Economy of Italy

Economy of Italy	
 *Milan Stock Exchange*	
Rank	9th (nominal) / 10th (PPP)
Currency	Euro (EUR), except in Campione d'Italia (CHF)
Fiscal year	calendar year
Trade organisations	EU, G8, G20, WTO (via EU membership) and OECD
Statistics	
GDP	$2,014 billion (2012)[] (nominal; 9th) $1,833 trillion (2012)[] (PPP; 10th)
GDP growth	▼ -2.3% (Real, 2012 est.)
GDP per capita	▼ $33,115 nominal (2012)$30136 PPP (2012)
GDP by sector	agriculture: 1.8%; industry: 24.9%; services: 73.3% (2010 est.)[]
Inflation (CPI)	▲ 3.0% (CPI, 2012 est.)
Population below poverty line	19.6% (2011)
Gini coefficient	36 (2009)[1]
Labour force	▲ 25.28 million (2012 est.)
Labour force by occupation	services (67.8%), industry (28.3%), agriculture (3.9%) (2011)
Unemployment	▲ 10.8% (2012 est.)
Average gross salary	2,729 € / 3,436 $, monthly (December 2012)[]
Average net salary	1,880 € / 2,368 $, monthly (December 2012)[] Average net income monthly 1445€/1906$ (December 2012)
Main industries	tourism, communications, machinery, steel, chemicals, pharmaceuticals, food processing, textiles, motor vehicles, home appliances, clothing, fashion
Ease of Doing Business Rank	73rd[]
External	
Exports	▼ $483.3 billion (2012 est.)
Export goods	engineering products, textiles and clothing, production machinery, motor vehicles, transport equipment, chemicals; food, beverages and tobacco; minerals, and nonferrous metals

Main export partners	Germany 13.3% France 11.8% United States 5.9% Spain 5.4% Switzerland 5.4% United Kingdom 4.7% (2011 est.)[2]
Imports	▼ $469.7 billion (2012 est.)
Import goods	engineering products, chemicals, transport equipment, energy products, minerals and nonferrous metals, textiles and clothing; food, beverages, and tobacco
Main import partners	Germany 16.5% France 8.8% China 7.7% Netherlands 5.5% Spain 4.7% (2011 est.)[3]
FDI stock	▲ $369.5 billion (31 December 2012 est.)
Gross external debt	$2.223 trillion (30 June 2010 est.)
Public finances	
Public debt	▲ 126.1% of GDP (2012 est.)
Revenues	$956.6 billion (2012 est.)
Expenses	$1.014 trillion (2012 est.)
Economic aid	*donor*: $2.48 billion, 0.15% of GDP (2004)[4]
Credit rating	Standard & Poor's:[5][] BBB+ (Domestic) BBB+ (Foreign) AAA (T&C Assessment) Outlook: Negative Moody's:[] A2 Outlook: Stable Fitch:[] AA- Outlook: Positive
Foreign reserves	▲ US$173.3 billion (31 December 2012)
Main data source: CIA World Fact Book [6] *All values, unless otherwise stated, are in US dollars*	

Italy has a diversified industrial economy with high gross domestic product (GDP) per capita and developed infrastructure. According to the International Monetary Fund, the World Bank and The World Factbook, in 2012 Italy was the ninth-largest economy in the world, the fifth-largest in Europe and the third-largest in the Eurozone in terms of nominal GDP,[7] and the tenth-largest economy in the world and fifth-largest in Europe in terms of purchasing power parity (PPP) GDP.[8]

Italy is a member of the G7 and the Group of Eight (G8) industrialized nations, the European Union and the OECD.

19th and early 20th centuries

Terni steel mills in 1912

The Unification of Italy in 1861–70 broke down the feudal land system that had survived in the South since Middle Ages, especially where land had been the inalienable property of aristocrats, religious bodies, or the king. The redistribution of land did not necessarily lead to small farmers in the South winding up with land of their own or land they could work and profit from. Many remained landless, and plots grew smaller and smaller and thus more and more unproductive as land was subdivided among heirs.[]

At the same time, the early industrialization process that characterized the northern and central parts of the country starting from the 1880s, completely excluded large areas in the North-East. The resulting Italian diaspora concerned nearly 25 million Italians, the most part immigrated in the period 1880–1914, and it is considered the biggest mass migration of contemporary times.[][9]

During the Great War, the Italian Royal Army increased in size from 15,000 men in 1914 to 160,000 men in 1918, with 5 million recruits in total entering service during the war.[10] This came at a terrible cost: by the end of the war, Italy had lost 700,000 soldiers and had a budget deficit of billions of lira.

Fascist era

Fascist hierarcs visit Alfa Romeo

Italy emerged from World War I in a poor and weakened condition. The National Fascist Party of Benito Mussolini came to power in 1922, at the end of a period of social unrest. During the first years of the new regime, the Fascist pursued a laissez-faire economic policy: they initially reduced taxes, regulations and trade restrictions on the whole.[11] However, once Mussolini acquired a firmer hold of power, laissez-faire and free trade were progressively abandoned in favour of government intervention and protectionism.[12]

In 1929, Italy was hit hard by the Great Depression.[13] Trying to handle the crisis, the Fascist government nationalized the holdings of large banks which had accrued significant industrial securities.[14] A number of mixed entities were formed, whose purpose it was to bring together representatives of the government and of the major businesses. These representatives discussed economic policy and manipulated prices and wages so as to satisfy both the wishes of the government and the wishes of business.[15]

This economic model based on a partnership between government and business was soon extended to the political sphere, in what came to be known as corporatism. At the same time, the aggressive foreign policy of Mussolini led to an increasing military expenditure. After the invasion of Ethiopia, Italy intervened to support Francisco Franco's nationalists in the Spanish Civil War. By 1939, Italy had the highest percentage of state-owned enterprises after the Soviet Union.[15]

