Does National Identity Play a Significant Role in Determining the Way Italy is Dealing with the Current Financial Crisis? A Comparison with Other European Countries

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Abstract
This paper addresses the issue of to what extent the way Italy deals with the current financial crisis can be related to the specifics of Italian national identity. According to many scholars, Italians have a widespread tendency to misinterpreting both the role of and the borders that divide the private and the public sphere. Family interests or friendships are often put above what is best for the citizenship, which is, indeed, a rather weak concept within the Italian society. The explanation to this trend can be utterly comprehended after examining the construction of the Italian State and its main values: such process has, still today, a great impact on Italian politics and society.

Keywords
Financial Crisis, Italy, Europe, National Identity, Tax Evasion

1. Introduction
The purpose of this essay is to determine to what extent the perception of national identity plays a role in conditioning the functioning of the Italian State; particularly, regarding its way of dealing with the current financial crisis. Therefore, the first question of this essay is: does the way in which national identity is perceived within a certain State play a determinant role in explaining how the relationship of its citizens with the State is? In the case of Italy, analyzing its national identity requires an examination of its Historical past and the process of the creation of the Italian State. Such period has been crucial in building the values and attitudes of the Italian population that is currently dealing with the financial crisis. In addition, some social actors that traditionally play a determinant role in shaping Italian attitudes towards the public sphere need to be analyzed too, like family hubs. Moreover, thereis a widespread tendency of tax evasion in Italy that needs to be analyzed. Why does it take place? In addition, there have been several cases of political corruption involving Italian members of different parties during the last decades. What impact do they have in the Italian society? These phenomena needs to be analyzed in order to comprehend the mechanisms the Italians rely on to solve their problems: whether they are confident on their political class or feel disrespect towards the system. In the final, the study of all these trends can be useful to understand the nature of the Italian national identity and, also, the way how the Italian citizenship feel about the current financial crisis; whether they are able to defeat it or if, in the contrary, their attitudes not only impede to solve this crisis but are even the foundation for its tremendously high scoop in Italy. Last but not least, a comparison with other European countries may be helpful to comprehend the current Italian situation.

In order to answer the previous questions, this paper will be structured as follows: first of all, the creation of the Italian State will be discussed in order to conclude how the Italian identity has been shaped and which are its features. Secondly, the role of tax evasion and political corruption in Italy will be addressed, both as a reflection of the lack of respect to the State and also as a cause for further political distrust from the population towards the system. In this part of the essay, the perception of both the private and the public sphere by the Italian citizenship will be discussed as a fundamental issue of the concept of Italian national identity. Also, it is important to examine the Italians’ way of considering politics as a means for solving problems. Then, some examples will be given in order to show similarities and differences with other countries belonging to the European Union: Greece, Spain, France, Germany and the United Kingdom. This comparative analysis will help to explain why similar causes have the same effects in other countries, or operate in a particular way just in the Italian case. All the sections of this essay will finally try to address the way in which Italy is dealing with the financial crisis and to what extent it can be
attributed to the characteristics of its national identity.

2. Italian National Identity and the Creation of the Italian State

According to the historian Ernesto Gallidella Loggia, professor at L’InstitutoItaliano di ScienzeUmane, “the Italian identity is perceived even today as fragile and it has not been able to translate the development of modernity into a single idea of the country” [Gallidella Loggia, 1998]. This has several root causes that have both a historical and societal explanation. It is important to examine how the Italian State was created as it is the key event to understand the nature and characteristics of the Italian national identity, understood as “a sense of a national as a cohesive whole, as represented by distinctive traditions, culture, and language” [Oxford Dictionaries, 20014]. The Italian State was not built on the basis of inclusion of all the citizens, but can be rather understood as a rapid process carried out by the elites and imposed to the mass [Corner, 2002].

The main problem of the Italian formation of the State is that it tried to do in a short time what, in other countries, had taken very long periods of time. The main motivation for the rush is related to world politics: Italy carries out a rapid process of State unification in order to become a great power in the international context during war times [Corner, 2002]. However, such transition was too costly for Italy, and it had terrible economical consequences. Unlike Germany, where the formation of the State brought immediate benefits to the population such as the increase of the welfare [Kesselman et al., 2009], Italy tried to finance the process by raising indirect taxes on any kind of products up until the year 1907, just as it is happening in certain EU countries as a consequence of the financial crisis right now [Sills and Benoit, 2012]. These measures had a disproportional impact on the people and compromised consumption, which triggered severe social problems. The State was thus seen as an enemy, and numerous protests against the creation of Italy were held, particularly in the poorest parts of it, mostly located in the south [Corner, 2002]. Furthermore, the response of the State to such protests was violent: many soldiers were sent to the main hubs in order to suffocate them [Corner, 2002]; an attitude that reinforced the lack of identification with the national community in a population that was already fragmented to begin with. As a consequence, the Italian State, then, gained the rejection of several parts of the population. Yet, in spite of the social division, the process of unification of the Italian State continued; what is more, it was imposed by force. At this stage, there had been no attempt to reach agreement involving all the different sectors of the population. In other words: “this circuit of protest, repression, and further protest served almost to institutionalize what was, even at the time, seen as the division between ‘real Italy’ and ‘legal Italy’, between the people and those who governed them” [Corner 2002, p. 21]. Hence, hostility towards the Italian State was present all the way through since its creation [Corner, 2002], which also explains the weakness of Italian national identity today. This did not happen in richer countries like France or Germany.

