Government Trade, Consumption and Urban Transformations in the Italy of the Economic Miracle. 
The Case of Bologna (1961-1981)

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Between 1961 and 1981, Italy experienced the main effects of its economic boom—great urbanization, a gradual spread of wealth, and two challenging economic crises. Overall, the country underwent a process of economic and social modernization, which many believe was marked by a lack of political and cultural understanding on the part of those in charge of the transition, who soon gave up on the idea of governing it and submitted it to deregulated private enterprise (Crainz, 2009, p.80).

A lot remains to be understood about the socio-economic and political-institutional dynamics of this twenty-year consumption revolution. The same is true of the processes connected with the emergence of “American-like” commercial and distribution strategies, and of consumerist identities. These are the issues I wish to address here. More specifically, I will try to observe their development in a place as meaningful for Italy as Bologna, focusing on their relationship with the great urban transformations of the period, and with the unprecedented expansion of the city’s government functions.

Consumption, urban transformations and local government

Of the cities run by the PCI, the West’s strongest communist party, Bologna was perhaps the most important and exemplary. In the 1950s, the PCI had been undercut by the defeats of laborers in factories and the decline of the traditional agrarian order, marked by the progressive urbanization of sharecroppers and laborers, who made up the large rural groups most vested in the Left. Yet, with their honesty and efficiency, Bologna’s administrators offered a credible alternative to the power of Christian Democrats. Togliatti and his party could present this alternative to a country afflicted by construction looting and wastefulness, particularly widespread in big urban centers. The local stage thus foreshadowed the national one, and Bologna was soon viewed as an important showcase for a ruling Left.

Bologna was also one of the urban centers more intensely affected by the changes of the period. It underwent considerable commercialization and small- or mid-scale industrialization processes; it doubled in size and experienced an immigration rate second only to Turin’s and Rome’s. Further, it rose to the top tiers in national rankings of income and “consumer hedonism” (Cciaa Bo, 1964, p.54).

In 1963–65, a tough cyclical crisis seemed to threaten Italy’s “economic miracle.” The dearth of private initiative commanded greater efforts to understand processes underway and called for increased public planning, in a context in which cities and consumption had grown tumultuously, causing imbalances and distortions. Social inequalities, excessive consumption of superfluities and insufficient consumption of primary goods were reflected in overcrowded living spaces, the unchecked expansion of peripheral bedroom communities, the inadequate distribution of public services, and a persistent monocentrism based on increasingly congested roads. In a country ruled by the Center-Left, attempts were made to prompt development within economic and territorial planning, which many rejected but the crisis now strengthened.

Bologna’s administrators proposed to govern this shift through a temperate rationalization of consumption, supported by urban planning (Comune di Bologna, 1964). And this—all political and cultural rhetoric aside—became the concrete model for an adequate mediation between ideology and access to wealth, the new and crucial element of political legitimation. Consumption of certain private goods (the house and its modern comforts, cars, etc.) grew disproportionately and was rendered primary precisely as a result of urban changes. Nevertheless, such consumption could be disciplined by being tied into territorial planning and at least partly corrected thanks to services supplied with an eye
on collective functions, like subsidized housing and public transportation. In the early 1960s, reorganizing the “acquisitive model,” which was only then spreading, was culturally possible because for many Italians its status and hierarchies were still rather uncertain. Moreover, it mattered a lot that immigration to Bologna was largely provincial or regional in origin: newcomers and old-timers had similar social profiles and followed similar political-organizational models.

The spaces of commerce

Measures to regulate the ways and spaces of commerce—fundamental nexuses between consumption practices and urban modernization—followed the same logic. But such measures were made difficult by the general characteristics of Italian commerce, pulverized in small retail businesses and organized in a complex licensing system. Municipalities, chambers of commerce and prefects granted licenses according to distances and public necessity (rather vague criteria, subject to arbitrary assessments by prefectures). Placement of commercial outlets, which weren’t viewed as services and therefore weren’t included in city standards, had little bearing on urban planning.

