

The Parliamentary Inquiry into Unemployment in Italy

by

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In December 1951 the Italian Chamber of Deputies ordered an inquiry to be made into the problem of unemployment and underemployment in Italy and set up a committee of inquiry with the following terms of reference: (a) to conduct a thorough and exhaustive investigation of the present state of unemployment and underemployment in Italy, and of the living conditions and the vocational skills of the unemployed; (b) to determine the probable opportunities for employment and emigration and population trends for the next four years; (c) to determine the possibilities and the means of achieving a high and regular level of employment, and the extent to which a policy of full employment could be applied; (d) to outline a programme for the systematic promotion of vocational guidance and vocational training for the unemployed and newcomers to industry and the improvement of labour mobility; (e) to present its proposals to the appropriate administrative organisation for action. A number of surveys and studies were made during 1952, and the committee recently published the results of the inquiry in a report comprising 15 volumes.¹

In the following article Mr. Tremelloni, chairman of the committee, summarises the results of the surveys made and the conclusions drawn regarding the immediate and long-term causes of unemployment and underemployment in Italy and the steps that can be taken to remedy these evils.

THE NATURE AND OBJECTIVES OF THE INQUIRY

THE extent and the persistence of unemployment in Italy have raised one of the biggest and most disquieting problems in that country since the war. One of the principal aspirations of the people of the world today is a fully occupied labour force;

¹ *Atti della Commissione parlamentare d'inchiesta sulla disoccupazione* (Rome, 1953).

moreover, the struggle against unemployment in any country requires an exact understanding of its causes and character, and the knowledge available in Italy on this most serious evil was until recently very imperfect.¹ Consequently many questions have been asked and speeches made in the Italian Parliament, particularly during the last four or five years, with a view to obtaining a more careful and thorough investigation into the extent and special characteristics of unemployment in the country. In December 1950 a request was made in the Chamber of Deputies for a parliamentary inquiry. Article 82 of the Constitution gives to each of the two Houses of the Legislature the right to undertake investigations², and Italy can look back with pride to a number of notable parliamentary inquiries on social subjects during the pre-Fascist period, such as the Jacini agrarian inquiry of 1872-82 and the Faina inquiry, which explored the conditions of the peasants in southern Italy in 1906.³ The inquiry into unemployment voted almost unanimously by the Chamber of Deputies on 4 December 1951 was the resumption of a tradition still unforgotten, although it had been interrupted, as regards social questions at least, for many years; the inquiry was to be concerned with the gravest complaint affecting overpopulated countries today—the disproportion between resources and the number of people living in the country, between the means of production and the labour force.

The Committee of Inquiry was appointed by the President of the Chamber of Deputies on 21 June 1952. It was composed of 21 deputies chosen from the political parties in proportion to the strength of the parties in the Chamber. The Committee was given very little time (six months, later extended to nine) in which to investigate a number of subjects; its chief task was to study the problem of unemployment, but it was also requested to formulate proposals concerning vocational training and the employment service and to give estimates of movements in the labour market during the next four years. Thus the inquiry had both technical and political objects; the task of the Committee was facilitated by the work of a conference on statistical studies in unemployment convened in March 1951 to establish methods of procedure⁴, and

¹ Cf. *Lettera del Presidente della Commissione parlamentare in occasione della trasmissione degli Atti dell'Inchiesta al Presidente della Camera* (Rome, Mar. 1953), pp. 16-30.

² "Either House may order inquiries into matters of public importance" (Article 82 of the Constitution).

³ Cf. S. FURLANI: "Le inchieste parlamentari in Italia e la loro influenza sulla legislatura a l'attività di Governo", in *Atti*, Vol. IV, Book 1, pp. 5 ff.

⁴ Cf. *Rassegna di statistiche del Lavoro*, No. VI (Rome, 1952).

by the formation of a technical secretariat attached to the Commission of Inquiry, in which experts who were not members of parliament participated.

The scope of the inquiry into unemployment was extended to include the study of the characteristics of existing employment, and finally included the consideration of all the various signs of labour inactivity, i.e., the forms and severity of partial employment and underemployment, which are particularly frequent in the underdeveloped and the predominantly agricultural regions. The inquiry was therefore conducted in accordance with the following plan :

(a) a series of surveys were made in order to furnish the quantitative data necessary to the study of the problem at the time of the inquiry or in its historical evolution ;

(b) a series of studies were made of certain aspects (types of unemployment or underemployment, economic structure of the country and employment, employment service and vocational training schemes, the role of public institutions, the degree of mobility of labour, the demographic and economic causes of unemployment in Italy and the situation in the various regions ;

(c) a series of polls were carried out verbally or by means of questionnaires in all the principal localities, in the larger trade unions, among economists and sociologists and among administrative bodies.

Ten investigations were carried out for the surveys mentioned in (a) ; the studies under (b) were entrusted to specialists and to ten expert working parties ; as regards (c) 2,000 persons were questioned verbally in some 60 localities, and questionnaires were sent to 3,000 persons or institutions. Nearly 11,000 persons took part either directly or indirectly in the inquiry.

The scope of the inquiry was far wider than that of any previous inquiry into unemployment. The inquiries of the first decades of the century examined only the phenomenon of unemployment in the strict sense of the word. They were concerned only with the problem of assistance to the victims of unemployment and so were merely the preliminary to relief work. The present inquiry sought to explore a very much wider domain, in accordance with the demands of social research today ; it proposed to examine labour inactivity in all its forms (low ratio of the employed population to total population, partial employment, unemployment proper). Only by extending in this way the limits of the inquiry was it possible to examine the root causes of a phenomenon which in

Italy assumes the most multifarious aspects and to look for solutions that would be neither partial nor transitory, or at least to determine the exact nature of this grave problem, which can only be solved if relief of the present ills is accompanied by thorough-going and effective preventive treatment.

