

THE ROUTLEDGE  
HANDBOOK OF THE  
HISTORY OF NAPLES SINCE  
THE LATE MIDDLE AGES

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 Routledge  
Taylor & Francis Group  
LONDON AND NEW YORK

# INDUSTRY AND CIVIL PROGRESS

## A Broken Utopia? (20th Century)

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In 1958, while presenting a television report on the Neapolitan economy, the speaker cautioned that the discussion would focus on “a small part of Naples: the industrial one” (RAI 1958). In reality, the content of the documentary partly contradicted this premise, as it showed industrial experiences of absolute importance and, in some cases, of obvious modernity. However, the image of a city separate from and almost alien to the world of factories took up a large part of the narrative. For external observers, and even in the collective imagination of many Neapolitans interviewed, the fact that Naples was the leading industrial city of the Mezzogiorno – and that significant economic growth depended on its industrial system – seemed irrelevant. It is true that Naples can hardly be described as an industrial city. At best, the Campanian capital could be classified in the group of cities for which “the era of the Industrial Revolution had begun, but modern industrialisation had not taken place” (Caracciolo 1975, 156). Even the signs of widespread industrial contamination, which, however, did not translate into a stable and definitive system, eventually dissolved into the representation of the city’s more resilient traditional economic structures. An apparent continuity obscured the analysis of potential transformations or ruptures, making it difficult to examine and understand what neutralised and weakened the drive for change.

This chapter examines the city’s industrial structure, including its creation’s timing, methods and key figures. The aim is to understand why the narrative of Naples’ potential industrial development stalled, leading to a search for more fleeting urban identities. Much of the research into the Neapolitan industrial apparatus has focussed on describing its internal interdependencies. Less research has focussed on the long-term relationship with the urban context as a whole. For this reason, one of the privileged aspects of our analysis is the role played by the local ruling class – in its various economic, political and intellectual expressions – in promoting and consolidating the industrialisation process, which was supported over time by public investment as well as by Italian and foreign private capital. External interventions, which spanned much of the 20th century, gave the city’s industry a considerable dimension; nonetheless, industrialism never appeared to be the defining element of Neapolitan identity. From this perspective, the 1970s represent a turning point: the final stage of the attempt to give the Campanian metropolis a solid industrial image that

had developed through changing events and a growing political consciousness in the period initiated in 1904 by the first Special Law for Naples. The economic crisis of that decade and its consequences for the city's industrial base marked the end of its industrial urban identity, transforming Naples into a city undergoing a profound process of deindustrialisation, without the necessary mobilisation for urban renewal and the creation of more modern productive structures. A rather disheartening way to end the industrial history of Naples.

### An Industrious City? The Traditional Production System

Given its economic structure, which was characterised by a lack of class segregation, the absence of functional zoning and a relatively low concentration of factory work compared to a dispersed traditional production structure, 19th-century Naples lacked the typical characteristics of an industrial city. This was despite the fact that there were some important production structures operating in heavy sectors such as metallurgy. The large metropolis could rather be described as an 'industrious city' in the broader sense, as it was able to exploit the opportunities arising from its traditional role as a major southern trading centre, an important seaport and a significant political, administrative and military centre.

The distribution networks associated with these functions favoured the spread of diverse manufacturing, artisanal, small-scale and very informal activities. These networks tended to reproduce themselves through a continuous 'cloning' mechanism, often operated by irregular and unskilled individuals. It was a multifaceted and elusive configuration that lacked complementarity and sectoral interdependence, making its true consistencies difficult to determine.

Before the Special Law for Naples in 1904, the question of industrialisation was raised and the state undertook new extraordinary interventions. An attempt to map local production revealed the city's industrial weaknesses. In 1904, the *Camera di Commercio ed Arti* (Chamber of Commerce and Arts) classified companies according to their size, an impressionistic representation that revealed the limits of the traditional production system. Of the 2,104 companies surveyed, 1,807 (86.2%) were classified as of "minor importance". They employed 40% of the labour force (15,580 out of 38,750) and consumed barely 1% of the electrical energy (*Camera di Commercio ed Arti di Napoli* 1904).

