

Cassar, Silvana

Conference Paper

Institutions and local development in Eastern Sicily during the 20th century

43rd Congress of the European Regional Science Association: "Peripheries, Centres, and Spatial Development in the New Europe", 27th - 30th August 2003, Jyväskylä, Finland

Provided in Cooperation with:

European Regional Science Association (ERSA)

Suggested Citation: Cassar, Silvana (2003) : Institutions and local development in Eastern Sicily during the 20th century, 43rd Congress of the European Regional Science Association: "Peripheries, Centres, and Spatial Development in the New Europe", 27th - 30th August 2003, Jyväskylä, Finland, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:

<https://hdl.handle.net/10419/116169>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Theme H
Institutions and local development in Eastern Sicily during the 20th century

Silvana Cassar
Department of Business, Culture and Society
Faculty of Economics
University of Catania, Italy

Abstract. In many European countries, economic growth has been characterised by the presence of deep regional imbalances and the Italian case is not an exception. This justifies the adoption of a regional approach in the study of the economic development to show the particular path to economic growth, according to its own advantages and opportunities on the one hand, and to its own peculiar obstacles and limits on the other hand.

In general terms, some particular areas of Eastern Sicily seem to have been benefiting from a relatively dynamic agricultural sector and from its own natural propension to shipping business which have been the stimulus for the development of a modest, but not negligible, group of correlated industries.

Since the second half of the 20th century, in these areas, the economic growth engines have been the pharmaceutical, chemical and electronic industries.

The main objective of this paper is to analyse the role that local institutions have played for the development of such industries. The answer to this question is complex, but the paper provides some important clues. In particular, it points out the strong coexistence of economic and political interests although mixed in different proportions according to each case. This fact leads to our belief that no path to economic growth should be analysed without considering its geographic, economic and political context.

+ + + + + + +

As regards the *origins of economic development*: many observers are convinced of the low value of historical interpretations based on univocal, linear national models, in which distinctions between the dynamics of often widely different contexts are obliterated. In the wake of the most recent historical analysis undertaken by Sidney Pollard¹, historical revision based on approaches at regional level seems to be widely accepted; on approaches, that is to say, at the level of contexts with almost homogeneous socio-economic characteristics, that do not necessarily coincide with regional contexts from the political-administrative point of view.

In Italy economic growth has worsened regional imbalances, above all between the northern and southern areas. It would, however, be too simplistic to homogenise the socio-economic conditions and the levels of development within these two macro-areas. In reality, within these too, there have existed, and continue to exist, sub-areas with more or less accentuated forms of dualism.

In the South, Sicily constitutes a case in its own right, with a certain correspondence between 'region' in an economic and the same term in a political-administrative sense. In this area undoubtedly characterised by a very high level of homogeneity, the subdivision into sub-areas can only be of further assistance to historical analysis, highlighting both those elements of the process of growth that can be mapped on a single interpretative model, and also the characteristic features of its poles of development.

¹ On the subject, cf. S. POLLARD, *La conquista pacifica. L'industrializzazione in Europa dal 1760 al 1970*, Bologna 1981 e IDEM, *British Prime and British Decline. The British Economy*, London 1989.

In this respect, we must note that the province of Catania constitutes a sub-area worthy of deeper study, since it has distinguished itself from the other poles of development under investigation by its singular capacity to overcome, at least in part, its specific obstacles and limitations; exploiting resources, advantages and opportunities better than other southern areas.

During the period at the end of the nineteenth and for the first fifteen years of the twentieth centuries, the state persisted in identifying the development of Sicily with progress in the agricultural sector and closely related activities, which were encouraged in various ways. It follows that the first indications of vitality in the industrial sector were not the result of specific state intervention, but from mainly free private enterprise, mostly at a local level; with some rare exceptions, notably in the industrial sector of sulphur, which could also count on contributions from small foreign firms.

Until the arrival of fascism, the industrial development of eastern Sicily continued to be entrusted, more or less completely, to endogenous economic forces and to local institutions, in a context characterised by a strongly marked tendency to individualism, and the dominant presence of small and small-medium sized firms.