It will be seen that the very searching inquiry undertaken was fully justified, and these observations may also serve to restrain the impatience voiced in certain quarters, which is understandable, but prompted by a superficial or over-simplified view of the problem; the scourge of labour inactivity in Italy, which goes back many decades and for which there are numerous cumulative reasons, can be effectively remedied only by intelligent action on a large scale.

THE RESULTS OF THE QUANTITATIVE SURVEYS

The principal quantitative surveys carried out to measure unemployment and underemployment in Italy at the time of the inquiry (September 1952) were—

(a) a sampling survey of the labour force made by the Central Statistical Institute;

(b) an analysis of the lists of persons registered at labour exchanges (carried out by the Ministry of Labour); and

(c) an assessment of agricultural underemployment in certain large farming areas of the country (made by the National Institute of Agricultural Economy).

September was chosen for the first two studies, since that is the month least affected by seasonal causes of unemployment in Italy, where agriculture and other outdoor pursuits occupy at least half of the working population and therefore exert a powerful influence on the seasonal variations in manpower requirements.

These investigations were followed up by others to ascertain the condition of the unemployed and to investigate the different aspects of the Italian labour market at the time of the inquiry; a second group of observations reflects not merely the static situation of 1952 but also the dynamic aspects of the problem.

Investigations concerning Manpower

The sampling survey of the labour force made it possible, for the first time since 1936, to have a general picture of the distribution of occupations in the country in the absence of the classified

results of the demographic censuses.¹ In a total population of 47.1 million (September 1952) the labour force amounted to 19.4 million ; the remaining 27.8 million were regarded as persons not gainfully occupied (table I).² The percentage figure for the labour force thus obtained (41.1) is very low, both in comparison with other modern States and in comparison with the past : in the various Italian demographic censuses it had been calculated at 53.22 per cent. in 1871, 48.97 per cent. in 1901 and 41.70 per cent. in 1951. These figures show the progressive regression of the working population in the last 80 years of Italian history ; this is due on the one hand to phenomena of a demographic nature of which mention will be made later, and on the other hand to the slowness of the country's economic development and its scanty

TABLE I. POPULATION AND LABOUR IN ITALY

Category of workers	Number (in thousands)			Percentage		
	Aged under 14 years	Aged 14 years and above	Total	Aged under 14 years	Aged 14 years and above	Total
<i>Labour force</i>	202.7	19,155.5	19,358.2	1.8	53.5	41.1
Employed	202.7	17,869.3	18,072.0	1.8	49.9	39.4
Independent workers and employees	51.6	14,405.6	14,457.2	0.5	40.2	30.7
Casual workers	151.1	3,463.7	3,614.8	1.3	9.7	7.7
Unemployed	1,286.2	1,286.2	.	3.6	2.7
Previously employed seeking job for first time	608.5	608.5	.	1.7	1.3
	.	677.7	677.7	.	1.9	1.4
<i>Persons not gainfully occupied</i>	11,100.7	16,679.3	27,780.0	98.2	46.5	58.9
Housewives	340.2	11,992.0	12,332.2	3.0	33.4	26.2
Students	4,965.4	1,182.6	6,148.0	43.9	3.3	13.0
Others	5,795.1	3,504.7	9,299.8	51.3	9.8	19.7
<i>Total</i>	11,303.4	35,834.8	47,138.2	100.0	100.0	100.0

¹ The sampling survey was based on 58,352 families with 233,131 members, in 770 Italian communes, including all the provincial capitals. The criticisms and reserves made concerning these sampling methods of inquiry are well-known, and the results should be used with caution. For the criteria used in the survey see Vol. 1 of the *Atti della Commissione parlamentare d'inchiesta sulla disoccupazione*, Book 1, pp. 1-73.

² The total labour force, according to inquiry carried out by the Central Statistical Institution at the instigation of the Committee of Inquiry in September 1952, was 19,358,200 persons out of a population of 47,138,200. The population without gainful employment (27,780,000) was equal to 58.9 per cent. and was made up as follows : women engaged in housework : 26.2 per cent. ; students : 13 per cent. ; persons not engaged in any paid activity : 19.7 per cent. About 1.1 per cent. of the labour force was under 14 years of age, while among those without gainful employment about 40 per cent. were under 14.

resources in means of production. The inquiry also revealed that the ratio between working population and total population fluctuates very considerably in the various regions of Italy: it was found to be highest in Piedmont (49.1 per cent.) and lowest in Sardinia (31.2 per cent.). In general a gradual and progressive diminution was found from northern Italy to the south. Above all the proportion of women in the labour force falls rapidly from north to south: while in northern Italy women form 28 per cent. of the labour force, in Sicily they form only 9.4 per cent. Over the whole country the women belonging to the labour force form only 25 per cent. of the female population. (Analogous inquiries give a figure of 34.5 per cent. in the United States and 45.7 per cent. in France.)¹

Of the 19.4 million persons constituting the labour force 18 million were classified as employed and 1.3 million as unemployed (table II). This latter figure does not represent the extent of unemployment, but only the number of people who were completely

TABLE II. DISTRIBUTION OF EMPLOYED AND UNEMPLOYED WORKERS BY REGION AND OCCUPATION

Region	Total man-power (thousands)	Employed			Unemployed					
		Number (thousands)	% of population	% of labour force	Previously employed (thousands)	Seeking first job (thousands)	Total			
							Number (thousands)	% of population	% of labour force	% of employed workers
North	9,474.9	8,846.4	42.5	93.4	284.5	344.0	628.5	3.0	6.6	7.1
Centre	3,654.0	3,388.8	39.1	92.7	131.0	134.2	265.2	3.1	7.3	7.8
South	4,383.4	4,116.9	34.6	93.9	132.1	134.4	266.5	2.2	6.1	6.5
Islands	1,845.9	1,719.9	30.0	93.2	60.9	65.1	126.0	2.2	6.8	7.3
Whole country	19,358.2	18,072.0	38.3	93.4	608.5	677.7	1,286.2	2.7	6.6	7.1