Separated from this dense, tiny and precarious network of artisanal and mercantile activities were the large state enterprises (Maritime Arsenal, Military Foundry, Artillery Arsenal, Arms Factory) and the private mechanical and metallurgical enterprises, which were mainly financed by foreign capital (Armstrong, Pattison, Guppy). This small elite consisted of only fifteen factories, which at the end of the 19th century employed more than a third of the manufacturing workforce and consumed 71% of the electric power (*Reale Commissione per l'incremento industriale di Napoli* 1903). This industrial enclave, further alienated from the economic and financial context of the city by the predominance of foreign capital – which was also involved in the management of municipal services – gave the misleading impression that Naples was also developing into a modern city "with predominantly capitalist features" (Barbagallo 2015, 41; Moricola 2007).

The distance of these sectors from the indigenous economic structure is further emphasised by their different development after the end of Bourbon rule. In fact, the prospects of the top companies were hardly affected by the transition to the free trade system of the new unitary state, nor was their fate influenced by the reduced role of the city in the southern market. The large Bourbon factories kept their company names; their ownership changed,

but not their function as public suppliers. There were also interesting growth expectations for the private metal industries, which could rely on the mechanisation needs of other regional branches of production, such as the pasta factories, to satisfy the increasing foreign demand that had arisen as a result of the strong emigration.

In the field of urban services, there was a positive development due to the need to strengthen the electricity sector in response to the growing demands of the economic system. This energy pressure led to a major organisational restructuring of the sector through intensive company consolidation. The Società Meridionale di Elettricità (SME) was founded in 1899. Thanks to local capital and the skilful management of its first managing director, Maurizio Capuano, it laid the foundations for a strong specialisation in the production and distribution of electricity, not only on the Neapolitan market (De Benedetti 1990a).

Other sectors experienced a positive cycle in the first forty years of the liberal state, characterised by recapitalisation and increased employment. Between 1872 and 1902, employment in the main metallurgical plants increased by 22.3%, from 9,003 to 11,010 employees (De Majo 1992). Among the endogenous light industries, however, the only sector that experienced an expansionary phase in the second half of the 19th century was glove manufacture, which was strongly orientated towards foreign markets. Neapolitan production, which began at the beginning of the 19th century, thanks to the French, made significant progress. In the first seventy years of the century, the value of exports increased sixfold, accounting for 80% of total national exports in this sector. This benefited a production chain that, from tanning and dyeing the leather to packaging, employed more than 8,000 workers in small workshops and in domestic labour (Lattes 1884; Gribaudo in this volume).

However, the strengths of this nascent Neapolitan industrial system ran the risk of being overshadowed by the large number of small and micro artisanal activities, which expanded and contracted according to the increasingly weak possibilities of the local consumer market. Some contemporary observers, such as the Neapolitan historian and politician Pasquale Villari and the Lucanian Socialist deputy Ettore Ciccotti, struggled to grasp the transformative potential of a major industrialisation push in the face of this crowded, uncertain and ambiguous reality on the eve of the industrial *Risorgimento* in Naples. They remained attached to an archaic concept of production, a negative anthropological view of the Neapolitan population and the anachronistic belief in autonomous development of traditional craft activities (Russo 2004). These arguments were frequently heard in the public debate, but they became increasingly irrelevant due to the failure of urban regeneration at the end of the 19th century. Instead, the debate shifted to the urgency and necessity of a profound economic reorganisation of the city.

#### From Urban Renewal to Economic Encouragement: The Origins of Industrial Naples

The industrialisation of Naples began between the end of the 19th and the beginning of the 20th centuries and was driven by several interrelated circumstances. These included, above all, the negative consequences of the urban renewal measures following the cholera epidemic of 1884. The Law of January 1885 for the recovery (*Risanamento*) of Naples after the epidemic provided for comprehensive relief of the historic centre and the resettlement of over 80,000 people in eleven new suburbs. In theory, it was an ambitious and impressive undertaking in terms of scale and cost: the area affected by the demolition, clearance

and expansion work covered 2 million square metres, with the cost of expropriating land amounting to over 100 million lire, entirely at the expense of the state.

Unfortunately, the results of this measure were poor. Instead of improving hygiene in the central neighbourhoods, repairing the sewage system and implementing an orderly redistribution plan for the population living in the most precarious housing conditions, it became the scene of a major speculative manoeuvre in the construction sector, with a dangerous intersection of banking and real estate interests (Marmo 1976, 1977, Parisi in this volume). The failure of the urban renewal programme led to a drastic contraction of the city's financial circuits and a decline in local economic activity. It also caused the implosion of the power system of the Neapolitan liberal-masonic Left, which was based on the intertwined economic and political-administrative interests that controlled tenders, contracts and public orders related to the reconstruction and modernisation of public services. The main architect of this system, the deputy Alberto Casale, faced irrefutable accusations of corruption, thus ending the cycle that had initially given much hope for the city's rebirth (Meriggi in this volume).