In the early twenties, the adoption of liberal policies aiming to sustain exports was sufficient to ensure that even the less competitive southern firms were able to profit from favourable international conditions. In the Catania area, even if agricultural interests continued to predominate, there was, in the first place, the growth of the sulphur and electronic industries, but also that of the public tobacco industry, of the various mechanical factories (from amongst which emerged the Firm of the Port of Catania), the industries for the working of liquorice, for the production of chemical fertilisers, of pharmaceutical products, of citrus fruit derivatives, of soap and perfumes, musical instruments, oxygen and carbon dioxide; of sulphur oil, gunpowder, mirrors and crystals. The vast collection of small firms engaged in a myriad of various activities, too, enjoyed a favourable period, in particular those in the building and construction materials trade and in the agricultural-alimentary sectors; in clothing, shoe-making, and in the grinding and liquefying of asphalt². Most of these activities, as well as covering local needs, were also able to cope with national and international competition, making respectable contributions to increases in the total flux of exports.

Between the second half of the twenties and the end of the thirties, the rigid economic policies of the fascist regime ended up by penalising the industrial development of Sicily. On the island, developments in agricultural production were encouraged more and more, while, in the industrial sector, only those few industries to which the regime attributed strategic importance were the objects of special attention. The economic choices of the dictatorship reduced the freedom of choice available to those governing the flows of financial resources and credit. In reality, the different public and private institutions interacted and operated harmoniously, following the economic directives imposed by the regime.

When, in the second half of the twenties, development in the industrial sector became the most important economic objective for the nation³ to follow, it was clear from the very first that only a very marginal role had been attributed to the industrial associations of the province of Catania, not only compared with the other provinces of the central-southern regions, but also compared with most of the provinces of Campania and Puglia. The entrepreneurial energy of the Catania area was suffocated by its inclusion, together with the provinces of Enna, Ragusa and Syracuse, in an area of little industrial dynamism, known as the *Fascist Industrial Union of Eastern Sicily*. These provinces were treated, definitively, in conformity with the provisions of the Statute of the General Fascist Confederation of Italian Industry for the “neighbouring provinces of scarce industrial development”⁴.

² S. CASSAR, *Catania. L'economia tra il XVII e il XX secolo*, Catania 2000, pp. 49-54.

³ Cf. Statuto della Confederazione generale fascista dell'industria italiana, in “Regio Decreto del 26 settembre 1926 (n. 1720)”, *Gazzetta Ufficiale del Regno d'Italia*, n. 243 del 19/X/1926, art. 5.

⁴ *Ibidem*.

In a historical period in which the Confindustria and its peripheral and sector-specific branches were to assume an important role in promoting the development of firms, the possibilities of growth in the mechanical-metallurgic sector and related trades were compromised by the failure to institute the relative regional association for these categories, which was envisaged only for the regions of Piedmont, Lombardy and Liguria; that is to say, for the regions of the area which, thanks to American support, was to be known as the «industrial triangle». The creation of a regional association for the category was, however, foreseen for the electricity sector which it was originally intended to enlarge, to respond adequately to the ever more urgent public and private demands for energy, in line with the situation in the rest of Italy⁵. As a kind of testimony to the important role that the electrical industry was called upon to undertake in local development, the Fascist Industrial Union of Eastern Sicily was entrusted to a local exponent of the electrical sector, the engineer Fusco⁶. Thanks to the high level of professionalism and level-headedness that he demonstrated, he played a fundamental role for the twenty years of fascist period, always carrying out his work with seriousness and honesty. Unfortunately, however, his will to promote the launch of real industrial progress in eastern Sicily, which found support in different institutional quarters, was opposed by the growing limitations imposed by the regime.

As soon as it was constituted, the *Fascist Industrial Union of Eastern Sicily* began the publication of its own magazine, which was to be for some years an important reference point for the Sicilian entrepreneurial class, as well as distinguishing it from other similar bodies on the national scene. Furthermore, in its early activity, it attempted to create stimuli for technological modernisation, for the rationalisation of productive processes and for setting up new industries in appropriate sectors.

