

Valletta's strategic labor initiatives met with some success during the 1950s, a decade when much of Italy was still beset by problems of mass poverty, rural overpopulation, and urban unemployment. Under these circumstances, a place on the assembly line of the automotive giant represented a privileged work setting. Since Fiat employees received wages, job security, and other benefits not available to the great majority of the labor force, they tended to enjoy a special social status in the working-class neighborhoods where shopkeepers, for example, were more inclined to extend them credit on their purchases. Valletta and his managers, for their part, gained the flexible and disciplined workforce they needed to take advantage of the American-sponsored Marshall Plan to begin the mass production of automobiles for an expanding international market of consumers. This ambitious undertaking soon put Fiat and Turin in the driver's seat of Italy's post-war economic boom.

3. *The Economic Miracle in Turin.*

During the two decades between 1950 and 1970, Italy emerged as a major protagonist in the explosive growth of the world economy as global output of manufactured goods quadrupled and international trade grew ten-fold. The country's industrial production, new construction, exports, and investments all rose at rates that were among the highest in the world. From 1958 to 1963 alone, industrial output more than doubled, while exports and investments in manufacturing plants and equipment increased at an annual rate of 14%. International trade drove the expansion with new consumer goods like electrical home appliances supplanting textiles and food products as the country's principal exports. A number of factors contributed to the country's impressive accomplishments. The relatively low cost of labor combined with the discovery of natural gas in the Po Valley and the availability of cheap imported oil to enable Italian businesses to cut their overhead and take full advantage of the opportunities created by the European Common Market. The national government also contributed to the boom by carrying out major construction projects like the new highway system, and by pursuing monetary and fiscal policies that favored investment in industry.

The largest local firms, Fiat and Olivetti in nearby Ivrea, were especially well-situated to capitalize on these favorable circumstances. By the late 1940s, these companies had recovered from the war and either had reached or surpassed their pre-war levels of production. The scale