In 1900, the government decreed the dissolution of the City Council and the establishment of a Commission of Administrative Inquiry, chaired by Senator Giuseppe Saredo, President of the Council of State and, a decade earlier, extraordinary commissioner in the Naples City Council. The commission's work provided an opportunity to bring the economic question, which was inextricably linked to the reorganisation of the administration, back to the fore. The political crisis meant a reversal of the traditional approach to the city's problems. The vague perspective of an economic identity based on a mixture of services, commercial activities and tourism was replaced by the stronger proposal of industrialisation as a fundamental tool for the modernisation – not only economic – of the largest city in southern Italy. Among those in favour were intellectuals, technicians and entrepreneurs – including Luigi Miraglia, Ulderigo Masoni, Francesco Saverio Nitti and Oreste Bordiga – who gathered in the cenacle of the Istituto di Incoraggiamento. This organisation, which was founded during French rule at the beginning of the 19th century to promote scientific and applied research in the Kingdom of Naples, became the most advanced laboratory for Naples' industrial future, thanks to them. Their unshakeable belief in the ability of capitalism to transform even less entrepreneurial contexts, coupled with an equally resolute conviction that external public interventions were effective in promoting development if they are tailored to the specific conditions of the territories, formed the cornerstones of their reasoning.

These considerations, together with some of the same people (Miraglia and Nitti), fed into the Commission for the Industrial Development of Naples, which was set up in 1902 to prepare the Special Law for the industrialisation of the former Bourbon capital. The economist and several-time minister before the rise of fascism, Francesco Saverio Nitti, one of the greatest representatives of classical *meridionalismo*, was responsible for drafting the law. The commission would define the lines of intervention and the technical and financial instruments to facilitate the industrialisation process. The project of industrial Naples was based on the transplantation of large national industries as a driving force for a broad mobilisation of previously untapped local entrepreneurial resources. According to the proposer, the strengths and attractions included an abundant low-cost labour force and the high availability of electricity due to the large reservoir of the Volturno River. Entrepreneurs would be lured by the attractive package of tax breaks, customs concessions, infrastructure development, material supplies and reserved orders included in the final legislation.

In particular, Law No. 351 of 8 July 1904 for the economic revival of Naples established the Industrial Zone – a special area in which industrial companies were granted facilities to reduce start-up and operating costs. Equally attractive was the allocation of a contract for railway equipment amounting to one-eighth of the national total (Marmo 1969, 1978).

Contrary to Nitti's hopes, the substantial incentives contained in this first extraordinary state intervention for the South did not in fact encourage local initiatives. Instead, they attracted a considerable amount of capital from northern Italy, which was able to take advantage of the low investment costs in the Neapolitan region to expand its activities at a time of accentuated growth in the Italian economy. However, even if the measure did not trigger the hoped-for imitation effect among local stakeholders, the results were significant in terms of both the speed of implementation and the number and impact on employment of the initiatives carried out.

A few figures suffice to illustrate what the Neapolitan industrial landscape looked like at this time. In the traditional eastern area, where most of the city's manufacturing activities had always been concentrated, 7,772 workers were employed at the beginning of 1900, 2,800 of whom worked in the eleven factories with more than hundred employees. In 1908, twenty-eight new factories were founded in the same area, creating 9,000 new jobs. Only a few years later, the number of employees had more than doubled compared to the number created in almost a century and was now concentrated exclusively in medium and large factories (Reale Commissione per l'incremento industriale di Napoli 1903; Comune di Napoli 1908; Camera dei deputati 1909–1910). The further the observation extends, the clearer the changes brought about by the Special Law become. In the industrial census of 1911, Naples' industry was a reality with significant figures. Compared to the 1904 statistics already mentioned, the number of companies had more than doubled (from 2,104 to 4,400) and the number of workers had risen from 38,000 to 57,000. More than 35,000 of them worked in factories with more than ten units, and 20,000 were employed in the more advanced steel, metal and engineering sectors (Ministero di Agricoltura, Industria e Commercio 1913). The excellent results achieved in the short period between 1904 and 1910 were due to the new 98 factories with a total capital of over 46 million lire and 15,000 workers, not counting the capital of 24 million lire for the Ilva steelworks. Ilva, a young steel group founded in Genoa in 1905, was the main beneficiary of the Special Law of 1904. Thanks to the advantages offered by this measure, including tax exemptions of 7 million lire and the guaranteed availability of 200,000 tonnes of ore per year, the Naples plant was the flagship of the Genoese group. It had five Martin-Siemens furnaces and full-stage production, which was harmonised with the company's other plant in Piombino. The factory was built in Bagnoli, the western part of the city, on an area of 12 hectares and initially employed 1,200 people. With so many and such new companies, the capital of Campania, which was officially the most populous city in Italy at the time, was in no way inferior to the country's major industrial centres: it was fifth in terms of the number of companies, third in terms of the number of employees and first in terms of the driving force fed into the production cycle. The intensity of industrialisation at the turn of the century was clearly reflected in the figures. Nevertheless, it remained the critical problem of a heteronomous process whose effects on the entire urban environment were still uncertain. However, it is undeniable that the value system and social relations emanating from the factory world began to permeate the rhythm of life, culture and society of the city. The industrial climate that Nitti had hoped for was slow to emerge and fully assert itself, but the impression that the wealth resulting from the new economic initiatives would offer new and more promising prospects for the fate of the southern