The *Fascist Industrial Union of Eastern Sicily*, not being adequately supported by other public and private institutions, was hence not able to achieve noteworthy objectives; nor was it even able to prevent progressive decline in various sectors, such as, in particular, the mechanical and textile sectors, but also those of paper, graphics, liquorice, furniture and musical instruments. However, during the end of the twenties and the early thirties, in compliance with the dictates of the regime, the *Fascist Industrial Union of Eastern Sicily* helped the survival, and even sustained the growth, of other sectors, such as, above all the tanning, alimentary and cement industries.

In the meanwhile, the ever more secure establishment of industrial capitalism on a global scale created a growing instability of the system, and of economic balances. In order to keep dangerous anxieties, generated by the recurrent alternation between favourable circumstances and critical periods under control - a situation which worsened after the Ethiopian war due to the souring of international economic-political relations - the fascist government promoted the emancipation of our economy from foreign dependence.

Autarchy and corporativism gave rise to a new phase, distinguished by the weighty presence of the state in national economic choices⁷. In this new context, to aspire to meaningful accentuation of industrial development implied recognising the fundamental importance of the possibility of exploiting hydroelectric power, a low-cost national energy source. For this reason, in the areas where it was not possible to make further recourse to this energy source, whether because it was already fully exploited, or whether because further exploitation would have been extremely costly; in order to obstruct the growing recourse to thermo-electric methods of energy production, the state gave no support of any kind to those sectors whose modernisation would have necessitated the

⁵ Between 1933 and 1934, in the province of Catania, the production of electrical energy recorded an increment of nearly four million Kwh. In 1934, as well as the principle city; most of the communes of the province were served with electrical energy (45 out of 51), and industrial activity monopolised comfortably more than 40% of consumption (cf. A. TOMASELLI, *Artigianato ed industria*, in "Catania contemporanea - Cento anni di vita economica" a cura di A. Petino, Catania 1976, pp. 582-583).

⁶ *Il Grand. Uff. Fusco nominato Presidente della Unione industr. Fascista della Sicilia Orientale*, in "Rivista dell'Industria", a. II, 1928, n. 6, pp. V-VI.

⁷ G. VOLPI, *Industria e autarchia*, Discorso tenuto nel II annuale delle sanzioni in occasione dell'adunata nazionale dell'industria italiana per l'autarchia, Roma 1937-XVI.

introduction of high energy plants, apart from those sectors considered particularly important from a strategic point of view.

In this way the new direction of national economic policy brought about the ruralisation of much of Sicily's territory, penalising it for its modest productive potential in hydroelectric power⁸.

Despite the fact that the communes of Sicily were already bottom of the national tables for the incidence of employment in industrial activities⁹, a further diminishment of the level of industrialisation was witnessed, because authorisation for new plants, or for extensions of existing plants¹⁰ were granted only rarely, so that dying firms were not replaced. This occurred in the province of Catania too, where, in the previous years, there had been a consistent increase in thermo-electric energy consumption for industrial purposes. The government not only ignored the industrial development of Catania, but also excluded it from its expansionist Mediterranean policy, for which Bari was chosen as a base for the confluence of commercial traffic.

The government directives had important implications, too, in the matter of credit for firms, whose management was entrusted, to a great extent, to the Cassa di Risparmio (section created in 1926 by the Bank of Sicily). Financing to communes and provinces took up nearly 40% of the available funds, a percentage considered to be the maximum advisable and another 25%, approximately, of the whole resources of the Cassa were absorbed by agricultural credit: this was a natural consequence of the imposing proportions of the stock-pile. The rest, or little more than a third of the available resources, were divided between other types of credit (land, industry and commerce). The percentage of funding destined for industrial development, was therefore rather modest and, furthermore, was almost totally destined for the industries of the mining sector, to which the regime attributed a key role¹¹.

