 a oggi*, cit. The latter pays special attention to the urban planning aspects connected with the creation of the steelworks. An interesting eyewitness account is that of Alessandro Fantoli, *Ricordi di un imprenditore pubblico* (Memories of a public entrepreneur), who is critical of the relations — also described by the above-mentioned scholars — between Taranto's curia and the Christian Democrat environment.

³² Elio Cerrito, *I poli di sviluppo nel Mezzogiorno. Per una prospettiva storica*, cit., pp. 701-707.

These disruptive effects were perceived for a few decades, then diminished following the crisis in the steel sector and the consequent, forced decisions of company restructuring and cost containment, which progressively stressed that detachment between the community, on the one hand, and the factory, on the other, that also marked other iron and steel cities.³³ What never ceased, though, was the environmental pollution that the plant produced; the constant and heavy pollution attracted attention and aroused criticism as early as the 1970s, becoming less and less tolerable in subsequent decades. In more recent times, it has become a central theme in public debate.³⁴

Over the years, several renowned journalists and opinion makers in Italy have written about the Taranto steelworks, inspired by the spirit of the times and their personal sensibilities, and capable of dealing very effectively with issues that have subsequently been explored in historical research. In 1963, Giorgio Bocca's discussion of the "factories in the South" recounted how the poles of development policy were in full swing. State intervention was "decisive and irreplaceable" because, in the South, "there is no real bourgeoisie capable of leading the industrial revolution but only bureaucratic and parasitic classes", and the "precarious equilibrium" in which they moved was challenged by industrialisation, "neither a duty nor a business, but a revolutionary necessity, that is, a necessity that might as well ignore economicistic calculations". Bocca, whose prose is by no means characterised by understatement, considered the choices that fell and were managed from above as inevitable, hence accepting the risk of the additional costs that Saraceno described as "improper burdens". In a 1965 article published in *Il Corriere della Sera*, which describes Taranto as a place "where industrialisation has fallen in the most violent way", Alberto Cavallari positively commented on the poles of development and stated that, since Italy had to produce more steel, building steelworks was the right thing to do. Unlike Bocca, he believed that a transformation of the ruling class was taking place in the South, with the old elite losing power to the advantage of the new one.³⁵ Conversely, Antonio Cederna

³³ See Annalisa Tonarelli, *Piombino: il lento declino di una città industriale*, "Meridiana. Rivista di storia e scienze sociali", 2016, n. 85, pp. 81-108, and on the case of Genoa, *Vivere a Ponente*, Milan, Vangelista, 1989.

³⁴ The essay by S. Romeo, *L'acciaio in fumo. L'Ilva di Taranto dal 1945 a oggi*, cit., offers well-documented and sharp reflections on the issue.

³⁵ Bocca's observations, taken from his reportages as a correspondent of *Il Giorno* during the economic miracle, have been published in Giorgio Bocca, *La scoperta dell'Italia*, Bari, Laterza, 1963, pp. 373-379. In the same years, *Corriere della Sera* commissioned some of its leading journalists to tell readers about the changes in the different Italian regions: Cavallari dealt with Puglia, where Taranto is located (Indro Montanelli e al., *Italia sotto inchiesta. Corriere della Sera (1963-65)*, Florence, Sansoni, 1965, pp. 757-762). The transformation of the southern elite as a result of the modernisation from above that the South experienced during the golden age is also discussed in the concise text by Giuseppe Galasso, *Mezzogiorno e modernizzazione (1945-1975)*, in Luigi Graziano, Sidney Tarrow, *La crisi italiana*, Turin, Einaudi, 1979,

— writing in 1972, also in *Il Corriere della Sera* — described a “Taranto at the mercy of Italsider”, “a city in disarray, a Manhattan of underdevelopment and illegal constructions”. Severely condemning the poles of development policy while the “doubling” of the steelworks was underway, he rhetorically asked where “the benefits promised by industrialisation” had gone. Cederna therefore represented those who even then, in Taranto, critically reflected on the city’s transformation and denounced its environmental and, therefore, social costs.³⁶ More than forty years later, Marco Revelli defined the Ilva plant “a monster that has devoured — not metaphorically but physically — the city” and “a factory of death”, which after destroying olive trees has reaped human lives by polluting them.³⁷

The widespread consensus that accompanied the birth of the Taranto steelworks seems to have given way to a frontal opposition. Yet, the big questions surrounding the history of the factory remain unanswered. What position can the steel industry hold in Italy? What model of development should the country follow? Does public enterprise still have a function? How can economic activity and environmental protection live in harmony? To answer these questions, and perhaps also to find the right solutions, one must pay a visit to Taranto.

pp. 329-352. The extent to which this phenomenon is marked by the osmosis between old and new power groups rather than by the replacement of one with another would merit a more in-depth consideration.

³⁶ Antonio Cederna, *Taranto in balia dell’Italsider*, “Il Corriere della Sera”, 13 April 1972, and Antonio Cederna, *Taranto strangolata dal boom*, “Il Corriere della Sera”, 18 April 1972; see also S. Romeo, *L’acciaio in fumo. L’Ilva di Taranto dal 1945 a oggi*, cit., pp. 137 and following pages.

³⁷ Marco Revelli, *Non ti riconosco. Un viaggio eretico nell’Italia che cambia*, Turin, Einaudi, 2016 (quotes on pp. 181 and 183).