¹ A comparison by Vannutelli of the results of surveys of the labour force in several countries (cf. "Considerazioni sulla struttura e sul movimento della popolazione italiana, tratte dai primi risultati dell'inchiesta parlamentare sulla disoccupazione", in the *Rivista di politica economica*, Apr. 1953, p. 486) excluding the workers under 14 years of age, is given in the following table:

LABOUR FORCES (MEN AND WOMEN)
IN CANADA, FRANCE, ITALY AND THE UNITED STATES
(Percentages)

Population over 14 years of age	Italy ¹	France ²	U.S. ³	Canada ⁴
Labour force	53.5	63.8	57.3	52.9
Employed	(49.9)	(62.9)	(56.2)	(51.8)
Unemployed	(3.6)	(0.9)	(1.1)	(1.1)
Persons not gainfully occupied	46.5	36.2	42.6	47.0
Total	100.0	100.0	100.0	100.0

¹ Sep. 1952. ² Nov.-Dec. 1952. ³ Oct. 1952. ⁴ Nov. 1952.

without work in September 1952 (there was an active person without employment in 9.2 of every 100 families). Of those shown as employed 1.2 million declared that they were not working during the week in which the census was taken : of these 43.6 per cent. gave "lack of work" as their reason for not working ; the remainder were not working because of holidays or for health reasons, or were prevented by bad weather, strikes, etc. Of the 16,536,000 persons in employment in the week in question, 81 per cent. worked 40 or more hours a week, 17.4 per cent. between 15 and 40 hours and 1.6 per cent. (258,600 persons) less than 15 hours a week.¹

It will be clear that to the estimate of the numbers entirely without work (1.3 million) should be added some of the 502,000 persons idle through lack of work during the week of the survey and some of the 258,600 who worked less than 15 hours in the week, since their situation borders on total unemployment.

TABLE III. DISTRIBUTION OF UNEMPLOYED IN ITALY
BY REGION AND SEX
(Percentages)

Region	Workers previously in employment		Workers seeking first job		Total	
	Men	Women	Men	Women	Men	Women
North . . .	63.8	36.2	51.6	48.4	57.1	42.9
Centre . . .	81.9	18.1	60.4	39.6	70.9	29.1
South . . .	81.6	18.4	76.9	23.1	79.2	20.8
Islands . .	90.5	9.5	76.5	23.5	83.3	16.7
Whole country .	74.5	25.5	61.2	38.8	67.4	32.6

Italy remains a country of mixed economy in which agriculture is still very important and provides employment for the greater part of the population : of those in employment more than four-tenths work in agriculture (42.4 per cent.), about one-third in industry (35.4 per cent.) and only 22.2 per cent. in service occupations or other activities (tables IV, V and VI). But agriculture, while occupying 42.4 per cent. of the labour force, accounts for only 30 per cent. of the national income, while industry, with 35.4 per cent. of the labour force, accounts for 44-45 per cent.

¹ The national average was 47 hours' work a week ; 64 per cent. of the labour force had worked 48 hours or more ; 17 per cent. between 40 and 48 hours ; 17.4 per cent. between 15 and 40 hours ; and 1.6 per cent. less than 15 hours. The average of hours worked per week in individual occupations was as follows : industry : 44 hours ; agriculture : 49 hours (the week of the survey is one of the peak weeks for farm work) ; commerce : 51 hours ; civil service : 45 hours ; transport : 47 hours. (Cf. *Atti*, Vol. I, Book 1, pp. 66-67.)

TABLE IV. DISTRIBUTION OF EMPLOYED WORKERS
BY OCCUPATION (EXCLUDING ARMED FORCES)

Occupation	No. of workers (thousands)	No. of workers (thousands)
<i>Agriculture, fishing, hunting and trapping</i>		7,494.3
<i>Industry</i>		5,609.8
Mining and quarrying	224.7	
Manufacturing	3,768.5	
Building and public works	1,421.3	
Water, gas and electricity	195.3	
<i>Transport and communications</i>		659.1
<i>Commerce, banking and insurance</i>		1,882.1
Commerce	1,732.2	
Banking and insurance	149.9	
<i>Other</i>		2,042.7
Personal and professional work	998.7	
Civil service	1,044.0	
All occupations		17,688.0

Industrial employment is pre-eminent in northern Italy, while in the south employment is mainly in agriculture; the proportion of agricultural employment increases as one goes further south.

As regards age groups, if we consider only persons in employment we find the largest number between 20 and 49 years of age (64.7 per cent.); those aged 50 to 59 account for 13.5 per cent. and those aged 60 or more only 1.8 per cent.; the low age groups (14 to 19 years of age) amount to 12.7 per cent. The number of children under 14 years is considerable (approximately 200,000);

TABLE V. DISTRIBUTION OF EMPLOYED AND UNEMPLOYED
WORKERS BY REGION AND OCCUPATION
(Percentages)

Region	Employed			Unemployed		
	Agriculture, fishing, hunting, trapping	Industry, transport, communi- cations	Other	Agriculture, fishing, hunting, trapping	Industry, transport, communi- cations	Other
North . . .	35.0	42.5	22.5	15.5	67.4	17.1
Centre . . .	43.5	30.6	25.9	14.7	66.7	18.6
South . . .	55.2	26.3	18.5	28.5	56.8	14.7
Islands . . .	47.9	30.0	22.1	41.4	46.3	12.3
Whole country . . .	42.4	35.4	22.2	20.8	62.8	16.4