In 1907, Italy decided to defeat social protests by making concessions, applying the basic principle of stability in the United Kingdom: social inclusion [Corner, 2002]. However, the attempts of mitigating social exclusion in Italy arrived too late and were totally forgotten once the Second World War started. By the time the Italian State realized that it was important to overcome discontent by other means in order to count on the population’s support, many Italians had already emigrated and others simply did not feel part of the nation. Indeed, 1.5 million of Italians left the country between 1900 and 1914 [Collier, 2003], which is “the evidence of the extent of the alienation of swathes of Italians” [Collier 2003, p. 146]. In addition, in 1907 Europe was heading recession, which undermined the purpose of reactivating consumption by raising the wages of the workers [Corner, 2002]. Instead, many protests and rebellions took place in several parts of the country during those years-like the rebellion of Ancona in 1914- and the State made use of extreme violence to suffocate them again [Corner, 2002]. Moreover, the Italian State tried then to reinforce national identity by a very conservative approach: just by increasing the level of nationalism. In words of Massimo d’Azeglio -political leader during the construction of the Italian State- “we have created Italy, now we must create Italians” [Gilmour, 2011]. In 1914, once the war started, the situation recalling Italian national identity got even worse. The Italian State was already aware of its weak popular support for the war. Yet, its biggest mistake was to believe that it simply was not necessary as “a short victorious war would bring consensus to the government” [Corner 2002, p. 32] and, in the meantime, “repression would deal with disaffection” [Corner 2002, p. 32]. Nonetheless, such an authoritarian plan did not work out. In the contrary, it contributed to worsen, even more, the condition of Italian national identity. By the time the country participated in the Second World War, most soldiers did not even know what they were fighting for [Corner, 2002] and their families used to feel betrayed by the State. As a result, the amount of population feeling unattached to the Italian nation kept on growing.

National identity, hence, did not flourish in those several groups of the population that felt excluded from the whole conception of the State since the creation of it. In other words, the feeling of belonging to the Italian nation was never interiorized by its population. Instead, the authorities tried to impose it; which reinforced social divisions up until the point that they were “already threatening stability” [Corner 2002, p. 28] since its very beginning. Conversely, the Italian local identity is, traditionally, very strong [Stacul, 2004]. As it is opposed to the centralized power of the State, most citizens have the feeling of being looked after by the local establishment. As a consequence, Italy is still today a fragmented country where the local or regional ties are stronger than the national ones [Giuliano, 2012]. In other words, Italian local identity is stronger than Italian national identity.
identity [Stacul, 2004]. To sum up, it can be stated that due to its complex relationship between State and society, Italy has difficulties in holding together. What it is more, its unsuccessful process of unification has left a rather dangerous heritage: the misconception of the public and the private sphere.

3. The Public Sphere in Italy: Tax Evasion, Political Corruption and the Financial Crisis

The difference between the private and the public sphere seems to be unclear for Italians. On the one hand, this is a consequence of the weak sense of ‘community’ that derivates from the lack of Italian national identity in such a fragmented country [Giuliano, 2012]. On the other hand, it has also a societal root cause. Families are the main social actors in Italy [Skinner, 1995], and family ties are generally very strong. In fact, Italians tend to live whether with their mother or close to them [Hareven, 1995], a tendency that does not apply in other European countries. Some scholars have denominated the relationship of Italian families with the society ‘amoral’ [Ginsborg, 2003], by applying the concept of ‘amoral familism’ [Banfield, 1958] formulated by the American Political Scientist Edward C. Banfield. This means that many Italians trust more in their families than in the legitimate authorities. What it is more; to them, the interests of the family go prior the State’s, which undermines the idea of collectivity in favor of the private sphere and makes it become a rather weak concept in Italy [Ginsborg, 2003]. Consequently, to some authors, family ties are one of the foundations of the weakness of the Italian national identity [Geasualdi 2012, Pelto&Pelto 1996]. In other words, the citizens’ civil obligations towards the public sphere are perceived to be less important than the private interests of individuals or closed social groups. In words of the author Ernesto Gallidella Loggia, this is due to “the Latin heritage and the Christian-Catholic legacy, the urban and regional polycentrism, the individual tight between family and oligarchy, the intrusiveness of politics and the weakness of the State” [Gallidella Loggia, 1998]. There is one particular aspect in which this lack of commitment with the national community is especially remarkable: taxation.