Among the various productions of the mining sector, the production of sulphur was of particular importance, as it was considered «an autarchic product, in the most complete sense of the word»; inasmuch as, after internal needs had been supplied, in an ever widening and variegated sphere, it fed a continual flow of foreign exports¹² which allowed the importation of raw materials, combustibles, and other goods which were not available and could not be produced within the nation¹³. The rosy predictions of its ever-wider use (in industrial activity destined to expand even in times of peace), encouraged investment in the sector, better to confront ever more stringent foreign competition¹⁴. Governance of, and support for, the sector went hand in hand with different forms of control, which were effectuated, amongst other methods, through the Office for the Sale of Italian Sulphur, whose task it was to sell the crude sulphur produced by the nation, and to distribute, to the producers, the net profit gained.

No less than two thirds of the national sulphur production came from Sicily¹⁵ and, in this sphere, the province of Catania occupied a position in the front rank. Because of the heavy presence of sulphur industries, as well as other minor industries in the mining sector, Catania was therefore fully involved in the political measures adopted in the sector.

In the autarchic period, that of mining was the only Sicilian industrial sector to be seriously protected and sustained. Industrialists from other sectors were not permitted to manifest their own

⁸ A. S. BENNI, *L'avvenire della industria meridionale*, in "Rivista dell'Industria", a. VI, 1932 (X), n. 2, pp.78-83; G. PESCE, *Ruralizziamo l'industria*, in "Rivista dell'Industria e dell'artigianato", a. VIII, 1933 (XI), n. 8, pp.299-301.

⁹ L. ARCURI DI MARCO, *Riserve di ricchezze e potenziale di lavoro in Sicilia*, in "Bollettino mensile – Banco di Sicilia (Osservatorio economico)", a. VII, dicembre 1938, n. 12, p. 6.

¹⁰ From 1934 to 1936, only 16 new plants, and 20 extensions were authorised in Sicily, when in the national context as many as 319 new plants and 678 extensions were authorised (*Ibidem*, p. 7).

¹¹ G. DELL'ORO, *L'attività svolta dal Banco di Sicilia nel 1937*, in "Bollettino mensile – Banco di Sicilia (Osservatorio economico)", a. VII, gennaio-marzo 1938, nn.1-3, pp. 1-10.

¹² G. G., *Produzione e commercio dello zolfo italiano nell'esercizio 1937-1938*, in "Bollettino mensile – Banco di Sicilia (Osservatorio economico)", a. VII, novembre 1938, n. 11, p. 9.

¹³ *Ibidem*, p. 8.

¹⁴ G. GIRARDI, *Lo zolfo. Sguardo d'insieme ai mercati di produzione e di consumo*, in "Bollettino mensile – Banco di Sicilia (Osservatorio economico)", a. VII, gennaio-marzo 1938, nn. 1-3, pp. 13-14.

¹⁵ *Ibidem*, pp. 12-13.

disagreement with the political choices of the government, because the organ that should have expressed their points of view had been progressively transformed by the dictatorship into an organisation at the service of the regime, with mainly bureaucratic and administrative functions. The *Rivista dell'Industria* itself had lost all autonomy, and become for the most part an instrument of fascist propaganda, with redundant articles serving the aims of the regime's economic policies, that for Sicily were above all objectives of agrarian policy.

The island's more energetic districts had no alternative but to take advantage of the agrarian policy to stimulate activities of transformation linked to the ever growing production of cereals and cotton¹⁶, all activities of low capital and energy use, and high use of manpower. The progressive increase in the production of wheat - that, between the end of the twenties and the end of the thirties almost doubled¹⁷ - favoured a distinct strengthening of the milling and pasta-making industries that, in various coastal communes of the province of Catania, began to modernise more and more, in order to guarantee the production of a modest surplus to export to other Sicilian provinces and to the continent¹⁸. Thanks to progress achieved in the production of rough cotton¹⁹ - that leapt from almost 7 thousand quintals in 1935 to no less than 86 thousand quintals in 1938 - in the Catania district, as in other parts of Sicily, a cotton industry, whose low quality production was intended for local sale, became reasonably well-established²⁰.

The sector of construction materials continued to register progress in terms of expansion of autonomy; so much so that, at the end of the thirties, the province of Catania could boast about twenty cement-works, of different dimensions; all however equipped according to the most demanding technical requirements of the period, and able to supply not just local demand, but also that of other areas of Sicily and of Calabria.