TABLE VI. DISTRIBUTION BY OCCUPATION OF WORKERS
IN EMPLOYMENT AND WORKERS PREVIOUSLY IN EMPLOYMENT

Occupation	Workers in employment	Unemployed workers previously in employment
<i>Agriculture, fishing, hunting, trapping</i>	42.4	20.8
<i>Industry</i>	31.7	59.3
Mining and quarrying	1.3	2.2
Manufacturing	21.3	29.9
Building and public works	8.0	25.9
Water, gas and electricity	1.1	1.3
<i>Transport and communications</i>	3.7	3.5
<i>Commerce, banking and insur- ance</i>	10.6	5.9
Commerce	9.8	5.6
Banking and insurance	0.8	0.3
<i>Other</i>	5.7	5.8
<i>Civil service</i>	3.9	4.7
<i>Total</i>	100.0	100.0

it represents 1.1 per cent. of the persons in employment. This fact has induced the members of the Committee of Inquiry to contemplate the possibility of raising the minimum working age to 15 ; this is moreover, the minimum age laid down in the international labour Conventions.¹

The degree of formal education of the employed population is low : only 2.1 per cent. have a degree or university training ; 4.6 per cent. have attended a senior high school ; 7.6 per cent. can claim attendance at a junior high school or the school leaving certificate ; 85.7 per cent. have only elementary education or none at all. However, the percentages vary considerably in the various regions : in Lombardy the percentage of those with no education higher than the elementary stage is only 79.8 ; in the south, on the other hand, there are higher percentages of illiterates and persons with only elementary education alongside higher proportions of university graduates ; in contrast, intermediate education is rare, particularly technical education.

The problem of the disparity between existing educational and vocational training and the skills required of workers was considered to be particularly serious, and a working party drew up a very thorough report showing the urgent necessity to redress this

¹ Minimum Age (Industry) Convention (Revised), 1937 ; Minimum Age (Non-Industrial Employment) Convention (Revised), 1937 ; and Minimum Age (Sea) Convention (Revised), 1936.

TABLE VII. DISTRIBUTION OF EMPLOYED WORKERS
BY AGE AND SEX

Age group	Men	Women	Both sexes
Under 14	1.1	1.3	1.1
14 to 17	6.8	10.5	7.7
18 to 19	4.4	7.0	5.0
20 to 29	23.6	28.5	24.9
30 to 49	41.0	36.1	39.8
50 to 59	14.2	11.3	13.5
60 to 64	4.5	2.9	4.1
65 and over (and unclassified)	4.4	2.4	3.9
Total . . .	100.0	100.0	100.0

disparity. It was calculated that 11 per cent. of the nation is still illiterate, and that over a million children (some 17 per cent. of those liable) evade the obligation to attend school up to the age of 14. Only one in ten workers aged 40 or over and only three in ten workers under 40 years of age have a certificate covering the complete elementary school course. The inquiry has shown the urgent necessity of raising the general educational level of those who take part in production and also the need for legislative action and adequate programmes for the promotion of vocational guidance and training.

The Survey of Registered Unemployed

While the above sampling survey provided more extensive and more reliable data respecting employment, the survey of persons registered at labour exchanges carried out by the Ministry of Labour on 30 September 1952 (table VIII) admits of a different but certainly more exact observation of the phenomenon of unemployment, that is, of the persons seeking work. There were found to be 1,715,708 persons on the books of the labour exchanges: of these almost two-thirds (1,033,669) had had previous employment and nearly a third (501,368) were looking for their first job; the remainder (180,671) consisted of housewives, pensioners or persons in employment who wished to change their job. It is therefore probable that in the month of the survey (in which there is no noticeable seasonal unemployment, whereas in peak months—generally January or February—total unemployment rises by 400,000 to 500,000) there were some million-and-a-half persons

TABLE VIII. PERSONS REGISTERED AT EMPLOYMENT EXCHANGES,
30 SEPTEMBER 1952

Occupation	Wage earners with occupational qualifications	Salaried employees	Unskilled labourers	Total
Agriculture, forestry, trapping, fishing	354,512	284	12,035	366,831
Industry	692,988	10,975	58,759	762,722
Transport and communications	16,441	160	209	16,810
Commerce	36,238	1,711	840	38,789
Banking and insurance	400	26,003	214	26,617
Miscellaneous occupations and services	14,572	5,253	111,898	131,723
Unclassified	—	33,803	338,413	372,216
Total	1,115,151	78,189	522,368	1,715,708

unemployed or slightly more, two-thirds of them male.¹ The over-all figure for registered unemployed corresponds to 3.67 per cent. of the population ; only in the south is the percentage higher (4.10).

The research undertaken by the labour exchanges shows that very few workers have the required skills. As many as 522,368 persons are shown as "unskilled labourers", and very few of the others have taken vocational training courses or are skilled workers ; along with this serious evidence of the low level of vocational training of the Italian unemployed there is evidence of a very low level of formal education. Only 103,000 (6 per cent.) of the 1,713,700 on the books of the labour exchanges have had any post-elementary education ; and of the 1,612,400 remaining, no less than 134,000 are illiterate. Only 40,000 of the persons registering—a twentieth of those who replied to the question—stated that they had participated in a course of vocational training. The inquiry has thus emphasised the importance and urgency of a reform of the machinery for vocational training, which at present is inadequate and lacking in system.

¹ Of the persons registered with the employment offices 35 per cent. were women. Women constituted just over half of the unskilled labour (46 per cent.) and more than one-third of the unemployed office workers. In industry there were 37 women in every 100 registered unemployed, in agriculture the figure was 26 per cent, while in commerce (including retail trade) more than half of those registering were women. (Cf. *Atti*, Vol. I, Book 1, pp. 99-109 ; see also pp. 64-65).

A large proportion of the persons registered were in the low age groups, particularly the groups from 30 to 54. Thus 415,000 are registered as unemployed in the under-20 age group, but the figure rises to 441,000 for the 21-29 group and 747,000 for those between the ages of 30 and 54. For those 55 to 64 years of age it drops to 98,000, while some 15,000 persons over 65 years of age are seeking work. In the lower age groups those looking for work for the first time predominate; this situation has been getting worse in Italy in the last few years, on account of the limited mobility of manpower.¹

As regards the duration of the period of unemployment, the data collected by the Central Statistical Institute concerning unemployed persons who had previously been in employment showed that about 60 per cent. were persons who had lost their jobs not more than six months previously (44.6 per cent. less than three months previously). As for the remainder, 23.8 per cent. had been unemployed for a year or more. The mean duration of the unemployment period was calculated at three months 21 days (table IX).