Italy's involvement in World War II as a member of the Axis powers required the establishment of a war economy. The Allied invasion of Italy in 1943 eventually caused the Italian political structure – and the economy – to rapidly collapse. The Allies, on the one hand, and the Germans on the other, took over the administration of the areas of Italy under their control. By the end of the war, Italian per capita income was at its lowest point since the beginning of the 20th century.[16]

Post-war economic miracle

After the end of World War II, Italy was in rubble and occupied by foreign armies, like Germany and other Axis powers, a condition that worsened the chronic development gap towards the more advanced European economies. However, the new geopolitical logic of the Cold War made possible that the former enemy Italy, a hinge-country between Western Europe and the Mediterranean, and now a new, fragile democracy threatened by the proximity of the Iron Curtain and the presence of a strong Communist party,[17] was considered by the USA as an important ally for the Free World, and received under the Marshall Plan US$1,204 million from 1947 to 1951.[*citation needed*]

The end of aid through the Plan could have stopped the recovery but its end coincided with a crucial point in the Korea War whose demand for metal and manufactured products was a further stimulus of Italian industrial production. In addition, the creation in 1957 of the European Common Market, with Italy as a founding member, provided more investment and eased exports.[18]

These favorable developments, combined with the presence of a large and cheap labour force, laid the foundation for spectacular economic growth that lasted almost uninterrupted until the "Hot Autumn's" massive strikes and social unrest of 1969–70, which then combined with the later 1973 oil crisis and put an abrupt end to the prolonged boom. It has been calculated that the Italian economy experienced an average rate of growth of GDP of 5.8% per year between 1951–63, and 5.0% per year between 1964–73.[19] Italian rates of growth were second only, but very close, to the German rates, in Europe, and among the OEEC countries only Japan had been doing better.[20]

From stagflation to stagnation (1970s–80s)

The 1970s were a period of economic, political turmoil and social unrest in Italy. Unemployment rose sharply, especially among the young. By 1977 there were one million unemployed people under age 24. Inflation continued, aggravated by the increases in the price of oil in 1973 and 1979. The budget deficit became permanent and intractable, averaging about 10 percent of the gross domestic product (GDP), higher than any other industrial country. The lira fell steadily, from 560 lira to the U.S. dollar in 1973 to 1,400 lira in 1982.[21]

Prime Minister Giulio Andreotti (far left) with G7 leaders in Bonn, 1978.

The economic recession went on into the mid-1980s until a reduce of public costs and spendings, tighter budgets and deficits, a steady economic growth, and a lowered inflation rate meant that by the recovery plan of 1983, Italy left recession.[] This plan led to an increasing GDP growth, lower inflation, and increased industrial/agricultural/commercial produce, exports and output, yet made the unemployment rate rise.[] A decrease in energy prices and lowered value of the dollar led to foreign exchange being liberalised and the economy to re-grow rapidly.[]

As a matter of fact, in 1987, Italy had a period when it surpassed the British economy (an event known as *il sorpasso*), becoming the fifth in the world. On 15 May 1991 Italy became for a while the fourth worldwide economic power, overcoming France,[22] with a GDP of US$1.268 trillion, compared to France's GDP of US$1.209 trillion and Britain's of US$1.087 trillion. Despite this, however, Italy's alleged 1987 GDP growth of a phenomenal 18%,[23] it was shortly re-overtaken by both France and the United Kingdom during the 1990s, when Italy's economic growth was particularly stagnant, with an average of 1.23% compared to an EU average of 2.28%.[]

Late 2000s recession

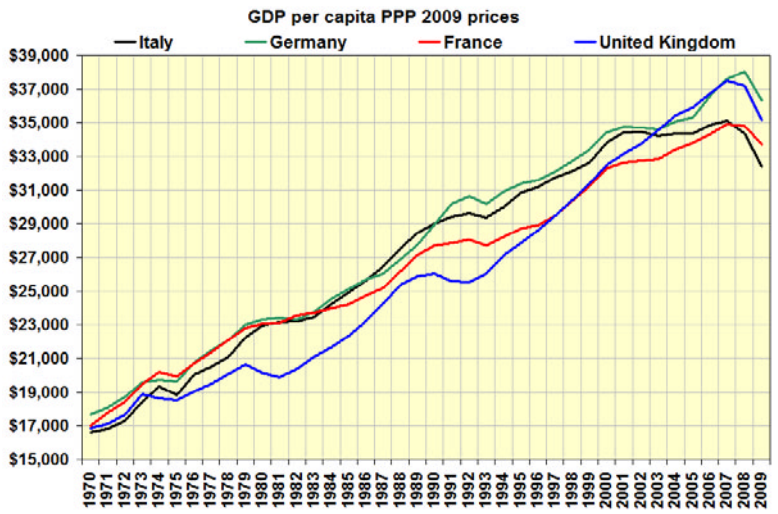
A graph showing Italy's GDP growth from 2000 to 2010 (including forecasts for 2011) compared with EU's GDP growth.

Italy was hit hard by the economic crisis of 2007–2011. The national economy shrunk by 6.76% during the whole period, totalizing seven-quarters of recession.[24] According to the EU's statistics body Eurostat, Italian public debt stood at 116% of GDP in 2010, ranking as the second biggest debt ratio after Greece (with 126.8%).[25] However, the biggest chunk of Italian public debt is owned by national subjects,[26] and relatively high levels of private savings and low levels of private indebtedness are seen as making it the safest among Europe's struggling economies.[]

As a result of austerity measures passed in December 2010, Italy is targeting a public budget deficit of 3.9% in 2011 and 2.7% in 2012, both among the lowest in the European Union.[] In Autumn 2011, Standard & Poor's and Moody's downgraded Italian sovereign debt rating because of "Italy's weakening economic growth prospects." Italy also has a weak coalition government which would "limit the government's ability to respond decisively" to events.[27] Both rating agencies give a negative outlook on the debt, meaning further downgrades are possible.[28][29]

The government had adopted austerity measures on 15 July and 14 September 2011, together meant to save 124 billion euro.[30][31] Nonetheless, by 8 November 2011 the Italian bond yield was 6.74 percent for 10-year bonds, nearing a 7 percent level where Italy is thought to lose access to financial markets,[32] but it was under 5.0% in February 2012. As a result of austerity measures passed in December 2011 (*Save Italy*), Italy is targeting a public budget deficit of 1.5% in .