In short, if we exclude those few sectors who were able to withstand foreign competition in the absence of support from the state; for the rest, the economic evolution of the province of Catania was confined to those sectors which constituted the objectives of the regime's economic policy, a fact that was destined to open even wider the gap between the levels of development of the north and those of the south, and drain resources from the southern areas still more.

An incontrovertible result of the political choices of the autarchic period was, on the one hand, the notable increment of Sicilian production of wheat and other foodstuffs, with the consequent drastic reduction of the respective imports; on the other hand a consistent increment in exports from the island of agricultural produce. The Sicilian provinces exported mainly agricultural products, raw or semi-worked materials (citrus, various vegetables, grapes and almonds, as well as citrus derivatives and products of the mining industries²¹, above all sulphur, pumice and plaster²²). In contrast, Sicilian imports from abroad were very limited, and were constituted principally by combustibles, lubricators and raw materials, while the percentage of imports of industrial products was of no significance²³. The net prevalence of exports (about 5 - 6 times superior) over imports gave rise to a respectable trade balance. The foreign currency thus earned, however, was used to cover the imports from abroad by mostly northern firms. As well as hardly being able to use the foreign currency they procured, the Sicilian provinces were also penalised in terms of trading

¹⁶ G. DELL'ORO, *L'attività svolta dal Banco di Sicilia nel 1937*, cit., p. 3.

¹⁷ L. ARCURI DI MARCO, *Riserve di ricchezze e potenziale di lavoro in Sicilia*, cit., p. 7.

¹⁸ A. TOMASELLI, *Artigianato ed industria*, cit., pp. 570-571.

¹⁹ In the island's agricultural landscape, the cultivation of cotton could boast a noteworthy history, before the lower competitiveness of Sicilian production, compared with the United States, determined a significant contraction. On the subject, cf. V. CAVALLARO, *Il problema cotoniero nel quadro dell'economia agricola siciliana*, in "Bollettino mensile - Banco di Sicilia (Osservatorio economico)", a. VII, dicembre 1938, n. 12, p. 7.

²⁰ *Ibidem*, pp. 7-9.

²¹ Cf. L. ARCURI DI MARCO, *Sul traffico marittimo della Sicilia*, in "Bollettino mensile - Banco di Sicilia", a. VII, aprile-maggio 1938, nn. 4 -5, pp. 1-7.

²² OSSERVATORIO ECONOMICO (a cura di), *Ciò che dà il sottosuolo siciliano*, in "Bollettino mensile - Banco di Sicilia", a. VII, novembre 1938, n. 11, p. 6.

²³ OSSERVATORIO ECONOMICO (a cura di), *Statistica del commercio esterno della Sicilia*, in "Bollettino mensile - Banco di Sicilia", a. VII, aprile-maggio 1938, nn. 4 -5, p. 13.

relations, which developed to the sole advantage of the north. In fact, they imported mainly industrial products from the rest of the country at the prices imposed by the internal market, while exporting, mainly abroad, in the harsh circumstances of international competition; exporting, moreover, mainly agricultural products and products of the mining industry²⁴.

During the Second World War and in the years immediately following, the Sicilian economy underwent a serious phase of regression, due to the near paralysis of industrial activity provoked mainly by the lack of combustibles. Only at the end of the forties did the funding initiatives of the Cassa del Mezzogiorno permit economic growth to get underway, even if the results in this case were unclear. The incentives provided by the Cassa del Mezzogiorno were added to by those of the Sicilian Region, which gave funds not only to firms with new plants, but also to those old firms planning re-organisation and re-conversion, whenever such initiatives were considered valid on the basis of precise criteria.

The enquiry carried out by Ceres ascertained that the province of Catania possessed impressive pre-requisites for the pursuit of a more intense form of industrial development. The availability of water and methane resources²⁵ were suitable, and, from the point of view of trade, the geographical position, at the centre of a vast *hinterland*, gave it a key role in Eastern Sicily, likely to acquire further value as improvements in the infra-structure and the distribution network continued. Its key position, too, with respect of industrial poles in which progressive growth in production of raw materials was being implemented (especially in the chemical and petro-chemical sectors), as well as reinforcing the opportunity to produce finished goods, created the need to expand both the production of inconsumable goods and the capacity to provide services.