TABLE IX. DISTRIBUTION OF UNEMPLOYED PREVIOUSLY
IN EMPLOYMENT BY DURATION OF UNEMPLOYMENT

Duration of unemployment	Percentages	
Less than 15 days	9.8	} 44.6
16 days to 1 month	7.1	
1 to 2 months	16.7	
2 to 3 months	11.1	
3 to 4 months	5.7	} 15.6
4 to 6 months	9.9	
6 to 9 months	7.3	} 36.7
9 to 12 months	5.6	
1 year or more	23.8	
Unknown	3.0	
Total	100.0	

¹ The Central Statistical Institute's survey is probably more complete as regards the non-employed seeking their first job, since not all of those in search of initial employment register at the employment exchanges. The survey gives the figure of 677,700 persons (as against the 501,368 given by the employment exchanges), 61.2 per cent. of them males. Hence it is evident that the percentage of women seeking work for the first time is higher than that of employed workers or unemployed persons who have previously been in employment; the female element exerts considerable pressure on the labour market, especially in the north. Of those looking for employment for the first time 50.4 per cent. are under 17 years of age and 64.4 per cent. under 19; this situation can be attributed largely to the decline in the opportunities of apprenticeship (Cf. *Atti*, Vol. I, Book 1, p. 54).

Investigation into the Level of Employment in Agriculture

In a country that is still predominantly agricultural it was essential to review the level of employment in agriculture. The sampling survey showed that the average number of days worked, in all agricultural categories, was 228 in the preceding year. The average was high for regular wage earners (284 days), share croppers (258 days) and independent farmers (248 days), but very low for

TABLE X. NUMBER OF DAYS WORKED BY AGRICULTURAL WORKERS DURING YEAR ENDING 8 SEPTEMBER 1952

Region	All agricultural workers		Day labourers	
	No. of workers (thousands)	Average no. of days worked	No. of workers (thousands)	Average no. of days worked
North	2,949.1	231	443.3	144
Centre	1,404.5	271	109.0	164
South	2,143.7	196	619.9	161
Islands	776.3	220	329.0	184
Whole country . .	7,273.6	228	1,501.2	161

casual day labourers (161 days). Of the latter, who represent some 1.5 million workers out of the 7.3 million workers in agriculture, 76.6 per cent. worked less than 200 days (23.5 per cent. of them worked for 100 days in the year or less) ; only 1.1 per cent. had employment for over 300 days.¹

The research carried out on behalf of the Commission of Inquiry by the National Institute of Agricultural Economy added further data to the above statistical observations, and underlined first and foremost the pronounced seasonal fluctuations and the marked degree of underemployment in agriculture.²

The degree of underemployment arising out of the seasonal nature of the work alone has been calculated to average 15.3 per

¹ Cf. *Atti*, Vol. I, Book 1, p. 73.

² The manpower available in the categories employed in farming enterprises remains unused for an appreciable part of the year : in any event the employment curve for 92.9 per cent. of agricultural undertakings reveals a relative variability of more than 10 per cent. Only where there is intensive cultivation of several crops accompanied by stockbreeding is the problem of unbalance between labour available and labour actually employed reduced to the minimum, and in Italian agriculture such a system is rare. Peak employment is in June, and minimum employment in December ; in June the percentage of man-hours worked exceeds those available by 12 per cent., whereas in December the percentage of hours not worked in terms of hours available is 36.8 per cent.

cent., which means that only 84.7 per cent. of the available manpower is utilised in Italian agriculture.¹ But an attempt was made by the investigators, in a survey of large and important agricultural areas of the country, to establish an annual balance-sheet between the manpower available and the manpower utilised. This balance-sheet shows that Italian agricultural workers are workless or unproductively employed for 94 man-days out of the 270-280 available in a year (34 per cent.); a third of the workers, therefore, theoretically supposing the other two-thirds to be fully employed, is unusable. These figures indicate one of the most conspicuous outward signs of labour inactivity in Italy—the pronounced underemployment of almost half the labour force of the nation, which constitutes the inexhaustible reserve of potential unemployed who flock into the urban centres and into industry.

Mobility of Manpower

Complementary investigations of lesser scope were conducted into the mobility of manpower and the situation of the labour market. Inelasticity of the labour market, which is typical of countries with a sluggish marketing economy, was found both in low geographic mobility and in low mobility from one trade to another and from one firm to another. In particular, the rate of labour turnover (the number of persons entering and leaving employment in relation to the average number employed) was ascertained in a few dozen business concerns covering 8 per cent. (235,000) of the persons employed in industrial undertakings. The turnover was shown to fluctuate in 1951 between 6.88 per cent. and 7.70 per cent. for wage earners and between 9.24 per cent. and 8.57 per cent. for salaried employees, the first figure representing the number entering employment and the second the number leaving employment during the year. These figures are very low (only one-fifth or one-sixth of the corresponding figures for the same periods in Great Britain or the United States) and reveal a striking inelasticity in the labour market.² It was also

¹ Underemployment is more pronounced on leasehold farms (23.6 per cent.) and less considerable in the share-cropping system (7.9 per cent.).