Overview



GDP per capita big four Western Europe[33]

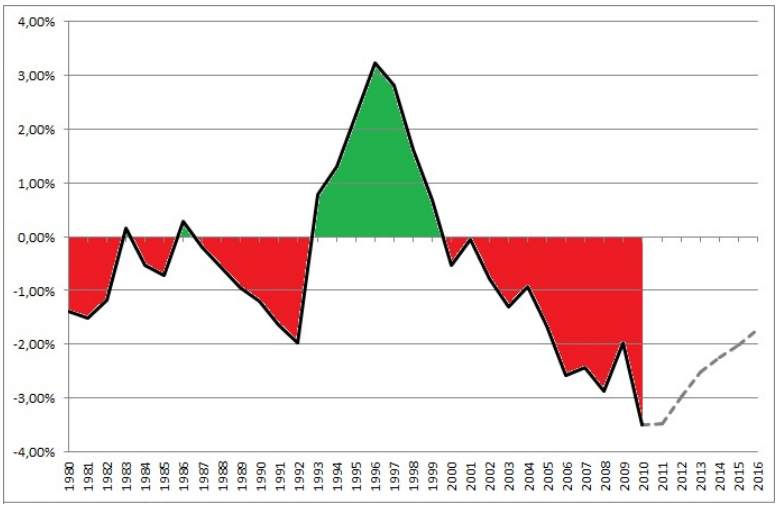
In the post-war period, Italy was transformed from an agricultural based economy which had been severely affected by the consequences of World War II, into one of the world's most industrialized nations,[34] and a leading country in world trade and exports. According to the Human Development Index, the country enjoys a very high standard of living, and, according to *The Economist*, has the world's 8th highest quality of life.[35]

From the last Eurostat data, Italian per capita GDP at purchasing power parity remains approximately equal to the EU average,[36] while the unemployment rate (8.5%) stands as one of the EU's lowest.[37] Italy owns the world's 3rd

largest gold reserve.[38] The country is also well known for its influential and innovative business economic sector,[] an industrious and competitive agricultural sector[] (Italy is the world's largest wine producer[39]), and for its creative and high-quality automobile, industrial, appliance and fashion design.[]

Despite these important achievements, the country's economy today suffers from many and relevant problems. After a strong GDP growth in 1945–1990, the last two decades's average annual growth rates lagged well below the EU average; moreover, Italy was hit particularly hard by the late-2000s recession. The stagnation in economic growth, and the political efforts to revive it with massive government spending from the 1980s onwards, eventually produced a severe rise in public debt. In addition, Italian living standards have a considerable north-south divide: the average GDP per capita in Northern and Central Italy exceeds by far the EU average, whilst some regions and provinces in Southern Italy are dramatically below.[] Between 2000 and 2006, Italy received €27.4 billion from the European Development Fund for investments in depressed areas of the South.[40]

More specifically, Italian economy is weakened by the lack of infrastructure development, market reforms and research investment, and also high public deficit.[] In the Index of Economic Freedom 2011, the country ranked only 87th in the world, in particular due to the high rate of corruption, an excessive state interventionism, and a strong labor law.[] In addition, the most recent data show that Italy's spending in R&D in 2011 was equal to 1.1% of GDP (12th in the world by expenditures), below the European average of 1.7% and the Lisbon Strategy target of devoting 3% of GDP to research and development activities.[41]



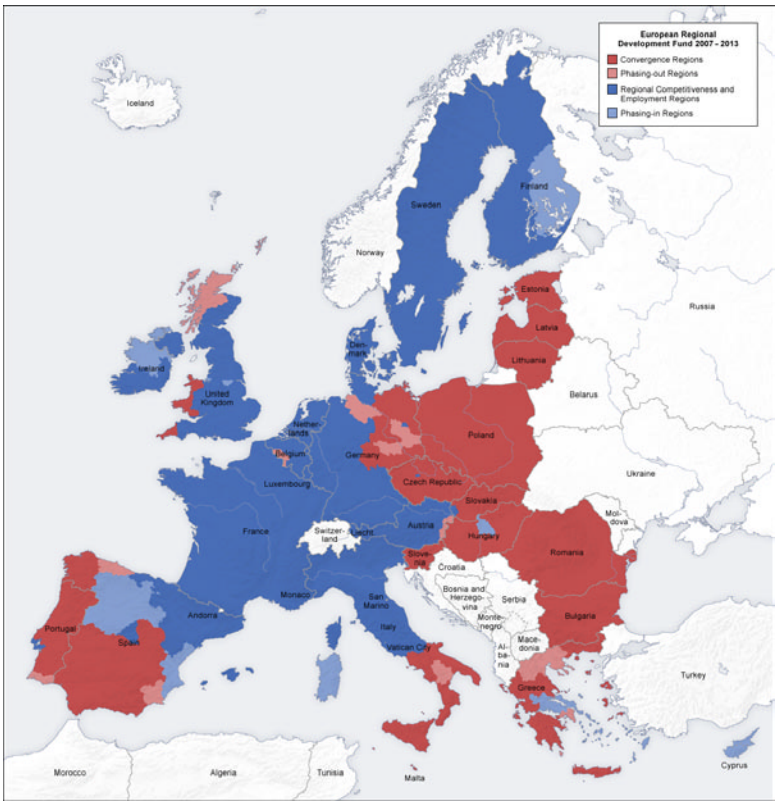
A graph which shows the current account balance of Italy (% of GDP), from 1980 to 2010 and IMF forecasts until 2016.