In the province of Catania the premises for the launching of industrial progress more appropriate to the times were created, between 1953 and 1957, with the planning of development based on the factory; or the strengthening of manufacturing industries. During the fifties, more significant financial initiatives were concentrated in the energy, electronic and chemical sectors²⁶. Between the sixties and the seventies, stimulated by private demand rather than sustained by significant public contracts, the sectors of building and materials for construction assumed a more leading role than ever and, in order to carry out the more important public and private works, several firms of medium and large-medium scale with high levels of organisation were born²⁷. Between the seventies and the eighties, the metal-mechanic sector progressed, giving rise to phenomena of integration between industrial segments of different sizes, and becoming, together with sectors connected to the building trade, a leading figure in Catania's industrial scene²⁸.

Several important steps were undoubtedly taken, but results were considerably more modest than was envisaged. In the Catania area, the increase of global and individual income was distinctly inferior to that registered in Sicilian provinces where large chemical plants had been installed and, once again in 1981, the province of Catania was in fourth place among the Sicilian provinces, preceded by those of Syracuse, Caltanissetta and Ragusa²⁹. The chemical plants had access to financial resources far superior to those distributed to manufacturing industries, but these disappointing results could only be put down partially to the lower level of funding.

The decisiveness of public intervention was gravely compromised by different negative factors; and the opening of the flood-gates of funding, with no consideration of productivity or the

²⁴ *Ibidem*, pp. 11-15.

²⁵ A. TOMASELLI, *Artigianato ed industria*, cit., p. 610.

²⁶ V. RUGGIERO - E. GIARDINA, *Innovazione e ambiente a Catania*, in "Città e industria verso gli anni Novanta" a cura di E. Borlenghi, Torino 1990, pp. 313-314.

²⁷ The distribution of the contracts among the four leaders of the sector was provided for by their own society, which avoided conflict by proceeding with respect for the specialised areas of each (*Ibidem*, pp. 295-299).

²⁸ *Ibidem*, pp. 296-298.

²⁹ In these provinces situated in the first places of the regional table the yearly income per head was estimated at, respectively 7.2 million, 6.1 million and 5 million. On the subject, cf. G. MARBACH, *Il reddito nei comuni italiani nel 1981*, in "Quaderni del Banco di Santo Spirito", Roma 1983, p. 39.

efficiency of the initiative, mitigated against serious analysis of reasons for failure, and the promotion of unpopular or politically non-viable corrective measures. A climate of widespread superficiality reigned, and, often, even authoritative voices such as that of the president of the Catanian Industrial Association, Santi Anfuso, who as early as the end of the sixties had highlighted various causes for the troubles of many firms, together with appropriate solutions, went unheeded.

The free unfolding of the potential for industrial development in the Catania pole was initially impeded by bureaucratic inefficiency, which lay behind the failure to approve the Development Plan (*Piano Regolatore*) of the industrial zone in its first, approximate version, with respect to the areas of commune property (about 200 hectares). This resulted in the exclusion from access to favourable financial loans for the various firms, which were already operating, from these locations³⁰. Added to the damage done by the long delay in approval of the Development Plan for the industrial area were those springing from the obvious consequent delays, again on the part of the regional authorities, in providing the infrastructure for which they were made responsible under the plan itself, such as, above all, the necessary rail connections, and a water network adequate to the needs of the area.

Another negative factor was the repeated behaviour on the part of the decision-making bodies, at central and regional government level, aiming to concentrate the new investments in areas with no industrial tradition; private investments were therefore attracted to these areas as well, and prevented from flowing towards their more natural destinations in zones of more consolidated industrial tradition.