Many Italians do not pay taxes because they simply do not feel part of a public national community [Giuliano, 2012]. As the relationship between the individuals and its political class is weak and complex, and as the country is extremely fragmented into several local actors, many Italian citizens do not feel the responsibility of contributing to the public sphere with their taxes [Giuliano, 2012]. For instance, already in 1991, tax evasion represented the 15% of the total GDP of Italy [Bull & Rhodes, 1997]. Moreover, in 2011, Italy was ranked the third country on Earth in tax evasion by Tax Justice Network [Tax Justice Network, 2011]. Such attitude damages the whole welfare system [Bull & Rhodes, 1997]. In other words, there is a widespread perception of the Italian State as an enemy that triggers tax evasion within a national community that is not seen as such by its citizens. This has a direct impact on weakening the national welfare [Bosco &Mittone, 1997]. What it is more, in the current scenario, the weakness of the Italian welfare permits the rapid growth and expansion of the financial crisis. On the one hand, even if the dimensions of the whole phenomenon are international, tax evasion is ultimately responsible of making Italy experience an extremely severe dimension of it [loomer&Maffini, 2009]. On the other hand, tax evasion turns to be a clear obstacle towards the fight against the financial crisis [Giuliano, 2012]. Therefore, it can be understood both as a cause and as a consequence of the current financial crisis in Italy, in a sort of vicious circle.

Moreover, during the last decades, Italy has been the scenario for several cases of political corruption that have been published in the international media [The Economist, 2010; Poggioli, 2007], affecting remarkable politicians -like the former Prime Minister, Silvio Berlusconi- as well as several kinds of State workers, including tax collectors [Sposito, 2012]. Such scandals do not only have a very negative impact on the image of the establishment all over the country but, what it is more, destabilize its relationship with the population they work for [Sposito, 2012]. According to the last Eurobarometer, 95% of the Italian population believe that there is corruption in national institutions, 92% in local institutions and another 92% in regional institutions [Eurobarometer, 2011]. For instance, Berlusconi famously said, during his time as Prime Minister of Italy, that, to him, tax evasion is a “natural right” [Lister, 2011]. Declarations like these legitimate disregard for the system. What it is more, corrupt politicians reinforce the weakness of the Italian citizenship’s national identity by setting a disrespectful example towards the role of the State in running the public sphere. In words of Cecilia Malmström-EU Commissioner for Home Affairs- “corruption is a disease that destroys a country from within, undermining trust in democratic institutions, weakening the accountability of political leadership” [Eurobarometer, 2012].

Nonetheless, political corruption can be understood as a symptom of a further problem; as the reflection of the social structure in the political structure. According to some authors, indeed, political corruption exists in Italy because the system is already corrupt to begin with [Della Porta&Vannucci, 1999]. It has a double dimension. On the one side, political corruption can be understood as the result of the lack of Democratic History in Italy and the disrespect towards the public sphere, experienced even by the politicians themselves [Della Porta&Vannucci, 1999]. On the other side, most citizens feel a great level of distrust towards the political class as a result of the cases of corruption [Dogan, 2005]. Furthermore, it triggers a very negative reaction within the Italian population, both by legitimating the impertinence of devaluing the establishment and by generating a total disconnection with the State [Della Porta&Vannucci, 1999]. Within the financial crisis context,
the political mismanagement of public money aggravates the already preoccupant situation [Mammone&Viltre, 2012]. As a consequence of political corruption, in fact, Italians do not only not trust in their political class to solve the financial crisis, but even consider them to be a root cause of it [Mammone&Viltre, 2012]. In addition, as the bond between the political class and the population breaks, many citizens feel extent of having to fulfill its civil responsibilities -for example, by paying taxes-. In the final, the inability of the Italian State to satisfy its population emphasizes its weakness. Getting out of this cycle is structurally complex as it finds its foundation in the whole construction of the Italian national identity.

4. Differences and Similarities with Other European Countries

Germany and France count on a different notion of national identity. Unlike the Italian State, the German and the French ones were not created due to imposition in a short and combust historical period [Corner, 2002]. The unsuccessful top-down process of ‘creating Italians’ [Gilmour, 2011] that explains why a big part of the society is still today unable to feel identified with the Italian nation did not take place in these countries. As opposed to the Italian scenario, they are more the consequence of a social claim carried out by a cohesive society rather than a phase prior to the creation of the national identity [Corner, 2002]. In addition, the United Kingdom also differs from Italy as the basis of its Democratic stability lays in the principle of social inclusion [Corner, 2002]. This brings a positive output: a solid society that not only feels identified with its nation but also supports it and is more likely to fulfill is civil responsibilities towards the State. For instance, the levels of tax evasion are much lower in these countries than in Italy [Tax Justice Network, 2011]. The same happens as regards of the perception of political corruption in all national, local and regional levels [Eurobarometer, 2011]. Last but not least, it also needs to be taken into consideration here the fact that, in these countries, the attachment to the family is not as strong as it generally is in Italy [Hareven, 1995], which also contributes to reinforce the attachment of citizenship to the public sphere.