Italy has a smaller number of global multinational corporations than other economies of comparable size, but there is a large number of small and medium-sized enterprises, as in the Northern "industrial triangle" (Milan-Turin-Genoa), where there is an area of intense industrial and machinery production, notably in their several industrial districts, which are the backbone of the Italian industry. This has produced a manufacturing sector often focused on the export of niche market and luxury products, that if on one side is less capable to compete on the quantity, on the other side is more capable of facing the competition from emerging economies based on lower labour costs, with higher quality products.[42]

The country was the world's 7th largest exporter in 2009.[43] Italy's major exports and companies by sector are motor vehicles (Fiat, Aprilia, Ducati, Piaggio, Iveco); tyre manufacturing (Pirelli); chemicals and petrochemicals (Eni); energy and electrical engineering (Enel, Edison); home appliances (Candy, Indesit); aerospace and defense technologies (Finmeccanica, Alenia Aeronautica, AgustaWestland, Oto Melara); firearms (Beretta, Benelli); fashion (Armani, Valentino, Versace, Dolce & Gabbana, Roberto Cavalli, Benetton, Prada, Luxottica); food processing (Ferrero, Barilla Group, Martini & Rossi, Campari, Parmalat); sport and luxury vehicles (Ferrari, Maserati, Lamborghini, Pagani); yachts (Ferretti, Azimut). Italy's closest trade ties are with the other countries of the European Union, with whom it conducts about 59% of its total trade. Its largest EU trade partners, in order of market share, are Germany (12.9%), France (11.4%), and Spain (7.4%).[]

North–South divide

Starting with the unification of Italy in 1861, a wide and increasing economic divide has been noticeably growing between the northern provinces and the southern half of the Italian state.[44] In the early decades of the new kingdom, the lack of an effective land reform, heavy taxes and other economic measures imposed on the South, together with the removal of protectionist tariffs on agricultural goods, made the situation virtually impossible for many tenant farmers, and small business and land owners. Multitudes chose to emigrate rather than try to eke out a meager living, especially from 1892 to 1921.[45]



European Regional Development Fund 2007–2013: Southern Italy is almost all classified under the Convergence objective (GDP per capita less than 75% of the EU average).

In addition, the surge of brigandage and the mafia provoked widespread violence, corruption and illegality. After the rise of Benito Mussolini, the "Iron Prefect" Cesare Mori tried to defeat the already powerful criminal organizations flourishing in the South with some degree of success. Fascist policy aimed at the creation of an Italian empire and Southern Italian ports were strategic for all commerce towards the colonies. Naples enjoyed a demographic and economic rebirth, mainly thanks to the interest of King Victor Emmanuel III who was born there.[46] With the invasion of Southern Italy, the Allies restored the authority of the mafia families lost during the Fascist period and used their influence to maintain public order.[47]

In the 1950s the Cassa per il Mezzogiorno was set up as a huge public master plan to help industrializing the South, aiming to do this in two ways: through land reforms creating 120,000 new smallholdings, and through the "Growth Pole Strategy" whereby 60% of all government investment would go to the South, thus boosting the Southern economy by attracting new capital, stimulating local firms, and providing employment. However, the objectives were largely missed, and as a result the South became increasingly subsidized and state dependent, incapable of generating private growth itself.[48]

Even at present, huge regional disparities persist. Problems in Southern Italy still include widespread political corruption, pervading organized crime and very high unemployment rates.[49] It is estimated that about 80% of the businesses in the Sicilian cities of Catania and Palermo regularly pay protection money.[50] The Confesercenti reported that organized crime generated €140 billion in gross sales,[51] an estimated annual profit of €100 billion, and boasted estimated cash reserves of €65 billion.[52]

Regional economic differences

First level NUTS of the European Union in Italy.

2010 Gross Domestic Product in Italy (2013 data)[]

NUTS-1 region	mil. €	€ per cap.	% of the EU average
North-Western Italy	501,862	31,200	123
North-Eastern Italy	353,484	30,500	120
Central Italy	334,803	28,100	111
Southern Italy	242,532	17,100	67
Insular Italy	117,860	17,500	69

2010 Gross Domestic Product in Italy (2013 data)[]

Region	mil. €	€ per cap.	NUTS-1 region
Abruzzo	28,696	21,400	South
Aosta Valley	4,312	33,700	North-West
Apulia	69,294	17,000	South
Basilicata	10,479	17,800	South
Calabria	33,017	16,400	South
Campania	94,553	16,200	South
Emilia-Romagna	136,721	31,000	North-East
Friuli-Venezia Giulia	36,055	29,200	North-East
Lazio	169,198	29,700	Centre
Liguria	43,384	26,800	North-West
Lombardy	330,997	33,500	North-West
Marche	40,471	25,900	Centre
Molise	6,493	20,300	South
Piedmont	123,169	27,700	North-West
Sardinia	33,030	19,700	Islands
Sicily	84,830	16,800	Islands
Tuscany	103,713	27,700	Centre
Trentino-Alto Adige	34,942	33,900	North-East
Umbria	21,421	23,700	Centre
Veneto	145,766	29,600	North-East

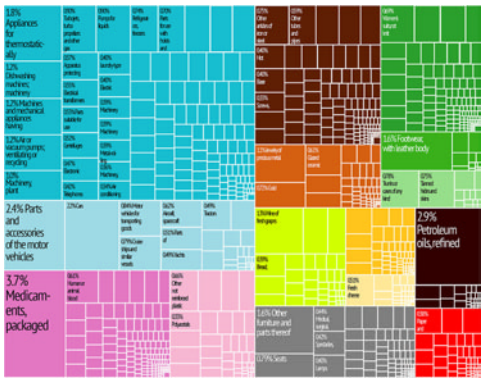
Economic sectors

Energy and natural resources

Italy has few natural resources. There are no substantial deposits of iron, coal, or oil. Proven natural gas reserves, mainly in the Po Valley and offshore Adriatic, have grown in recent years and constitute the country's most important mineral resource. Most raw materials needed for manufacturing and more than 80% of the country's energy sources are imported. The energy sector is highly dependent on imports from abroad: in 2006 the country imported more than 86% of its total energy consumption (99.7% of the solid fuels demand, 92.5% of oil, 91.2% of natural gas and 15% of electricity).[53][54]

Wind turbines in Campania

In the last decade, Italy has became one of the world's largest producers of renewable energy, ranking as the world's fifth largest solar energy producer in 2009[][] and the sixth largest producer of wind power in 2008.[55]



Graphical depiction of Italy's product exports in 28 color-coded categories.