Several Sicilian firms were penalised by their distance from restocking markets, since they were forced to face greater transport costs and capital was immobilised by the stocking of more factory spares than normal (which were calculated on the basis of a three-four month security period, in contrast to the average need of fifteen days' autonomy). These greater costs for supplies often constituted a starting handicap that put several of the island's firms in an inferior position compared to national competition and, in the end, forced them to give way on the local front too. In the opinion of the president of the Catanian Industrial Association, a percentage of supply from local firms should have been reserved for Sicilian firms; but above all, for reasons of equality, the regional authorities should have implemented a law that stipulated, for Sicily, the same benefits granted under the Sardinian regional law of 7/5/1953 (such as, for example, assistance in meeting transport costs by the concession either of special tariffs or contributions in favour of importing firms; the lightening of the burden of social costs, reducing the weight of these in the first years of activity; help in meeting the costs of water consumption, or of energy for industrial use, albeit for a limited period of time, and only in cases where these costs were particularly relevant)³¹.

The commercialisation of products was penalised by the failure to access adequate networks of distribution, due to chronic inadequacies of the communication network, more than to incapacity for organisation in this respect. The problem of communications and of transport by land, sea and air, was a problem of vast proportions to be faced as a whole in all its complexity, avoiding individual solutions originating in short-sighted or sector-related points of view. Even the port of Catania was in a state of evident decline, despite its unequalled potential from various points of view (its geographical position and general environment, its own historical traditions and the available human resources).

Another significant negative factor was the lack of co-operation between the main agents of economic development, with particular reference to the banking system and the academic world.

In the field of credit, the propensity to invest capital in industry was scarce, not only on the part of individuals, but also of the banks, who were rather unwilling to channel savings in that direction. To combat this stalemate situation, it would have been necessary to stimulate measures of

³⁰ A. TOMASELLI, *Artigianato ed industria*, cit., p. 613.

³¹ *Ibidem*, pp. 616-617.

incentives, through greater low-cost funding for the plants of new firms and more generous measures of payment for credit to firms³².

On the subject of personnel training, the continual efforts to keep up to date culturally had not been, in general, adequate to the needs of the situation, above all due to the lack of dialogue between the industrial and academic worlds. For several sectors, such as that of electronics, this was a serious handicap, which had a real weight in the generation of parasitic policies and favouritism that penalised the productivity³³. The creation of a school of training for managerial staff (planned in the fifties) was only partially activated, under the aegis of the Chamber of Commerce, without substantial backing from the Catanian section of ISIDA or the FORMEZ.

The initial impetus was rapidly exhausted. Contrary to what was planned, an integrated economic system was not even achieved within the same province. From the end of the eighties, certain problems began to have ever more serious consequences. A complex conflux of negative factors, more or less identifiable, not only blocked further processes of expansion, but also put at risk the results of the considerable efforts that had been expended.

In the eighties and nineties, the province of Catania was struck by a serious economic recession (with heavy repercussions on the level of unemployment), and sank to a position among the poorest Italian provinces (eighty-second place in 1997)³⁴.

To face up to the growing competition, the exogenous industries of largest dimensions, particularly those in the electronic and pharmaceutical sectors, underwent frequent re-organisations and implemented continual innovative processes. The necessary changes in such firms were aided by the gradual formation of more significant managerial and entrepreneurial classes, with an ever more ample presence of external elements, or elements of local origin but with experience gained in the industrial centres of northern Italy, Europe, or the United States.

This influx of ability from more advanced industrial areas, progressively eroded certain of the more conservative aspects of the local mentality, favouring an initial adaptation to the requirements of a modern development. Several firms, above all those of large dimensions and the exogenous ones, began to forge links with local institutions, in particular with various university institutes; principally with the Faculty of Engineering. In this way, in the ambit of Catanian society, the development was finally stimulated of an avant-garde culture of «technicians, biologists, engineers, researchers and managers who, working within these industries, are acquiring specific training, in contact with organisational contexts in continual evolution»³⁵.