On the other hand, Italy shares some of its cultural features with some other Mediterranean countries in Europe [Essid&Coleman, 2012]like Spain or Greece, also highly affected by the current financial crisis. For example, some authors argue that the societal role of the families is similar in these three scenarios as regards to the national community [Hareven, 1995]. Moreover, one of the main characteristics that Spain and Italy have in common is the fragmentation of the national territory [Conversi, 1997] which, in many cases, triggers the lack of identification of the citizens with the State in favor of local or regional identities. As a consequence, the citizenship’s responsibility towards the central government is often seen as an undesired imposition [Conversi, 1997]. In addition, these three European countries have experienced several cases of political corruption [Heywood, 1997], and have suffered from its same effects, being undermining the relationship between the population and the rulers of the State [Heywood, 1997] the main one. Indeed, political corruption is also seen as a huge problem in Greece, as up to 80% of its population believe that corruption is more intense in their country than in any other EU Member State [Eurobarometer, 2011]. Furthermore, tax evasion is also a widespread problem here, just similarly to Italy [Lister, 2011]. The records of the Spanish case are also alarming: 93% of its citizenship think that there is corruption in national institutions [Eurobarometer, 2011]. Consequently, the figures of the Eurobarometer show that there is a remarkable level of distrust towards national political institutions both in Greece and Spain [Eurobarometer, 2010]. The main consequence of this perception in Spain is the fact that the trust in the effectiveness of the proposals of its national politicians has vanished almost completely during the last decades [Montero, Gunther &Torcal, 1997]. What it is more, the political class is no longer seen as a representation of the citizenship but rather institutionalized [Montero, Gunther &Torcal, 1997]. As regards to Italy, some authors have put the focus on the weakness of its public confidence already in the late eighties [Alesina, Prati&Tabellini, 1989]. In other words, such lack of both cohesion and consensus evidences that the crisis might not only be perceived as a financial one but also as a crisis on civil values that, ultimately, challenge the system itself. Some scholars argue that it is necessary to reach a new formula to make these countries prosper and deal effectively with the current financial crisis [Ongaro, 2010].

5. Conclusions

The History of Italy has shaped the characteristics of a country with a fragile feeling of nation, being the unsuccessful attempt to create a cohesive State the ultimate responsible of it. Such fragmentation has an ultimate impact on the functioning of the Italian State. The strength of local ties as opposed to national ones, the role of ‘amoral’ Italian families in society and the misconception regarding the public and the private sphere are some of the interrelated features that evidence the weakness of Italian national identity. This does play a significant role in shaping the relationship of the citizenship with the State. Indeed, as a consequence, there are two mayor problems that the current Italian society is both generating and suffering from: tax evasion and political corruption. The two phenomena have a great impact as regards to the current financial crisis, as the two of them can be understood both as a cause of it and also as an obstacle towards its end. On the one hand, tax evasion can be understood as a consequence of the lack of national identity in Italy, and it damages the welfare. What it is more, in the final, it makes the country more vulnerable towards
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financial recession, which also impedes the overcome of the financial crisis. On the other hand, political corruption has enormous consequences in the functioning of the Italian State as it undermines the bond between society and State, already weak. Furthermore, such disconnection between the State and its citizenship is another difficulty for solving the crisis. Yet, its high importance lays in the fact that it evidences a deeper problem, original in the Italian reality: the State is structurally weak and finds it difficult to face critical moments.

As a result, the Italian population is profoundly disappointed with the functioning of Democracy in a country that has never been able to deal with the different social groups to begin with, but, instead, created the State in the basis of an imposition. Italians have never get over from. Such frustration is deeply rooted in the Italian national identity. In addition, Italy can be compared to some other Euro Mediterranean countries like Spain or Greece, as its cultural similarities have triggered a similar functioning of the State in many ways. Indeed, the way in which they all have been affected by the financial crisis and how they are dealing with it can also be comparable, as opposed to others: Germany, France or the United Kingdom. To sum up, these features of the Italian culture and national identity play an enormous role in determining the way in which they are trying to defeat the current financial crisis. Furthermore, as these attitudes are deeply rooted in the Italian culture and national identity, it is much harder to change them than to solve punctual financial struggles. The whole Italian profound crisis finds its origin in the failure of building a cohesive State.

REFERENCES