Italy has managed four nuclear reactors until the 1980s, but in 1987, after the Chernobyl disaster, a large majority of Italians passed a referendum opting for phasing out nuclear power. The government responded by closing existing nuclear power plants and stopping work on projects underway, completely putting a halt to the national nuclear program. Currently, the majority of Italian electricity is produced gas, oil, coal, and hydro. Italy also imports about 16% of its electricity need from France for 6.5 GWe, which makes it the world's biggest importer of electricity. Due to its reliance on expensive fossil fuels and imports, Italians pay approximately 45% more than the EU average for electricity.[56]

In 2004, a new Energy Law brought the possibility of joint ventures with foreign companies to build nuclear power plants and import electricity. Public opinion on nuclear power was positive, as Italy's younger generations embraced nuclear energyWikipedia:Disputed statement. In 2005, Italy's power company, ENEL made an agreement with Electricite de France for 200 MWe from a nuclear reactor in France and potentially an additional 1,000 MWe from new construction.[56] As part of the agreement, ENEL received a 12.5% stake in the project and direct involvement in design, construction, and operation of the plants. In another move, ENEL also bought 66% of the Slovak Electric utility that operates six nuclear reactors. As part of this agreement, ENEL will pay the Slovak government EUR 1.6 billion to complete a nuclear power plant in Mochovce, which has a gross output of 942 MWe. With these agreements, Italy has managed to access nuclear power without placing reactors on Italian territory.[56]

Agriculture

The northern part of Italy produces primarily maize corn, rice, sugar beets, soybeans, meat, fruits and dairy products, while the South specializes in wheat and citrus fruits. Italy is the first or the second largest producer of wine in the world,[] and one of the leading in olive oil, fruits (apples, oranges, lemons, pears, apricots, peaches, cherries, strawberries, kiwi), flowers and vegetables.

Vineyards near Certaldo, Tuscany. Italy is the world's top wine producer (22% of global market).[57]

According to the Agriculture Census, there were 2.6 million farms in 2000 (down from 3 million in 1990,) covering 19.6 million hectares. The vast majority (94.7%) are family-operated and small, averaging only 5 hectares in size. Of the total surface area in agricultural use (forestry excluded,) grain fields take up 31%, olive tree orchards 8.2%, vineyards 5.4%, citrus orchards 1%, other orchards 3.8%, sugarbeets 1.7%, and horticulture 2.4%. The remainder is primarily dedicated to pastures (25.9%) and feed grains (11.6%.) Livestock includes 6 million head of cattle, 8.6 million head of swine, 6.8 million head of sheep, and 0.9 million head of goats.

The most famous Italian wines are probably the Tuscan Chianti and Pinot grigio. Other famous wines are Barbaresco, Barolo and Barbera (Piedmont), Brunello di Montalcino (Tuscany), Montepulciano d'Abruzzo (Abruzzo) and Nero d'Avola (Sicily). Quality goods in which Italy specialises are often DOC or 'of controlled origin'. This DOC certificate, which is attributed by the European Union, ensures that the origins and work that goes into a product are recognised. This certification is considered important by producers and consumers alike, in order to avoid confusion with low-quality mass-produced ersatz products.

Transport

In 2004 the transport sector in Italy generated a turnover of about 119.4 billion euros, employing 935,700 persons in 153,700 enterprises. Regarding to the national road network, in 2002 there were 668,721 km (415,612 mi) of serviceable roads in Italy, including 6,487 km (4,031 mi) of motorways, state-owned but privately operated mainly by Atlantia company. In 2005, about 34,667,000 passenger cars (equal to 590 cars per 1,000 people) and 4,015,000 road good vehicles circulated on the national road network.

Rome-Fiumicino Airport in 2008 was the sixth busiest airport in Europe.

The railway network in Italy totalled 16,862 kilometres (2008) of which 69% are electrified and on which 4,937 locomotives and railcars circulate. It is the 15th largest in the world, and is operated by Ferrovie dello Stato. High speed trains include ETR-class trains, with the ETR 500 reaching 300 km/h (190 mph). The rail tracks and infrastructure are managed by Rete Ferroviaria Italiana[58]

In 1991 Treno Alta Velocità SpA was created for the planning and construction of high-speed rail lines along Italy's most important and saturated transport routes. One of the focuses of the project is to turn the rail network of Italy into a modern high-tech passenger rail system in accordance with updated European rail standards. A secondary purpose is to introduce high-speed rail to the country's high-priority corridors, namely the Milan-Naples and Turin-Milan-Venice lines.

When demand on regular lines is lessened with the opening of dedicated high-speed lines, those regular lines will be used primarily for low-speed regional rail service and freight trains. With these plans realised, the Italian rail network would be integrated with other European rail networks, particularly the French TGV, German ICE, and Spanish AVE systems.[*citation needed*]In 2005, about 34,667,000 passenger cars (equal to 590 cars per 1,000 people) and 4,015,000 road good vehicles circulated on the national road network.

The national inland waterway network comprised 1,477 km (918 mi) of navigable rivers and channels in 2002. In 2004 there were approximately 30 main airports (including the two hubs of Malpensa International in Milan and Leonardo Da Vinci International in Rome) and 43 major seaports including the seaport of Genoa, the country's largest and the second largest in the Mediterranean Sea after Marseille. In 2005 Italy maintained a civilian air fleet of about 389,000 units and a merchant fleet of 581 ships.[59]

Finance

Banking in Italy has, as of the 11 October 2008, an average assets/liabilities ratio of 12 − 1, while the banks's short-term liabilities are equal to 86% of the Italian GDP or 43% of the Italian national debt.[60] This is a list of the top 10 Italian banks ranked by market capitalization.