² Labour turnover is highest in mining and chemical concerns, lowest in the electrical, metallurgical and mechanical industries; it is higher in small business (up to 500 employees) than in medium or large concerns. The reasons for leaving employment were usually discharge (more than half of the cases) or resignation (one-third of the cases). (Cf. *Atti*, Vol. I, Book 1, pp. 185 ff.) Regarding the reasons for the unemployment (of those already employed), the inquiry noted a high percentage of discharges (46.4 per cent.); resignation accounted for only 3.3 per cent. The reasons of the unemployment of the remaining 50 per cent. were the closing down for the firm (14.8 per cent.), seasonal causes (16.3 per cent.), illness (3 per cent.) and various other reasons. (Cf. *Atti*, Vol. I, Book 1, p. 53.)

found that the geographical mobility of the population had fallen considerably since the first decades of the century and there was less movement from one trade to another, particularly on account of the insufficient general training of the unemployed and their inability to follow more than one trade. The low geographical mobility has its origin in legislation designed in the past to combat the rush to the cities by forbidding job applications from workers who had not been resident for a certain period in the commune in which they were seeking work : but it is also a consequence of the housing shortage brought about by wartime destruction and also of the fact that the worker is less inclined to move from one locality to another, especially if he is married.

While underemployment is widespread there is little double employment. It was particularly desired to ascertain, for example, how many persons enjoying pensions from the National Social Security Institution continued in employment. It was found that there were less than 200,000, i.e., 14 per cent. of the pensioners.

Another inquiry was undertaken to determine the importance of another phenomenon—the race for civil service jobs. Between 1945 and 1952 798,215 persons competed for 50,298 civil service posts in state administrations : that is, there were 16 candidates for every post available. It was noted that many candidates downgraded themselves voluntarily—a number of university graduates aspired to subordinate posts only.

Investigations into the Situation of the Unemployed

In the light of other sampling surveys we can now examine the economic conditions and the degree of vocational aptitude of the unemployed. The results of the research into the physical and psychological conditions of 2,724 unemployed persons carried out by the National Association for the Prevention of Accidents represent a noteworthy contribution to the study of the health and characteristics of the unemployed.¹ Medical tests established that 47.5 per cent. of the unemployed persons examined were ill (the organs particularly affected were the respiratory and cardiovascular systems) ; and that 40.7 per cent. were not fit for certain specific types of work (though only 11.44 per cent. were unfit for the work normally performed by them). In 13 per cent. of the cases unemployment was attributed to the subject's physical condition, and conversely it was found that unemployment had exerted an adverse influence on the physical condition of 8 per cent. of the unemployed. Eleven per cent. of the workers examined had never attended any kind of school, and the proportion of

¹ Cf. *Atti*, Vol. I, Book 1, pp. 219 ff.

"inhibited" persons (particularly inert and introverted persons with torpid affectivity) was found to be ten times higher than in the normal population. A notable part of those examined (34-37 per cent.) showed pronounced maladjustment, i.e., lack of harmony between the particular type of work and the individual performing it, for objective reasons. There were subjective reasons for maladjustment in 55 per cent. of the cases (illness: 28 per cent.; vocational unpreparedness: 15 per cent.; accidents: 6 per cent.), a very high percentage.

Some 2,000 family budgets of unemployed persons were also collected and scrutinised by the Central Statistical Institution. Such budgets show that the average fortnightly spending of the families concerned is extremely low (22,125 lire, equivalent to 5,010 lire per person), but the average is far lower in the south, where expenditure per head is less than half that in the north. An analysis of the budgets reveals the high percentage spent on food (57.1 per cent.), which becomes much higher in the poorer families (in fact it forms 72.5 per cent. of total spending for families whose daily outlay is between 501 and 750 lire). The inquiry into the quality of foodstuffs consumed emphasised the scarcity of animal proteins and fats in the diet of unemployed families and their consequent malnutrition (10 per cent. below the basic diet on the average, but 21 per cent. below in certain regions in the south).

Unemployment Relief

A special working party concerned itself with the present system of unemployment relief in Italy and the possibilities of improving it. The State Insurance Institution computed that of the total number on the books of the employment exchanges in 1951 only one-tenth (10.37 per cent.) received unemployment benefit¹; however, a direct survey carried out through the placement offices gave even lower percentages², a fact that bears witness to the need—which was emphasised by the Commission's investigations—of a thorough re-examination of unemployment relief, of making it simpler and more systematic and of extending its scope. The existing machinery is extremely complex, and is made up of authorities that often overlap and hinder one another;

¹ If only unemployed persons with previous employment records are counted and agriculture is excluded, the percentage is doubled (20.34). It is higher in the south than in other regions.

² In the Ministry of Labour inquiry, which covered 1.3 million persons registered at the employment offices, only about 50,000 (i.e., one twenty-sixth) stated that they received unemployment benefit. (Cf. *Atti*, Vol. I, Book 1, pp. 115 ff.)

moreover, it is not in a position to afford the relief that is clearly necessary. There should be only two institutions—compulsory unemployment insurance, which should be improved and made more extensive, and a less haphazard system of labour projects for the unemployed, which should be an integral and complementary part of the insurance in the interests of maintaining productivity. An increase in insurance benefits—at present kept within very rigid limits—also appears to be desirable, both as regards the duration and the amount of the benefits, with special reference to the family responsibilities of the insured.¹

THE CAUSES OF UNEMPLOYMENT IN ITALY AND PROBABLE DEVELOPMENTS

An inquiry into unemployment should not only relate to the situation at a given period of time but should also include a historical survey to ascertain the immediate and more remote causes of the phenomenon and examine the expectations for the immediate future.

Of the historical causes the inquiry established a clear distinction between demographic and economic factors. As regards the former a definite increase was noted in the proportion of the population of working age over at least the last three decades. In the half-century from 1871 to 1921 the population of ten years of age or over increased at the annual rate of 6.9 per thousand, while the rate for the population between 15 and 65 years of age was 5.9 per thousand and for the total population 6.2 per thousand. The three rates of increase were thus much the same. In the following 30-year period (1921-51) the rate of increase for the total population was 7.7 per thousand, for the over-tens 8.8 per thousand, and for the population between 15 and 65 years of age 9 per thousand, i.e., almost one unit in 100 every year. This phenomenon became even more marked between 1936 and 1951, when, against a mean annual increase of 7.2 per thousand in the total population, the population aged ten years and over was increasing at the rate of 9.6 per thousand and the population between 15 and 65 years of age at the rate of 10.7 per thousand. Had the total population been subject to the same increase as the population of working age Italy would now have 2.8 million more inhabitants than it has; if the opposite phenomenon had occurred Italy would today have 1.7 million less manpower units (i.e., a figure approaching that of present-day unemployment). The reason is the gradual ageing of the popu-

¹ Cf. *Atti*, Vol. II, Book 2, particularly the findings critical of the system in force (pp. 22 ff.) and the recommendations (pp. 27 ff.).

lation¹, which is taking place with some intensity in Italy, just as it did in the countries of western and northern Europe at earlier periods. (The increase in the mean duration of life in Italy has been high in the last few decades, rising from 35.4 years in the period 1881-82 to 66.5 years in the period 1933-35.)