metropolis was palpable. The positivist spread of social survey instruments supported the link between the city's new industrial profile and a rising tangible and widespread prosperity. Once again, the Istituto di Incoraggiamento took the lead in collecting studies and research in this field to revitalise the industrial challenge by measuring its positive impact on the social fabric of the city. Even a very old Pasquale Villari felt the need to return to his city and see for himself how and to what extent the industrial changes had affected the lives of his fellow citizens. Although he was sceptical about the industrial fate of Naples, he was positively impressed by what he saw and, in his intellectual honesty, had no qualms about acknowledging this. "After visiting many new factories in 1910" – said the Meridionalist – "I have come to the unbiased conviction that the industrial boom in Naples has really begun and that the modern worker is really emerging in Naples (...). The signs of a new prosperity are visible (...). Wages have generally risen, unemployment has fallen. You no longer see as many idlers lying in the streets as before: the number has certainly decreased. The education of the people has improved remarkably" (Villari 1910, 589).

The discovery of the extent to which the world of the factory could change urban society and disrupt its traditional social models could also be more immediate. The widespread emergence of workers' struggles, the increasing number of strikes and lockouts, signalled the burgeoning social conflict, which was no longer only linked to the traditional rebellious spirit of the Neapolitan population. The political class began to grapple with these new social pressures, splitting internally according to their ability to represent and support the new values of industrial society and to interpret the conflicting interests. The result of these changes was the electoral victory of a heterogeneous coalition of radical democratic and reformist socialist parties, supported by an equally heterogeneous social base of petty and middle bourgeoisie and the working class – united by new forms of politicisation and more progressive liberal demands. The historian Augusto De Benedetti commented on this as follows: "The success of the popular forces in 1913–1914, apart from the heterogeneity of the grouping, is justified by their shared industrial perspective as a means for a better distribution of resources" (De Benedetti 1992, 124).

The way in which early 20th-century Naples was able to shed its skin and embrace capitalist modernity thus depended on the favourable internal and external as well as institutional and economic circumstances in which the decision to industrialise matured. The substantial resources made available through the 1904 Law and the favourable national economic situation also included Naples in the expansionary strategies of Italian capitalism. The speed with which this progress took place was astonishing and suggested a linear and straightforward path. However, this was not the case. It was only the beginning, and in the absence of equally eager local actors to take up the challenge, the initial massive mobilisation of people and resources threatened to fizzle out as quickly as it had begun. As there was no a deeply rooted modern industrial base, the question now arose as to the resilience of the new production structures and their ability to foster an industrial environment as a whole. From this perspective, nothing could be taken for granted, as industrial culture had yet to take root in the shadow of Vesuvius.

#### From the Unsteady Growth to the Sunset of an Idea

The years of the First World War and the post-war period did not mean a setback for the industrial apparatus that had been created and promoted by the 1904 Law. On the contrary, while the overall size of the system did not change drastically in quantitative terms,

the internal reorganisation and concentration processes triggered by the war economy were more substantial. Under the pressure of the demands of war, Neapolitan heavy industry and other sectors that worked for military needs had to adapt their production and technical structures to the increased public demand. The organisational models of large companies, which had already been tried and tested by SME, spread rapidly. The engineering industry strengthened the existing structures and during the war – Ilva being the most striking example – produced 16% of the national steel, compared to 3.4% in the previous period, which meant 170,000 tonnes of steel per year and almost as much pig iron (Italsider 1961).