UniCredit Headquarters in EUR, Rome.

Rank	Company	Headquarter	Capitalization (€)
1	UniCredit	Rome	54.7 billion
2	Intesa Sanpaolo	Turin	47.7 billion
3	Monte dei Paschi di Siena	Siena	36.6 billion
4	UBI Banca	Bergamo	9.8 billion
5	Banco Popolare	Verona	9.4 billion
6	Banca Nazionale del Lavoro	Rome	7.5 billion
7	Mediobanca	Milan	7.0 billion
8	Banca Popolare dell'Emilia Romagna	Modena	4.6 billion
9	Cariparma	Parma	4.2 billion
10	Banca Popolare di Milano	Milan	4.0 billion

Labor

Following the 2003 "*Biagi law*", a controversial labour reform, unemployment has been steadily decreasing, reaching 6.2% in 2007, the lowest rate since the 1970s.[61] In the south the average unemployment rate is far higher than the national average, but, in recent years, progress was made nonetheless, with the unemployment rate falling from 23.7% in 1999 to 11.2% in 2007 for Campania, and from 24.5% to 13% for Sicily.[] There is a significant underground economy, especially in the south where it partially offsets the high official unemployment rate, absorbing substantial numbers of people, working for low wages and without standard social benefits and protections. Italy maintains a good self employment rate at 25.5%.[62]

Unions claim to represent 40% of the work force. Most Italian unions are grouped in three major confederations: the CGIL, the CISL, and the UIL, which together claim 35% of the work force.[*citation needed*] These confederations formerly were associated with important political parties (respectively the Italian Communist Party, the Christian Democracy and the Italian Socialist Party), but they have formally terminated such ties. Nowadays, the three often coordinate their positions before confronting management or lobbying the government. The three major confederations have an important consultative role on national social and economic issues.[*citation needed*]

Among their major agreements are a 4-year wage moderation agreement signed in 1993, a reform of the pension system in 1995, and an employment pact, introducing steps for labor market flexibility in economically depressed areas, in 1996. The CGIL, CISL, and UIL are affiliates of the International Trade Union Confederation. Of the three unions, CGIL is the strongest in numbers.[*citation needed*] CGIL once single-handedly organized a three-million people rally in Rome.[*citation needed*] Italy's employers are represented by Confindustria, the Italian Employers' Federation.

The average standard of living in Italy is very high. As noted by Mario B. Mignone:

“In the official economy, the Italian worker is well rewarded with high wages, good benefits, and many paid holidays, but he or she cannot escape from the heavy burden of taxes.”[63]

Wealth

A quarterly report prepared by the Economist Intelligence Unit on behalf of Barclays Wealth in 2007 estimated that there were 280,000-dollar millionaires in Italy.[64][*citation needed*] The richest man in Italy is Michele Ferrero, who, according to *Forbes*, has a net worth of US$9.5 billion. Other billionaires include Giorgio Armani, Miuccia Prada, Ennio Doris, the Benetton family, the Agnelli family and Silvio Berlusconi, to name but a few.[65] In total, Italy has Europe's fifth greatest number of billionaires (12), following Germany, Russia, the UK and Turkey, and surpassing Spain, France, Sweden and Switzerland.In Europe in 2012 according to Cap Gemini RBC Italy has the 4th greatest number of millionaires (176000) after Germany,France and UK. According to Credit Suisse Wealth Report 2012 Italy owns a net wealth of more than 11 trillions $ (7th after USA,Japan,China,Germany,France,UK).Credit Suisse ranks the italian 11th (after Switzerland,Luxemburg,Norway,Australia,Singapore,USA,Japan,France,UK and Sweden) in the world as wealth per household and 10th per capita.

References

[1] A value of 0 represents absolute equality, and a value of 100 absolute inequality. Inequality in income or expenditure / Gini index (http://hdrstats.undp.org/en/indicators/161.html), Human Development Report 2007/08, UNDP, accessed on 3 February 2008. Note: Because the underlying household surveys differ in method and in the type of data collected, the distribution data are not strictly comparable across countries.

[6] https://www.cia.gov/library/publications/the-world-factbook/geos/it.html

[7] http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf

[8] http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP_PPP.pdf

[9] Favero, Luigi e Tassello, Graziano. *Cent'anni di emigrazione italiana (1861–1961)* Introduction

[10] Clark, Martin. "Modern Italy: 1871–1982." *Longman History of Italy.* London and New York: Longman. Pp. 186

[11] Sheldon Richman, *"Fascism"*.

[12] Patricia Knight, *Mussolini and Fascism*, Routledge 2003 page 64

[13] William G. Welk, *"Fascist economy policy; an analysis of Italy's economic experiment"*, Harvard University Press, 1938. pp. 166

[14] Gaetano Salvemini, *"Italian Fascism"*. London: Victor Gollancz Ltd., 1938.

[15] Patricia Knight, *Mussolini and Fascism*, Routledge (UK), ISBN 978-0-415-27921-5, p. 65

[16] Adrian Lyttelton (editor), *"Liberal and fascist Italy, 1900–1945"*, Oxford University Press, 2002. pp. 13

[24] http://stats.oecd.org/index.aspx?queryid=350 Quarterly National Accounts: Quarterly Growth Rates of real GDP, OECD. Accessed on 4 September 2010.

[35] The Economist Intelligence Unit's quality-of-life index (http://www.economist.com/media/pdf/QUALITY_OF_LIFE.pdf), Economist, 2005

[37] (http://tg24.sky.it/tg24/economia/2010/06/14/ocse_tasso_disoccupazione_invariato_1.html) Ocse, tasso di disoccupazione stabile nell'eurozona

[45] Dennis Mack Smith (1997). Modern Italy; A Political History. Ann Arbor: The University of Michigan Press. ISBN 978-0-472-10895-4, pp. 209–210.