The rise in the proportion of the population of working age is linked with three other phenomena: workers show less ambition to work on their own account and prefer paid employment; women are trying more and more to enter the ranks of labour; and emigration to foreign countries is decreasing. All these factors have contributed to increase the supply of labour just at the time in the historical life of the country when there are fewer possibilities and less inclination to save and invest.

The economic causes may be summarised as, in addition to this lower capacity for investment and the reduced flow of international investments, the widespread destruction of material goods resulting from two wars, inflation and the policy of self-sufficiency, the slow development of agriculture and industry, the extremely low level of productivity of the human element, and a cumbrous government machine. To these must be added the bad habits contracted in the course of the long periods of inflation, the continued existence of undertakings of uneconomic size, the heavy burdens imposed by the needs of relief services, the lack of economic balance between one region and another (the southern problem) and between agriculture and industry, the obstacles to manpower mobility and the absence of a sound system of vocational guidance and training. More recent causes have aggravated matters: besides the repatriation of persons living in the colonies and former members of the armed forces, the transition from a policy of self-sufficiency to a policy of international, or at least European, co-operation has made necessary a gradual readjustment of the economic structure, and the process of mechanisation in the last three or four years has been stepped up, resulting in a saving of manpower for an equivalent level of production (the industrial production index is 40 per cent. higher than in 1938, while the number of employees has increased by only 5 per cent.).

¹ The age groups of the Italian population show the importance of this ageing process in the last half century:

Age group	1901	1951
	%	%
14 and under.	34.1	26.3
15 to 49.	47.2	52.9
50 and above	18.7	21.8

The number of children has diminished by 22 per cent., whereas the number of elderly persons has increased by 16 per cent.

The inquiry has made it clear that the next four years will be particularly difficult, because the average annual increase in the labour force will remain high ; some 300,000 persons seek every year to enter the system of production. Although this increase is due to fall between 1956 and 1960 to 172,000 (rising between 1961 and 1965 to 262,000 a year), and although one may assume that after 1970 the population of Italy will level off and remain stationary, the problem of the next four years is not easy to solve.

Estimates made in connection with the inquiry indicate that—assuming, very optimistically, a net annual emigration figure of 120,000—the increase in the numbers of workers available will be in the vicinity of at least 150,000 annually until 1955, and will then fall to some 80,000-85,000 in 1956 and 1957. The probable maximum absorption capacity of the Italian economic structure may be calculated, again at an optimistic estimate, as sufficient to enable these manpower recruits to be put to work, but in all likelihood that capacity will have no effect on the unemployment existing at the present time. The problem will therefore probably persist, especially if temporary unemployment of a technological character supervenes, or unemployment arising from cyclical fluctuations, a possibility that cannot be excluded. Further problems are therefore raised if an attempt is made to forestall the consequences either of profound changes in technical methods—which are desirable if it is intended to promote conditions favourable to an increase in the national income—or of currents of international economic depression, which must be reckoned with and which would cause a heavy influx of persons now resident abroad and a further restriction in the number of emigrants. The Committee of Inquiry was of the opinion that for both eventualities it was necessary to draw up in advance programmes that would meet all possible developments and that could be carried out speedily.

Finally, mention should be made of a series of investigations carried out with a view to determining which Italian industries were saturated or were becoming saturated, i.e., which would not, as far as could be judged, permit of a further intake of manpower, and those which were in process of expansion. This research showed the absolute saturation of agriculture¹, and in general of

¹ The percentages of the working population of Italy engaged in the various occupations has undergone the following variations in the last half century :

Year	Agriculture	Industry, transport	Commerce, banking, insurance	Miscellaneous trades and services	Civil Service
1901 . .	59.4	27.5	5.7	3.0	4.4
1951 . .	41.6	38.7	9.9	3.6	6.2

the traditional Italian industries (textiles, clothing and foodstuffs) ; even if there were an increase in consumption of the products of these industries, it could easily be met by the existing structure and existing manpower, especially if the process of modernisation that is already under way is continued. It seems on the other hand that certain capital goods or durable consumer goods industries and above all the "service" occupations (tertiary activities) have room for development, even to the extent of employing additional manpower. According to Leontieff's theory Italian industry (in the strict sense of the word) can increase its production by 100 per cent. with an increase of only 15 per cent. of the persons at present employed ; on that basis it was calculated that Italian industry (again in the strict sense of the word) could absorb not more than 230,000 additional units in the next four years (an increase of 6.3 per cent.).

THE FINDINGS OF THE INQUIRY AND THE PROBLEMS BROUGHT TO LIGHT

The results of the inquiry may be summarised as follows :

(1) Visible unemployment, great though it is, is only one of the aspects of a more complex but clearly discernible evil which in Italy, especially during the last four decades, has been singularly persistent. Agriculture is the branch of production in which hidden unemployment is most pronounced, whereas in industry there is more visible unemployment. Labour inactivity is encountered in various degrees and in varying forms : first and foremost in the low ratio of working population to total population, next in the formation of large reserves of young people who have not yet found employment, accompanied by an appreciable unabsorbed supply of female labour and by an increase in the number of workers who were formerly self-employed, and finally in underemployment (mainly in agriculture) and unemployment in the strict sense (mainly in industry), which exceeds to a considerable extent the limits of frictional unemployment.