Throughout the country, great immigration waves had increased the traditional function of small retail stores as havens for the growing surplus of city workers. In 1958–63, the number of workers had risen from 30 to 33 per thousand people in Milan, from 29 to 31 in Turin, from 23 to 31 in Florence (Morandi, 2010, p.82). In Bologna the number of workers rose from 25 to 34, while licenses for retail stores increased from 8,380 to 10,559 (Cciaa Bo, 1964, p.64). Almost one third of the workforce in the secondary and tertiary sectors was employed thus. The rise was steeper in the sector of durable and non-food products, which were quickly becoming the focus of mass consumption. Items included furniture, clothing and shoes; the number of car dealers and repair shops doubled; that of equally modern commercial activities like laundries and beauty salons tripled (L’Indicatore, 1963-1964). These activities, while not exactly traditional for rural immigration, were set up as neighborhood shops, each of which employed a little over two people on average. Placement occurred by leaps and accumulations. For the most part, activities were set up within the historical center, which exerted a power of attraction over a vast area extending beyond the province. Outside the primary commercial area of the city, new forms of consumption took place along the main urban arteries (almost 8 workers per 100 residents), which coincided with prevalingly middle-class neighborhoods. The number of activities in newer, more distant peripheries was much smaller (less than 1 worker per 100 residents). Small food retail stores were greatly concentrated in the center and in the older outer districts, as well as in old villages farther away from the city, where they still had a unifying function for new and old residents, and acted as hindrances to the new modes of consumption. In new blue-collar suburbs numbers remained small (1–1.5 workers per 100 residents) (Cciaa Bo, 1969).

Governing commerce

This distribution of consumption spaces relied on mobility to harmonize with the features of urban transformation. A city regulating its layout in order to be car-friendly seemed to many the way out of urban chaos and into modernity. There were, however, alternative stances on the issue, in both politics and trade, inspired to commercial city planning, a new technical discipline elaborated in France, which was considered a much better comparison for Italy than the U.S. The demographic expansion and internal migration patterns had been similar in France and Italy, and equally akin were their motorization rates, and the ties between their commercial apparatuses and their historical centers. This discipline aimed to adjust commercial structures to new urban ones and create consumption spaces both balanced and functional to their environment (Andrighetti, 1964, p.489).

The long-lived lack of legislative action on a national level had resulted in such measures being taken on a local level out of necessity. While this suited the interventionism of Bologna’s municipal administration, local management was limited not only by the prefect’s ongoing involvement, but also by the mutual distrust between Left-wing parties and business owners, and the latter’s bitter hostility toward consumer cooperatives, the traditional model for blue-collar municipalism.

A decentralization paradigm was generally evoked: each neighborhood was to be self-sufficient at least for services and everyday goods. Initially, the focus was on creating local markets in the heart of each neighborhood, in vital areas other than the main roads. Later, attention was quickly drawn by the arrival of large-scale retail trade. In 1959–65, nearly every large business in the field applied for a license to open. Very central areas, or the main arteries leading into the city from southeast and southwest, were chosen: these were invariably middle-class neighborhoods, and big stores here clearly overlapped with small ones, which protested vigorously.
While government guidelines were cautious and only vaguely aimed at the liberalization of licenses, the PCI sought the opportunity to strengthen its relationship with trade representatives. Small trade associations, closely linked with Left-wing parties, and present in several cities, became rather active (L’Unità, 1961). Their line of thinking was that, through supermarkets, big groups of monopolistic capitalism had entered into commerce to rule it. The damage could be avoided by joining forces into associations, cooperating, and adapting to new consumer needs. On a national level this stance could be based on the abstract notion of strengthening the alliance between workers and the middle class, but locally it needed to be grounded in far more substantial policies.

The town council of Bologna immediately adopted a protective role toward the distribution system and its ingrained inefficiencies, which is exactly what Christian Democrat administrators did elsewhere, albeit for partly different reasons. The arrival of the latest embodiment of monopolistic capitalism had the potential to create a double imbalance: spatial, for required locations excluded most new blue-collar neighborhoods situated between northeast and northwest, thus increasing traffic toward and through the city center; social, for many recent immigrants were former laborers and sharecroppers who had opened small food stores, and now made up an important base for the Left within the category of retailers. It was therefore decided to prevent large-scale retail trade from competing with a thriving part of the city’s economic and social fabric, viewed as fundamentally coherent despite being in the middle of a yet unclear transition. Resistances toward new consumption models, often rooted in the psychological distress induced by both modernization and the economic crisis, were further cemented by environmental familiarity and such consumer habits as buying on credit, common in neighborhood stores (which, incidentally, could sell certain items at competitive prices by raising the prices of other items, or by exploiting the work of family members). Thus, though somewhat successful at first, many supermarkets were extremely short-lived, and the launch of others was altogether postponed. The same fate befell large-scale retail stores run by consumer cooperatives.