The overcoming of the critical phase by the large exogenous industries in the electronic and chemical sectors was contrasted, however, by the serious problems that beset the construction industry; both for the meagreness of public contracts and for the almost static situation of private building, in the wait for approval of the regulatory plan. The crisis of the building sector penalises all firms in the sector, but those worst hit have been the large ones, with heavy consequences for the job market³⁶. Several industries for the production of material for the construction industry were not swept away by the crisis in the building sector only because they were geared towards foreign markets as well³⁷.

The long endurance of the recessive phase, however, continued to create victims among the marginal firms in the industry; in craftwork and in trade. For this, in the *Quadro Comunitario di Sostegno 1994/99*, Catania was considered as an area to support with careful, co-ordinated funding,

³² *Ibidem*, pp. 614.

³³ S. CASSAR, *Sviluppo delle competenze e dell'occupazione nel settore della microelettronica in Sicilia (1963-2000)*, in "Il lavoro come fattore produttivo e come risorsa nella storia economica italiana" (Atti del Convegno di studi – Roma, 24 novembre 2000), Milano 2003, pp. 435-444.

³⁴ SDA BOCCONI, *Indagine conoscitiva sulla struttura delle piccole imprese artigianali industriali presenti nei tre quartieri di Catania rientranti nel Programma Urban*, Milano 1998, pp. 21-27.

³⁵ V. RUGGIERO - E. GIARDINA, *Innovazione e ambiente a Catania*, cit., p. 295.

³⁶ *Ibidem*, pp. 315-317.

³⁷ *Ibidem*, p. 293.

through projects, which opposed and gradually removed the problems and obstacles standing in the way of its harmonious development.

With the *Programma Urban* (Urban Plan) and the *Patto Territoriale* (Land Pact), the evaluation of the tourist-receptive and service industry potential of the urban and coastal areas have been added to the projects for restoration of buildings of historical and architectural value, in accordance with considerations of environmental compatibility³⁸. With the prospect of development in the tourist sector, several projects to improve the infrastructure have been undertaken and are still in course³⁹.

These last years have witnessed interesting signs of gradual growth, in the context of a combination between laws on youthful entrepreneurs and a process of gradual spreading of a modern entrepreneurial culture; to which have been added the efforts to overcome the grave limitation of dependency on the strategic centres of northern Italy for high technology services, which has also given rise to the creation of new job opportunities⁴⁰. As well as by the laws on young entrepreneurs, the growth of the individual endogenous firms has been stimulated by the Urban Programme that, through making European funds available, and adequate assistance in commercial and legal fields on behalf of small craftworking firms, has tended to re-evaluate the historical centre, favouring the creation of new activities that safeguard the existing economic fabric⁴¹, in a context still characterised by wide diversity of productive activities and products; from which results a greater reactive potential to the crises of the sectors⁴².

The distinguishing feature of the institutional interventionism of these last years, compared to that of the fifties, sixties and seventies, is the abolition of the 'rain of funds' that were distributed irrespective of any results obtained. In contrast with the past, today ample reference is made to precise projects and plans; also because project planning constitutes a pre-requisite for access to the funds of the European Union. The economic take-off of the area could be compromised once more, however, by the lack of a long-term global vision and the lack of suitable monitoring activity, the only means of guaranteeing timeliness in the necessary corrections of the route.

³⁸ Programma Operativo Multiregionale, *Sviluppo locale - Patti territoriali per l'occupazione*, cit.

³⁹ Cfr., a riguardo, G. BENVENUTO, *Il fenomeno turistico nella provincia di Catania*, in "Catania contemporanea - Cento anni di vita economica" a cura di A. Petino, Catania 1976, pp. 943-947.

⁴⁰ V. RUGGIERO - E. GIARDINA, *Innovazione e ambiente a Catania*, cit., pp. 305-306.

⁴¹ Cfr. SDA Bocconi, *Indagine conoscitiva sulla struttura delle piccole imprese artigianali e industriali presenti nei tre quartieri di Catania rientranti nel Programma Urban*, cit., p. 5 e Programma Urban, *Programma Urban - Catania*, sottoprogramma n. 11, approvato con decisione CE C/96 890 del 30/4/96.

⁴² V. RUGGIERO - E. GIARDINA, *Innovazione e ambiente a Catania*, cit., p. 290.