Similar upheavals also affected sectors that until then had remained on the fringes of the city's industrial development and were mainly concentrated in other provinces of Campania. This was the case with the Swiss cotton industry in the Salerno valley of the Irno River. Under the urgent and exceptional circumstances of the war, it took on a more pronounced Neapolitan character with the founding of the Manifatture Cotoniere Meridionali (MCM). Roberto Wenner, a descendant of the most important Swiss family of cotton manufacturers who had settled in Campania, a farsighted entrepreneur and expert in private finance, initiated a strong process of concentration in this sector in 1913 with the merger of the Scafati cotton mill (owned by the Swiss) and the Ligure Napoletana factory founded in Naples in 1905. This was the first step in a progressive and complex series of acquisitions and mergers that lasted until 1925 and involved three companies – the other Neapolitan company had already been founded in the early 1900s – with the pooling of goods and resources, product distribution channels and the supply of raw materials, equipment and machine repair services. It was a considerable investment debt, supported by a frenetic recapitalisation and the 'Italianisation' of the share capital by the Banca di Sconto and under the direction of Bruno Conte, Wenner's right-hand man from Bocconi University. The operation, planned at a time of currency devaluation and the expected conquest of foreign markets, was finalised just when the 'quota 90' – Mussolini's revaluation of the lira against the pound sterling in 1926 – made Italian production less competitive and the situation difficult for MCM, which found itself over-indebted compared to the real market opportunities (De Benedetti 1990b).

A few figures illustrate the considerable growth of MCM by the mid-1920s: the number of looms had risen from the original 1,000 to 3,000; the number of spindles had tripled (from 108,000 to 300,000), as had the number of workers (from 3,000 to 10,000). The massive investments in production led to an increase in share capital from ITL 10 million to ITL 100 million. The bankruptcy of the discount bank and the drastic narrowing of credit channels led to a gradual decline in the company's activities, which continued until the 1980s, despite successive changes in management, from public management by Istituto per la Ricostruzione Industriale (IRI) and then Ente Nazionale Idrocarburi (ENI) to renewed privatisation. The vicissitudes of the great southern cotton mill show how many industrial experiences that had emerged during the 'economic resurgence' became increasingly dependent on the fluctuating mechanisms of the national economy and finances between the two world wars, weakening the already tenuous ties to the Neapolitan context.

The general weakness of the local system became apparent during the Great Depression, when the economic crisis drastically reduced the dynamics of trade and the autarchic policies of fascism restricted the room for manoeuvre of economic actors. The combination of the international situation and national policies put pressure on Neapolitan industry and widened the gap between typical local production and the sectors of heavy industrialisation (Frascani 1995). While the consequences in the textile and glove sectors were closely related to the international trade crisis, the Fascist regime's self-sufficient choices in the agricultural

sector seemed to be more direct for the entire pasta production chain – already penalised by the decline in ethnic demand from Italian communities abroad. In fact, the Battle for Grain, with its programme of grain self-sufficiency, was the ‘defeat’ of the mills and pasta factories, which were deprived of the supply of foreign durum wheat to be mixed with domestic soft wheat.

In the midst of a general decline in Neapolitan light industry – especially the food industry – only those activities survived that processed typical local products (tomatoes, fruits and vegetables) and could rely on a ‘district-like’ organisation. This was a production network in which leading companies could transfer parts of the production process to a group of loosely structured micro-enterprises (Svimez 1950). In this way, Cirio, for example, was able to consolidate locally in the midst of the crisis by setting up its large factory in Naples and, immediately afterwards, a sugar factory for the production of jams and preserves, thus becoming independent of the powerful national sugar monopoly.

While small local businesses tried to survive in an underground economy, the profound changes affected heavy industry, which fed into the public economy run by the Institute of Industrial Reconstruction. The IRI was founded in 1933 to rescue the banks and enterprises most damaged by the crisis and the shares of the major securities banks, Banca Commerciale Italiana and Credito Italiano, became state-owned. The iron and steel industry and mechanics, the *magna pars* of Neapolitan industry since 1904, came under the control of the IRI, as did the energy sector.

