

ITALY 1870-1919

Agricultural Economy:

- The Italian unification led to several economic problems: it had left a large debt that could only be removed by heavy taxation. This debt also hindered the efforts of the local governments to raise sufficient capital to invest in education and public services.
- The Italian economy was predominantly agricultural 1870-1919
% of population in agriculture:
1871 = 68%
1913 = 57% (Britain = 15%)
Of these 68% / 57% only 10% owned or shared their own land – the rest (90%) were hired labourers. Their wages were very low...
- Huge differences between North and South! In the South it was common with big Estates run by the Aristocracy as landowners (latifundias). The peasants were very poor and worked on seasonal basis. The agriculture was backward and the productivity was low! In the North the land was more fertile but the productivity was still fairly low compared with agriculture in Western Europe.
- In the 1880's the South went through some major crisis with the spread of "phylloxera" (= vinus) from France that ruined the vineyards.
- In the end of the 1800's Italy got protective tariffs in agriculture which increased the production a bit, but only in the North. The South slipped even further behind...

Industrial Development:

- Italy did not have a lot of "natural resources" – most things had to be imported and the country did not have the finances to import a lot...
- The Iron and Steel production was low!
- The main energy resource coal had to be imported. In 1914 coal stood for 12% of the import. This is a low number which reveals Italy's limited industrial development
- In the North water power could be used as an energy resource (electricity) and it was mainly used to develop the small chemical, textile and later the motor industry
- The North benefited from more direct contacts with Western Europe
- Railroad construction was prioritized but it did not have a direct impact on the industrialization
- Major tariffs in the industry was introduced in 1878 and 1887 – Italy became a protectionist state (like most of Europe after the depression in the 1870 and 1880's)
- The "Industrial Revolution" came relatively late to Italy; 1896-1914.
- In 1893 the Bank of Italy (**Banca d'Italia**) was founded (Then three banks merged; Banca Nazionale nel Regno, Banca Nazionale Toscana & Banca Toscana di Credito per le Industrie e il Commercio d'Italia)
- The Government had gradually taken over the railroads in the country and now they tried to support the economy and industrialization of Italy by pouring money into more railroad constructions
- The motor industry started relatively early with the founding of Fiat Company (**FIAT = Fabricca Italiana Automobili Torino**)
- It was in the North – especially around Milan, Genoa and Turin that the industry developed
- The unification had at first brought "free trade" which had killed the industry in the South (it had lowered the prices on different products, especially the agricultural ones, so that the South could not compete. The few industries were closed. The Government tried to develop the industry in the South during the end of the 19th century and the beginning of the 20th century but it did not work due to:
 - The social system of the South (latifundias with big landowners and hired farm labourers)
 - The unskilled labour forces
 - The lack of resources
 - The poor Communication System

Poverty:

Italy showed several signs of being poor and a bit undeveloped:

- 38% of all army conscripts were rejected due to poor health, deformity, insufficient growth
- Cholera – between 1884-1886 50000 people died
- Typhoid – In 1887 27000 people died
- Malaria – During the 1880's about 15000 people died every year
- Death rate per 1000 inhabitants 1881-1885:
North Italy = 26.1% South Italy = 29.4% Britain = 19.4%
- The poverty and the slow progress gave a **huge Emigration** – by 1914 about 6 million Italians (out of 41 millions) lived and worked abroad (mostly in the US)

Foreign Policies:

- Consistent theme in Italian Foreign Policy – *“to guarantee the country's security within Europe and extend the prestige of the new state”*
- The basic principle during the Risorgimento had been to establish and keep peace with Britain and France. When France lost against Prussia in 1870-71 the situation in Europe got different...
- Three Conflicting courses:
 1. **Anti-Austrian theme:** There were demands (especially from the Nationalists) for further territorial gains at Austria's expense (South Tyrol, Istria, Dalmatia...)
 2. **Anti-French theme:** There were several territorial claims against France (Nice, Savoy and Corsica) + Colonial rivalry in North Africa (especially over Tunisia)
 3. **Colonial Expansion** (especially in North and East Africa)
- Italy has a **poor strategic position** – the country can be attacked from three sides by sea...
- The **conflicting Foreign Policies** in Europe remained through the whole period – and longer, from the unification to 1945. The countries two neighbours in the North; France and Austria-Hungary were, in various forms, enemies of each other almost this whole period which meant that who ever Italy choose to befriend the other one would automatically become an enemy...
- In **1882** Italy became part of the **Triple Alliance** between Germany, Austria-Hungary and Italy. Meanwhile the contacts with France deteriorated; In 1860 Nice and Savoy had been transferred to France and in 1881 France occupied Tunisia (where Italian settlers greatly outnumbered the French ones).
- The **“Scramble of Africa”** also affected Italy. The country had interests both in North and East Africa. In 1890 Italy proclaimed Eritrea, on the horn of Africa. Italy also tried to increase their influence in the neighbour country Ethiopia. They supported one of the local leaders, King Menelek of Shoa who took over the country in 1889. They signed a Treaty with him which Italy thought meant that he accepted Italian protectorate over Ethiopia. In 1891 Menelek rejected this interpretation. The Italian Prime Minister Crispi decided on a campaign against Ethiopia. The Italian army was defeated twice – first at the Battle of Amba Alagi (January 1896) and then at Adowa (March 1896). Crispi resigned and the new Italian government asked for a peace. In October 1896 they signed the Peace Treaty of Addis Ababa. Italy recognized the independence of Ethiopia and promised to restrict their activities in Eritrea.
- **Settlement with France.** The same year, 1896, Italy and France came to an understanding. Over the next years they stopped the “tariff war”, Italy gave up the claims to Tunisia and accepted that France got “free hands” in Morocco (1902). In return Italy got “free hands” in Tripoli (part of today's Libya).
- **The Tripolitan War 1911-1912.** In 1911, when the Great Powers were occupied with the Second Moroccan Crisis, Italy sent an ultimatum to the Ottoman Empire. Italy claimed that Tripoli was in a “state of neglect and disorder” and that threatened Italian lives. Then Italy sent troops and announced the annexation of Tripoli November 5th 1911. The native Arab population put up a stiff resistance against the Italian Army. Remembering the problems in Ethiopia Italy sent over 100000 troops. Still the war did not go very well. Then Italy launched some attacks in the Dardanelles and some of the Turkish Islands (like Rhodes). When Turkey also saw the threat from the Balkan League she decided to make peace with Italy. At the Peace Treaty of Ouchy (which was confirmed and made definite at the Treaty of Lausanne) Italy received Tripoli.