[49] T. Astarita, Between Salt Water and Holy Water: A History of Southern Italy, 2005

[55] Global installed wind power capacity (MW) (http://www.gwec.net/uploads/media/chartes08_EN_UPD_01.pdf) Global Wind Energy Council 6.2.2008

[56] " Emerging Nuclear Energy Countries (http://www.uic.com.au/nip102.htm)." *Australian Uranium Association.* April 2008

[57] http://www.decanter.com/news/wine-news/529822/italian-wine-now-22-of-global-market

[62] http://www.oecd-ilibrary.org/sites/factbook-2011-en/07/01/02/index.html?contentType=&itemId=/content/chapter/factbook-2011-59-en&containerItemId=/content/serial/18147364&accessItemIds=&mimeType=text/h

[63] http://books.google.co.uk/books?id=Tv2R8FfFpREC&pg=PA165&lpg=PA165&dq=Italy+high-wage+economy+1980&source=bl&ots=5BPZW9pzF9&sig=bP_RMe9194vRwHUhu0RiMryxprE&hl=en&sa=X&ei=9jgcUP2SLvKY0QWzpoDIAQ&redir_esc=y#v=onepage&q=Italy%20high-wage%20economy%201980&f=false

[64] (page 7) (http://www.barclayswealth.com/files/volume5.pdf)

External links

- Banca d'Italia (Italy's Central Bank) (http://www.bancaditalia.it/rootcollection;internal&action=_setlanguage.action?LANGUAGE=en)
- Italian National Institute of Statistic (ISTAT) (http://www.istat.it/en/)
- Ministry of Economic Development (http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&idmenu=2297)
- OECD's Italy country web page (http://www.oecd.org/italy/)
- **(Italian)** Ufficio Italiano Brevetti e Marchi (Italian Patents and Trademarks Office) (http://www.uibm.gov.it/)
- Comprehensive current and historical economic data (http://www.quandl.com/italy)

Article Sources and Contributors

Economy of Italy *Source*: http://en.wikipedia.org/w/index.php?oldid=563252330 *Contributors*: 16@r, 5 albert square, Achowat, Adnaan1, Afhaalchinees, Agne27, Ahoerstemeier, Alansohn, Ale jrb, Alex.muller, Alexander Domanda, Alfio, Alinor, Alpha Quadrant, Alpha Quadrant (alt), Andy Marchbanks, Andylong, Ann Stouter, Antandrus, Anthony, AnthonyBurgess, Anwar saadat, Aplaso, Arch genesis, ArglebargleIV, Aris Katsaris, Arnoldmilesridley, Arthena, Attilios, Australian cowboy, BD2412, Barkjon, Basil II, Beagel, Bearas, Beland, Bgwhite, BigPimpinBrah, Bigturtle, Bluemoose, Bobo192, Bonus Onus, Bookandcoffee, Bruce Hall, Brutaldeluxe, CJ Aikman, CWii, CalJW, Caltas, CanadianLinuxUser, CarmineT011, Causantin, Chadsnook, Chaser, Che829, Chip123456, Chulk90, Ckatz, Cmdrbond, Colonies Chris, Cometstyles, CommonsDelinker, Conte di Cavour, Conversion script, Cool3, Cory814, Crazy Boris with a red beard, Creedence, Crusoe8181, D, DARTH SIDIOUS 2, DMacks, DMellis, Dans, Daranz, Datastat, Davi086, Davidzuccaro, Deltabeignet, Denisarona, Desyman44, Discospinster, Docu, Doddy Wuid, Dom1986, Don4of4, Donarreiskoffer, Dr.Marshall.willson, Driax, ERcheck, ESkog, Earchontopoulos, Electronique, Enok, Epbr123, Eug.galeotti, Excirial, Eyadhamid, Falcon8765, Fang Aili, FrankTobia, Fred Bauder, Frichmon, Gabrielkfl, Gainsboroughst, Gengis Gat, Green Giant, Grunners, Gsarwa, Gugganij, HIDECCHI001, Hashimzia, Heilme, Henrik Ebeltoft, HexaChord, Hmains, IRISZOOM, Ian Spackman, Iconnekt, Iner22, Int21h, Ioeth, Iohannes Animosus, Ipigott, Itai, Italy 10, Itcchicago, Ixfd64, J happy, J.delanoy, JOMTIM, JaGa, Jarry1250, Jebba, Jerryseinfeld, Jim1138, Jorunn, Joseph Solis in Australia, Juliancolton, Kayac1971, Kbdank71, Khazar2, Kkm010, KnightRider, Komodo, KoyaanisQatsi, Kralizec!, Krich, Kris1912, Ktsquare, Kungfuadam, Kwiked, Liam987, Lonwolve, Looxix, Lotje, Lupo1982, Lusitana, M4gnum0n, MJD86, Magioladitis, Mai-Sachme, Marek69, Marsupilamov, Maurice07, Maxis ftw, Mcrapanzano, Mediolanum, Michael Hardy, Mike.grady, Mindmatrix, Mini-Geek, Mlaffs, Monobi, Mr. Stradivarius, Mtaylor848, MusikAnimal, Nebu87, Neutrality, Newyorkjetsnick, Nhyty, Nirvana888, Nivix, Nlu, Nn123645, Noclador, Nono64, Northumbrian, Nsaa, Nskillen, Nunquam Dormio, Oda Mari, Ohconfucius, One Salient Oversight, Onepebble, Oore, Orangechoc, Orzetto, Ouzotech, Ozguroot, PRC 07, ParisianBlade, Paul August, Pedro, Pepesia, PericlesofAthens, Persian Poet Gal, Phatom87, Philip Trueman, Phils, Piccolo Modificatore Laborioso, Pippo skaio, Poeloq, Polylerus, Powerfox, Purpleturple, Qxz, R'n'B, RayAYang, Rd232, Red King, RedWolf, Reedy, RekishiEJ, Rettetast, Rich Farmbrough, Rikimaru, RoadTrain, Rogz, Romanm, Rozzers, Rudd190, Rutja76, SWAdair, Savidan, Schmupps, Schopy1988, Seaphoto, Searchme, Sholmberg82, Sicilianmandolin, Siwulek, Skew-t, Sloman, Smarkflea, Snagari, Snigbrook, Snoopy18, Spitzl, SquallLeonhart ITA, Ssiruuk25, StaticGull, Stefano85, Stephenb, Stevenalteri, T,C&S, Taavih, Tabletop, Tbhotch, The Rambling Man, The Thing That Should Not Be, TheCatalyst31, Theologiae, Thine Antique Pen, Thingg, Thue, Tide rolls, Tilacino, Tjl1128, Topbanana, Totaattila, Tpbradbury, Transity, Treemapper, Tsoccerk32, TubularWorld, Typ932, Tyrol5, Ujalm, Uk economy, Van Gulik, Vanished user vjhsduheuiui4t5hjri, Vega84, Versus22, Vrenator, Wetman, WikiRepairGuy, Wikibofh, William Avery, Win.monroe, Woohookitty, XMaster, Xenon54, Xiahou, Xrissdood, Yaris678, Zictor23, ZooFari, ·, Δ, 771 anonymous edits