The foundation of the IRI was to be the decisive factor for the future industrialisation of Naples. After the supremacy of foreign capital and the subsequent rise of national capitalism, which was favoured by the state and the universal banking system, the long and troubled era of the state entrepreneur began in Naples. Thanks to the determination of the technicians trained in the Nitti tradition – Alberto Beneduce, Donato Menichella, Francesco Giordani – who led the new institute, the transition led to intelligent operations of reorganisation and institutional consolidation of the public industrial plants in Naples. Under the leadership of Alberto Beneduce from Caserta, a socialist who was nevertheless respected by Mussolini for his technical and financial skills, all the shipyards and mechanical plants were integrated and placed under the sole management of *Navalmecanica*. *Ilva* was strengthened by the unification of the Italian iron and steel industry, led by *Finsider*. The SME then regained its central role in power generation and distribution by expanding its production base (De Benedetti 1996; D’Antone 2012).

During the Fascist regime, the dream of the industrial city faded, and the productivity euphoria of the Belle Époque was replaced by a different kind of development based on services and tourism. Urban identity began to shift again, while the vane imperial ideology of the regime made Naples the symbol of an Italian hegemonic project in the Mediterranean, as a mediator between the West and the East. The regime’s work concentrated on the city centre, the harbour waterfront and the newly created districts, as if to give the city a new look, while the production sites were neglected. The landmark of these works in fascist Naples is the *Mostra delle Terre d’Oltremare*, an exhibition centre built in *Fuorigrotta*, outside the city centre near *Bagnoli*, where the *Ilva* was located. The same impulses can be found in the pharaonic project near the harbour, which was never realised: the *Grand Hotel Imperiale* with its nine hundred beds. The fascist push for modernisation in the city favoured the construction sector in particular, which made great progress, thanks to the favourable and long-lasting cycle of public works and became important for the city’s economic system. Both the vision of the great tertiary metropolis, the ‘European

garden', and the prominence of building entrepreneurs became the cornerstones of the first Republican political season. In this era, the shipowner Achille Lauro played a leading role as mayor from 1952 to 1957 and again in 1961. He epitomised a populist and conservative political and social phenomenon known as *laurismo* (Mattera in this volume; Parisi in this volume).

The Second World War caused immense damage to the production system. The mechanical engineering industry was only able to re-employ a quarter of its former workforce. Ilva's Martin-Siemens blast furnaces were destroyed, and MCM lost 40% of its buildings and a quarter of its production potential. The canning industry also suffered enormous losses. Two-thirds of the workforce lost their jobs – a significant proportion of the 60,000 unemployed among the 70,000 industrial workers in the pre-war period (Commissione Regionale per la Ricostruzione Industriale 1945). The economy was in tatters in a devastated city where a quarter of the buildings (around 150,000 rooms) were uninhabitable and therefore demolished. The immediate priority was to tackle the social and housing emergency, with the main responsibility for industrial reconstruction being delegated to the state. This meant a political investment in the construction sector, which was not coincidentally supported by the industrialists' union, which was mainly made up of building contractors, but was also welcomed by the majority of the population and local institutions, as construction activity was a good way of alleviating the post-war crisis. These circumstances laid the foundations for the so-called 'urban sack' (*sacco edilizio*), a period of unregulated and predatory construction, which the film director Francesco Rosi depicted with crude realism in *Le mani sulla città* and which has been subsequently thoroughly analysed by urban planners (Parisi in this volume). The construction sector became the driving force behind widespread urban sprawl. This involved concrete contractors, property and land owners, engineering firms, savers lured by lucrative property deals, employees attracted by the prospect of a new house and the mass of workers employed in the sector – their only way out of the crisis. They all formed the consensus basis of *laurismo* and influenced policy far beyond the end of that specific period. They reflected an urban economy based on an indistinct and small tertiary sector that was mainly linked to the growth of the city in terms of its physical dimensions. This development took place at a remarkable pace in the 1950s and 1960s: some 14 million cubic metres of private housing were built, resulting in a turnover of billions of lire in residential construction. By the end of the 1960s, in addition to the one hundred thousand rooms destroyed by bombs, about five hundred thousand new rooms had been built, without any strategic urban planning and with the complicity and connivance of politicians and administrative authorities. This took place in parallel with the diversion of public funds provided by the special laws in favour of Naples of 1951 and 1961, intended exclusively for public works and economic and social housing, as well as for the recovery of the municipal deficit (Brancaccio 1992).

Beyond the urban and social consequences, it is interesting to see how the construction industry benefited from this favourable economic situation and grew both quantitatively and qualitatively. Surveys in the business registers of the chambers of commerce show considerable changes in this sector. Between 1951 and 1961, the number of people employed in the construction industry rose by 45%, from 56,048 to 86,838. Totally, 1,269 construction companies were founded between 1945 and 1953, with an average capital that rose rapidly from 50,000 to 500,000 lire. This growth in size was linked to an upgrading of management: 27% of the new companies were managed by engineers, who were also shareholders in 28% of the construction companies (Frascani 2004).

