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Ferrera, Maurizio and Gualmini, Elisabetta. (2004). Rescued by Europe? Social and Labour Market Reforms in Italy from Maastricht to Berlusconi. Amsterdam: Amsterdam University Press. 199 pp. ISBN 90 535665II

Ferrera's and Gualmini's book explores Italy's social and labour market reforms from the beginning of the 1970s to the most recent Berlusconi legislature of 2001. Chapter I "Adjusting to Europe: a Learning Perspective" introduces to the theoretical framework of the book, which looks at the evolution of the Italian welfare state as a continuous process of institutional adjustment influenced by internal and external political developments.

Chapter II "The Scene in the 1970s: Light, Shadow and Thunder" provides an overview of the constitution of the Italian welfare state in terms of its main functions and characteristics, but also in terms of its contradictions as they emerged in the 1970s. Here, the main features of the Italian pension, health care and employment sectors are identified and critically discussed. This chapter also attempts to elucidate "five original sins of welfare capitalism Italian-style", which, according to the authors, correspond to: 1) an unbalanced distribution of risks and functions of Italian social policies, which tend to privilege, for instance, old age protection more than family protection; 2) the presence of special privileges for some professional groups (e.g. firms' employees vs. self-employed); 3) the introduction of a Keynesian-style welfare state that has now produced an unsustainable public debt (the so-called "original hole" of the Italian economy); 4) the persistence of a "clientelist" access to welfare provisions; and 5) the absence of an organized administrative apparatus capable of ensuring efficient public services.

Chapter III "The Winding Road to Adjustment" focuses on the exogenous challenges that the Italian economic and political system have been called to face during the 1980s and 1990s, with particular reference to the process of internationalization and European integration. One of this chapter's main conclusion is that the process of economic globalization did not produce harmful effects on employment and income distribution in Italy, as compared to other countries. Unfortunately, Ferrera and Gualmini also confirm that the positive effects of economic globalization have not had the same impact on different Italian regions. The most economically independent areas of the country (primarily the regions of the North) have resisted to the negative effects of economic globalization (in some cases taking advantage of it), while the less developed regions (notoriously, the Southern part of the country, the so-called "*Mezzogiorno*") have continued to suffer from structural deficiencies, deepening the gaps between the rest of Italy.

Chapter IV "The Cycle of Reform" describes the "chaotic" iter of welfare state restructuring during the 1980s and 1990s. The aim of the analysis is focused on the establishment and first attempt of reforms in three main areas: health care, pension and labour market. During this period, the main objectives of the Italian social policy reorganization have been to increase decentralization in the National Health Service, to reduce an unequal distribution of resources in the pension system, and to modify an inflexible labour market. Needless to say, these are all uncompleted reforms.

Chapter V "Reforms as Outcomes of Institutional Learning" attempts to deepen the theoretical approach introduced in Chapter I by explaining how Italian political elites have implemented feasible institutional reforms, learning to deal with the internal constraints caused by a complex party system, on one hand, and the external constraints caused by the entry in the Economic and Monetary Union (EMU), on the other.

Chapter VI "Rescued, but Still Free to Harm Itself" concludes the book summarizing the policy reforms of the second Berlusconi government, in charge since May 2001, highlighting those challenges and unresolved issues, which still wait for an adequate solution (see above). In this last and conclusive chapter, Ferrera and Gualmini also discuss the main argument of the book, which identifies the *Vincolo Esterno* (external constriction) caused by EU membership a positive factor of welfare state retrenchment. According to the authors, in absence of EMU prescriptions for economic stability, the weak and unhealthy Italian system would have continued to harm itself, resulting in "a potentially very serious systemic crisis" (p.169).

The book is concise and well structured. In less than 200 pages, it provides a comprehensive overview of social and labour market reforms during a period of 30 years. It also offers some useful tables on the most recent political developments, and an insight into the main features of the Italian political culture. Clientelism ("patronage system"), familism, transformism, Machiavellism (and numerous other -isms) are, in fact, still key concepts in the study of Italian politics¹.

However, the book shows some endemic weakness. On the conceptual side, the book adds little to the existing literature on institutional design². It simply highlights the importance of learning dynamics in the Italian process of social policy reorganization. On the economic side, the claim that globalization has fostered a positive development of Italian regions is only in part supported by the necessary empirical evidences. The globalization process seems in fact to have accentuated instead of reducing antecedent structural deficiencies of the *Mezzogiorno*, increasing the gap between the wealthier North. On the social side, the authors seem to welcome the classical OECD's or World Bank's prescriptions on welfare reforms (such as pension cuts, privatization of pension

¹ see Griffin, R., 1997, Italy, in: R. Eatwell, ed, European political cultures. Conflict or convergence? (Routledge, London and New York) 139-156. (cited in p. 139).

² see Goodin, R., 1996, ed, The theory of institutional design (Cambridge University Press, Cambridge); Brinton, M. and V. Nee, 1998, eds, The new institutionalism in sociology (Russel Sage Foundation, New York). ; Brinton and Nee 1998).

funds and increase in retirement age, labour flexibility, increase in means-testing, etc.), but do not adequately address the possible social consequences of such transformation. Finally, on the political side, the book lacks of a constructive criticism on EU-sponsored social and market reforms. EU recommendations are seen as unquestionably right and beneficial to the Italian society, while resistance to reforms are considered necessarily negative.

Despite these limitations, the book provides a convincing explanation of the Italian reforms' path and should become a key text in all courses dealing with Italian social policy.