Image Sources, Licenses and Contributors

File:Palazzo mezzanotte2.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Palazzo_mezzanotte2.jpg *License*: Creative Commons Attribution-Sharealike 3.0,2.5,2.0,1.0 *Contributors*: Goldmund100 at it.wikipedia

File:Decrease2.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Decrease2.svg *License*: Public Domain *Contributors*: Sarang

File:Increase2.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Increase2.svg *License*: Public Domain *Contributors*: Sarang

File:Flag of Germany.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_Germany.svg *License*: Public Domain *Contributors*: Anomie

File:Flag of France.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_France.svg *License*: Public Domain *Contributors*: Anomie

File:Flag of the United States.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_the_United_States.svg *License*: Public Domain *Contributors*: Anomie

File:Flag of Spain.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_Spain.svg *License*: Public Domain *Contributors*: Anomie

File:Flag of Switzerland.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_Switzerland.svg *License*: Public Domain *Contributors*: User:Marc Mongenet Credits: User:-xfi- User:Zscout370

File:Flag of the United Kingdom.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_the_United_Kingdom.svg *License*: Public Domain *Contributors*: Anomie, Good Olfactory, Mifter

File:Flag of the People's Republic of China.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_the_People's_Republic_of_China.svg *License*: Public Domain *Contributors*: Drawn by User:SKopp, redrawn by User:Denelson83 and User:Zscout370 Recode by cs:User:-xfi- (code), User:Shizhao (colors)

File:Flag of the Netherlands.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:Flag_of_the_Netherlands.svg *License*: Public Domain *Contributors*: Zscout370

File:Terni - le Acciaierie 1912.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Terni_-_le_Acciaierie_1912.jpg *License*: Public Domain *Contributors*: Demuro (talk)

File:Prospero Gianferrari all'Alfa Romeo 2.JPG *Source*: http://en.wikipedia.org/w/index.php?title=File:Prospero_Gianferrari_all'Alfa_Romeo_2.JPG *License*: anonymous-EU *Contributors*: User:Vincenzo Gianferrari Pini, User:Vincenzo Gianferrari Pini

File:G7 leaders 1978.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:G7_leaders_1978.jpg *License*: Public Domain *Contributors*: White House photo

File:PIL Italia 2000-2011.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:PIL_Italia_2000-2011.jpg *License*: Creative Commons Attribution 3.0 *Contributors*: T,C&S. Original uploader was T,C&S at it.wikipedia

File:GDP per capita big four Western Europe.PNG *Source*: http://en.wikipedia.org/w/index.php?title=File:GDP_per_capita_big_four_Western_Europe.PNG *License*: Creative Commons Zero *Contributors*: Frichmon

File:Italian current account balance.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Italian_current_account_balance.jpg *License*: Creative Commons Attribution 3.0 *Contributors*: T,C&S. Original uploader was T,C&S at it.wikipedia

File:European union erdf map en.png *Source*: http://en.wikipedia.org/w/index.php?title=File:European_union_erdf_map_en.png *License*: GNU Free Documentation License *Contributors*: User:San Jose

File:NUTS-1 IT.svg *Source*: http://en.wikipedia.org/w/index.php?title=File:NUTS-1_IT.svg *License*: Creative Commons Attribution-ShareAlike 3.0 Unported *Contributors*: es:Usuario:Mnemoc

File:Centrale Eolica Frigento.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Centrale_Eolica_Frigento.jpg *License*: Public Domain *Contributors*: Roberto Petruzzo

File:Italy Export Treemap.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Italy_Export_Treemap.jpg *License*: Creative Commons Attribution-Sharealike 3.0 *Contributors*: 1Veertje, MIT Harvard Observatory

File:Toscana Firenze4 tango7174.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Toscana_Firenze4_tango7174.jpg *License*: Creative Commons Attribution-Share Alike *Contributors*: Tango7174

File:Rom Fiumicino 04.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Rom_Fiumicino_04.jpg *License*: Creative Commons Attribution 3.0 *Contributors*: Raboe001

File:Roma EUR sede UniCredit campo lungo.jpg *Source*: http://en.wikipedia.org/w/index.php?title=File:Roma_EUR_sede_UniCredit_campo_lungo.jpg *License*: Creative Commons Attribution-Sharealike 3.0 *Contributors*: Blackcat

License

Creative Commons Attribution-Share Alike 3.0 Unported
//creativecommons.org/licenses/by-sa/3.0/