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The dualism in the urban economy between the construction sector and the industrial sector was reflected at the political level in a kind of non-confrontational compromise between Lauro, the local authority responsible for the former, and the Christian Democrat (DC) party, representing the state, which was responsible for the latter. In this phase, the IRI's strategy was very different and less farsighted than at the beginning, especially after the establishment of the Ministry of State Participation in 1956. This led to a subsidised economy susceptible to gridlock and the pressures usually exerted by the ruling parties and local political forces within the state administration. As far as Naples is concerned, we can safely say that the system of publicly managed industry widened the gap between the large-scale industries and the endogenous productive hinterland, but above all implied the lack of responsibility of the local ruling class for the industrial question.

The industrial season, initiated by the encouraging perspective of the 'economic miracle', largely coincided with the policies and intervention mechanisms of the central government for the industrialisation of the Mezzogiorno, which unfolded in the social and institutional fabric of the territory, contrary to the hypothesis of autonomous and self-sustaining development. Moreover, the IRI's intervention increasingly reflected internal motivations and strategies that were linked to the dynamics of the national economy and disconnected from the local economy. The transformation of SME into the parent company of the public food sector with risky and costly interventions followed this logic. Or the merger of Ilva and Corigliano within the Finsider Group, which created a larger Ilva to expand production, ignored the increasing problems related to the competitiveness of the Italian iron and steel industry on the European market. The IRI's often costly interventions consisted mainly of changing the company names of existing companies. Meanwhile, new national and multinational industrial initiatives, attracted by the lure of government incentive policies, were located in the eastern part of the city – with the exception of petrochemical plants – with modest employment rates and a significant environmental impact. Finally, the years leading up to the oil crisis marked a period of stagnation in the Neapolitan economy, which was exacerbated by the downsizing of small local production companies in the local market due to competition from foreign companies (D'Antonio 1990). Although the idea of turning Naples into a major industrial centre was almost discarded, there was a sense of persistent vitality, like an organism genetically modified by the generous and uncontrolled supply of exogenous resources.

#### The End of the Line: The Crisis of the 1970s

Until the 1970s, the industrial history of Naples represented an important part of the city's history, even if it was characterised by sudden accelerations and equally abrupt regressions. Industrial architecture shaped both the physical urban landscape and the social fabric. The actors of this story, specifically the working class and the intellectuals, although not hegemonic, were notable and active actors in the civic, economic and cultural life of the city.

Despite not being the core of social relations, the organised strength of factory workers – evident in their unions and community involvement – had a significant impact on social dynamism and acted as a buffer against crime and illegal activities. Workers' general support for left-wing parties strengthened the opposition to the shady local power structure, which was based on collusion between politics and business. As the analyses of the different electoral patterns in the various districts showed, the essential core of the working class formed by the Special Law of 1904 represented an inescapable element of

modernisation and a valuable counterweight against the most reactionary tendencies in the political-administrative affairs of the city (D'Agostino and Mauriello 2021).

Even more prestigious and influential in shaping the social and economic debate were the Intellectuals and technicians who favoured the city's industrial revolution. The Istituto di Incoraggiamento served as a sounding board for Nitti's projects, and from the Nittian school emerged a highly qualified technocratic leadership, represented by Beneduce, Menichella and Giordani, which was committed to the introduction of a solid industrial culture in the former Bourbon capital. It was later promoted by remarkable institutions and cultural experiences. The *Fondazione Politecnica per il Mezzogiorno* (Polytechnic Foundation for Southern Italy) was established in 1932 to deepen and structure the relationship between scientific research and industrial activity and to contribute to the training of technicians and company managers. The years of the Great Depression unleashed even more radical 'industrialist' energies and convictions, exemplified by the undisputed director of the Società Meridionale Elettrica, Giuseppe Cenzato. He represented a current of 'rational meridionalism' that relied on the intelligent use of technical-organisational skills to develop a far-reaching solution to the problems of Naples' development (Barca 1998). The experience of the journal *Questioni Meridionali* (1934) should not be forgotten either. With its economic-statistical approach, it anticipated the working methods of the Svimez, *Associazione per lo sviluppo dell'industria nel Mezzogiorno* (1946) and offered an alternative to the ruralist positions of fascism (Zoppi 2019).