(2) The underlying causes of this labour inactivity are demographic and economic in character ; they are not attributable to the aftermath of the last war alone, but can be traced back through almost the whole of the last four decades. Partly they are to be found in a demographic cycle typical of the history of Italy, partly in organic and functional defects in the country's economy. Hence they are only partially removable, and in any event only by means of a long and systematic effort extending over at least a generation, while the country is simultaneously approaching a period of popu-

lation stability that will be reached from 1970 onwards. From the standpoint of the economic structure the long accumulation of causes of unemployment and underemployment calls for a systematic long-term programme for the improvement of the general conditions having a bearing on efficiency and the output of commercial undertakings rather than temporary policies of distributing work as a form of relief.

(3) The immediate causes of labour inactivity in Italy are those that relate to the transition—after a long period of striving for self-sufficiency—to a period of free exchange, the reconversion of war factories and the mechanisation and modernisation of the means of production, which became more marked after 1948 and 1949. To such profound modifications in the economic structure of Italy—the effects of which will become more and more pronounced for a few years in the event of a speed-up in the transition towards European integration and an increase in the possibilities of an economy with large markets—must be added the increasing difficulties in migratory movements overseas and the increased supply of labour consequent on the return of former members of the armed forces and the repatriation of the Italians in Africa.

(4) The typical symptoms of labour inactivity were observed not merely in the high degree of basic unemployment (at least two-thirds of the non-seasonal unemployment on the registers, the other third being attributable to frictional unemployment) but also in the disclosure of widespread underemployment in agriculture (more than a third of the rural population was found to be redundant to the rational requirements of production), which continually creates a reservoir of potential unemployed in industry and service occupations (at least 40,000-50,000 persons every year forsake agriculture and offer their services in the secondary and tertiary activities). The important part played by the activities bound up with agriculture and the building industry in Italy makes for great irregularity during the year in the employment of at least half the labour force. Moreover the low average income induces the persons with most initiative and ability to accept more than one job or to continue working after the age of 65.

(5) This inactivity of labour is evidenced by a visible inelasticity in inter-factory mobility because of the reluctance of employed workers to change their employment ; by an extremely heavy flow of applications for posts in the civil service and the large firms ; by the re-emergence of tendencies to limit migration to the larger cities ; and by the exodus from the mountainous and hilly regions, where earning possibilities are becoming more and more limited on account of the growth of the population. Among the secondary

symptoms are the low levels of skill among persons in employment, the lack of encouragement to acquire a sound vocational training and the virtual disappearance of the apprenticeship system, together with the growing aspiration for "safe" jobs without the stimulus of incentives resulting from opportunities of changing employment, which make possible the best utilisation of individual talent. Another typical phenomenon is that of the abundance of makeshift trades, the unhealthy increase in certain "services"; and finally the short life of many businesses which are too small to be economic and which dissipate the limited capital available in the country for sound investment.

(6) The technical work of the Committee also revealed the very low geographical mobility of labour in spite of the great variations in population trends in the various regions (the south is prolific, while in the north the situation is, demographically speaking, closer to that in France), and the almost total lack of mobility between one trade and another, precisely in a period of far-reaching technical change and of saturation in the old consumer goods industries. It may seem strange that, with such large numbers of persons seeking work, mobility should decrease when theoretically it ought to increase: but the results of the inquiry confirm the conclusion that the Italian labour market is exceptionally rigid, and this has a harmful effect on the national economy.

(7) These manifestations of labour inactivity are more often found in underdeveloped countries than in countries with a long history of industrialisation: they partly account for the low individual income of the Italian, and show the necessity for intense efforts to increase productivity and improve the machinery of production. Thus they have a bearing on the entire problem of the country's economic policy.

CONCLUSIONS

The inquiry has not merely thrown light on the principal circumstantial causes of Italian unemployment, and in particular of the serious evil of underemployment, but has also made it clear that the unemployment in Italy can be only partly explained by demographic evolution and that it is not, as in some highly industrialised countries, simply the result of the present economic situation; the problem is above all one of structure. The solutions that are called for are therefore not those that would suggest themselves were the unemployment of a pre-eminently transitory kind, for example a temporary increase in world demand.

On the other hand the inquiry has demonstrated—in the author's personal opinion—that measures to limit the local availability of labour (measures or suggestions designed to bring about an appreciable reduction in the birth rate, to increase emigration, to prevent women from applying for paid employment or to lower the retiring age) can have but little influence in practice; at the same time it is above all necessary to carry out far-reaching and lasting improvements in the income-earning capacities of the country, especially by improving the vocational training system and by augmenting (by means of long-term loans from abroad) the capital resources of all aspects of production. The importance of such investments (the inquiry established that an average investment of 3 to 4 million lire per head of population was necessary) may be estimated at 3,000 to 4,000 million lire for every thousand employable persons now unemployed, that is to say, at approximately 4 to 6 million dollars, to be drawn largely from the savings of foreign countries over an adequate period. From the viewpoint of the quantities of necessary capital alone, this would make it possible—assuming a careful selection of the enterprises in which the capital would be invested—to make provision for the “basic” unemployment which could otherwise hardly be eliminated without a considerable fall in the already low standard of living of the Italian population.

But at the same time it is also necessary to reduce frictional unemployment and to try to reduce the large seasonal fluctuations in the demand for labour in Italy. This can be brought about not only by a decisive improvement in mobility from one place to another, from one trade to another and from one firm to another (by compensating the costs of transfers and removals) but also by an up-to-date and more extensive system of general and vocational education, by establishing a sound system of vocational guidance, by a more efficient placement service, and by the encouragement of new forms of apprenticeship; finally, it can be brought about by introducing suitable agricultural-industrial activities in order to reduce seasonal variations as far as is compatible with modern technical requirements and by giving free play in the markets to the forces of supply and demand.

(Translated from the Italian.)