The new distribution network

Nonetheless, consumer cooperatives, trade associations, and the town council all agreed that the existing commercial structure was increasingly less adequate to current developments in distribution strategies and to consumer needs, forged by urbanization and growing pressure for uniformity of consumption. Large demographic clusters, greater distances, and the increase in the amount of time spent outside the home—as well as the conditioning effects of mass media—were pushing consumer mentality and tastes toward the concentration and de-specialization of commercial spaces. Technically unprepared and weighed down by license fragmentation, retailers often tried to adjust to these changes by turning their stores into emporiums, but such efforts were largely obstructed by the small size of their shops (Comune di Bologna, 1960). Further, ill-advised and misplaced distribution generated excessive mobility, an imbalanced circulation of goods, and modes of consumption essentially founded on individuals wasting their free time and resources.

In addition to starting a gradual technical transformation of retailers, it was necessary to reduce consumers’ centripetal tendencies; greatly reduce licenses for small retail businesses; create new and more comprehensive commodity tables, and reorganize the commercial network into centers hinged on supermarkets, supported by associated retailers or cooperatives, compatible with the features of each area of the city. Finally, it would be necessary to set a strict quota for private large-scale retail trade.

While shops, especially in the historical center, would keep their prerogative on rare and valuable goods, zonal centers would receive primary food items and durable goods made possible by the economic miracle, which, released from the clutches of monopolies, were coming to be viewed as fundamental. Administrators therefore promoted the establishment of a chain of “associated supermarkets,” built on municipal areas and financed by a mixed-capital company set up for that purpose. The first such supermarket was opened in 1971: it was Italy’s first shopping mall. In a low-rise building, it housed a cooperative supermarket and a number of self-contained shops run by individual retailers selling a single kind of common merchandise, from clothing to household appliances. Time saving and satisfaction of consumers’ more pressing material needs were the basic ingredients of this recipe, whereas leisure, intangible by its very nature, was—for the most part—left out.

The setting up of this new commercial network, however, was severely limited by municipal controls over licenses, prefecture’s frequent interferences with budget approvals, and construction times, which lagged behind the accelerating pace of private consumption. In 1971, the situation of commerce spaces remained largely unchanged from the previous decade. Suburban residents used their
disposable income in the center rather than in their own neighborhoods in the following percentages: 19% for food items and over 60% for other goods (Centro tecnico studi sul commercio, 1971, p.13).

Early in 1973 came the application of the Helfer law, which assigned to local authorities the full responsibility to organize municipal trade, following whichever criteria they deemed suitable, and the new oil crisis, which led many to believe that the current model of consumption had run its course (Scarpellini, 2008). Once again, this negatively affected efforts by private large-scale retail trade, which had intensified in the late 1960s and had even materialized in the construction of hypermarkets in suburban areas easily accessible by car, where additional services and free-time activities were also offered. As a result, however, these new establishments openly competed with zonal centers and with the historical center, commonly perceived as the only “natural shopping center,” in which the culture of consumption interacted with active social cultures and a dynamic urban fabric. Hostility toward these new establishments, accused of causing the social disintegration of U.S. city centers, therefore became widespread.

The uncertain renewal of consumption practices and the heavy investments that were required ended up delaying their actual emergence by no less than another decade. Conversely, what tried to take further steps forward was municipal planning (though it too was curtailed by the crisis and accused by many of being too rigid and unduly favoring cooperative large-scale retail trade), which continued to offer a model of commerce both sufficiently modern and able to contain acquisitive pressures and crisis-related anxieties among the population. By 1980, roughly half of the twenty-something centers planned had been set up. These were built exclusively in new community-housing neighborhoods, on account of the exorbitant costs of building elsewhere. At the same time, the number of small retail stores dropped by a few hundred units, despite an increase of 6,000 units in Northern Italy, 3,500 units in Central Italy, and 55,000 units in Southern Italy in 1978 alone (Il Giornale, 1980).

The socio-political transformations and the second consumer boom of the 1980s would drastically alter these outcomes, and open a new phase in the relationship between politics, city and commerce—a phase surely very different from the one addressed here, and one of which too little is yet known.

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