It would be wrong to limit such initiatives to the sphere of the enlightened and visionary modernisation elites, as they have achieved important results, at least at the level of political action. For example, the unrealised Piccinato city plan of 1939, or the cultural battle waged by the journal *Nord e Sud* against Lauro's policies and his turning away from the problems of industry (D'Aponte 2013), or the original experience of the Centro Economico per il Mezzogiorno (CEIM), which served as a forum for discussion on the development prospects of Naples and the Mezzogiorno between personalities of the Italian Communist Party (PCI) and representatives of the local entrepreneurial and institutional world. By and large, these initiatives thrived on the long wave of Fordism. With the crisis of this system, they lost their appeal in public opinion and collided with the emergencies that entered the Neapolitan reality after the fabulous years of the economic miracle.

The effects of the crisis of the 1970s became apparent in Campania from 1974, after a period of about five years in which public industrial investment was higher than the national average (30% compared to 20%), mainly thanks to Finmeccanica and the new Alfasud and Aeritalia plants (D'Antonio and Marani 1978). But even before that, the signs of a reversal of the cycle could be felt in the weaker city economy: the cholera outbreak of 1973 hampered local distribution and led to a further setback for small- and medium-sized local production. Ultimately, the decline in fixed investment in public industry after the first oil shock fundamentally changed the entire economic landscape. At this point, the crisis erupted with devastating effects on the Neapolitan scene.

Despite the absence of specific studies on the consequences of the crisis, the available data clearly describe the recession of the local industrial system. Between 1971 and 1981, the number of first-time job seekers increased by 65%. The city's employment rolls tripled their membership (from 51,833 to 151,085) (IRSES 1987). Employment fell by 9%, with the manufacturing sector suffering the greatest losses: the percentage of people employed in industry fell from 37 to 27%. In fact, the industry confronted many turbulent events in this period. The income of the secondary sector fell by 15%, and its share of the local gross

domestic product fell from 38 to 23%. The list of losses was unstoppable: 1,300 fewer companies (-15%) and a drop in investment of almost 4% points.

State-owned companies, the pillar of Neapolitan industry, suffered the most. They were affected by the investment selectivity imposed by the balance sheet policy, which was primarily aimed at supporting the restructuring of industrial settlements in the strongest areas of the country. The Industrial Reconversion Law of 1976 favoured the largest companies in northern and central Italy operating in the steel, chemical and mechanical engineering sectors, and redirected state resources from the Mezzogiorno to the more developed regions of the country (Frascani 2012). It was the beginning of a long and painful period of disinvestment, which was hardly slowed down by the support of the *Cassa Integrazione Guadagni* (Wage Guarantee Fund). This quintupled the disbursement of funds in Naples during the crisis, which had already begun in the final years of the previous decade.

Then, in the 1970s, all the problems resulting from a heteronomous and by no means integrated development emerged inexorably. The closure of factories took on the character of irreversible desolation, changing the image of industrial areas destined to become depressing paysages of abandoned factories, disused and dilapidated warehouses and buildings 'clogged' with the unemployed. It was an irreversible scene of extreme polarisation, on the one hand big industry resisting conversion and restructuring, and on the other, small businesses operating in the labyrinth of the historic centre and relying on the informal economy of the alleyways to survive the hard times (Gribaudo in this volume). The image of a city 'divided, if not against itself' – a negation of the ideal of the industrial city intended to provide a clear direction for the dynamics of the entire urban economy – dates back to those years (Becchi 1989).

The centrality of the labour movement eventually faded, and the focus of social struggles shifted from the factories to the city centre, where better health conditions and measures against the high cost of living were demanded. The scene was occupied by the movement of the *disoccupati organizzati* (organised unemployed movement), who gathered in community structures with a strong spatial reference, distinct and distant from the traditional institutions of the labour movement. Then the voice of men and institutions sincerely convinced that the civil progress of Naples came about through industrial development also fell silent, even if in the 1970s they could rely on a left-wing government in Palazzo S. Giacomo (Naples City Hall) that was receptive to this issue.

Already at the end of that decade, Naples appeared as a city without "a dominant character, without a truly unified structure, without even a hegemonisation of its contrasts by this or that element of society" (Galasso 1978, 7). A city torn between a present of misery and a completely uncertain future, no longer even capable of "cataloguing its industrial past in the great archive of urban *res gestae* to form the starting point and stimulus for a new economic and civil season" (Frascani 2017, 27).

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