On July 15, 1964, the European Court of Justice (ECJ) established the supremacy of European Community (EC) law.¹ This new norm had not been, nor was it meant to be, part of the Treaty of Rome. It was a judicial construct that would shape the relationship between member states and the EC for years to come. The norm of supremacy established that “European law was supreme to national law; thus if [a national act] violated European law, it would be illegal.”² Italy, through its Constitutional Court, promptly opposed the norm. When the same case was argued before the Italian judges, the norm was explicitly rejected, a position further strengthened by subsequent cases.³

However, Italy’s stance did not remain unaltered. On June 8, 1984, the Constitutional Court modified its jurisprudence, and in Granital v. Amministrazione delle Finanze dello Stato it accepted the supremacy of EC law.⁴ Though this marked an important step, the process was not complete. The Court refused to rule that a national law conflicting with European law would be invalidated; rather, the law would simply be “disapplied.”⁵ The shortcoming in the Court’s opinion was accounted for five years later when the Parliament passed the “communitarian” law (informally termed La Pergola).⁶ The act established that at the end of each calendar year, Parliament would automatically transpose EC directives and regulations into the domestic system. The act represented the end of a process that turned the norm of supremacy from a judicial construction into a formal legislative mechanism that would directly transpose community legislation into the domestic system. This study seeks to understand the factors that led Italy to accept the supremacy of European law.
Given the sui generis nature of the EC and its institutions, there is little doubt that Italy would have accepted the supremacy norm sooner or later. Nevertheless, while the outcome may be seen as pre-established, the specific reasons behind it, and more importantly, the timing of the internalization, are less clear. Why Italy accepted the norm when it did is an empirical puzzle worthy of attention. Additionally, Italy’s case is particularly interesting in light of its Constitutional Court’s explicit rejection of the norm two decades earlier. The reasons behind this diametric shift are thus of importance.

Italy’s acceptance of EC law supremacy prompts the student of international relations to assess the theoretical significance of this event within the larger class of behavior to which it belongs, namely, cooperation among states. Accepting the supremacy of a body of law that is outside of the state constitutes a substantial relinquishment of national sovereignty. Understanding why and when states agree to limit their sovereignty in an international setting is an important task, especially in light of the growing relevance of international organizations and agreements as the preferred means of interaction by states in the international system. Shedding light on this particular case may help explain other similar instances in the international context. Indeed, understanding why and when states agree to limit their sovereignty is a key component of our knowledge of what cooperation is, and under what conditions it takes place.

This study contends that Italy’s acceptance of the supremacy of EC law was the end result of a process that began at the end of the 1970s. Three causal factors underpin the argument here advanced. First, the economic downturns produced by the 1979 oil crisis, and in particular high unemployment and high inflation, became the primary issues to be confronted by Italian governmental elites. Second, due to this crisis, the Italian government was faced with general dissatisfaction with the national economy, and overwhelming public support for further European integration. Third, the ongoing integration process at the European level emphasized the economic benefits to be gained from a more cohesive and
aligned union, and that the harmonization and alignment of national laws was the sine qua non of an adequate integration process. The convergence of these three dynamics led the Italian government to accept the supremacy of EC law in an effort to eliminate the last major obstacle to the economic benefits that would alleviate the concerns of its population.

This argument draws some of its insights from the neofunctionalism approach to the study of European integration. Neofunctionalist accounts suggest, “the desire to obtain the full benefits of integration in the first area would lead to pressures for integration in a second linked area.” From that perspective, the Italian government’s decision can be seen as an effort to obtain the benefits of the single market by integrating in another area: the European judicial realm to which the norm of supremacy belonged. This is the only extent to which the argument advanced in this project resembles a neofunctionalist theory of European integration.

The argument also draws several insights from Geoffrey Garrett’s functional theory of cooperation and institutional choice. His emphasis on European states’ desire to solve their economic problems through enhanced integration is here replicated. In addition, his argument suggests that a dissatisfied electorate tends to influence political and economic decisions made by national governments. However, as later sections will reveal, this theory also suffers from certain limitations that must be accounted for.

This study has many implications. By framing the adoption of supremacy as an internalization process, we can simplify the European integration process with respect to one state—in this case Italy. When a norm becomes present, we are better able to evaluate and assess the nature of the causal processes that may have taken place. Second, by framing cooperation as a process of norm adoption, this study sheds light on the dynamics that drive other kinds of cooperative arrangements among states. More precisely, cooperation between states may be a result of concerns about survival or about increasing capabilities. But it can also be an effort by countries that share the same norms and simply seek to advance them, whether they are political, economic, environmental, or legal
Finally, in developing a “two-level” explanation of norm internalization, which is what this author seeks to achieve, we are able to combine both aspects of the study of international politics, thus offering a more complete explanation. As Robert D. Putnam observes, “we need to move beyond the mere observation that domestic factors influence international affairs and vice versa . . . to seek theories that integrate both spheres, accounting for the areas of entanglement between them.” 13

The paper is structured in three parts: Part I evaluates the existing literature on cooperation, with a focus on the socialization and norm literatures, in an effort to develop a testable argument. Part II provides empirical support for the argument advanced in Part I. Part III evaluates the empirical findings and concludes.

THEORETICAL FRAMEWORKS: CONSTRUCTING A THEORY OF NORM INTERNALIZATION

The Dependent Variable

The dependent variable of this study is norm internalization. Thus, its purpose is to determine the process by which an international norm is adopted by a state, internalized, and then fully institutionalized. While it is possible to capture the same dynamic by framing the dependent variable as institutional adaptation, scholars have suggested that the difference between “norms” and “institutions” may not be superficial. 14 Indeed, “norm language can help to steer scholars toward looking inside social institutions and considering the components of social institutions.” 15

The supremacy norm is characterized as international for two main reasons. First, it is international by nature. Supremacy was instituted by the European Court of Justice—a body that lies outside of the state system. Second, it is international in scope, for the norm seeks to regulate behavior among EC member states as well as between member states and EC institutions.

Norm internalization varies on a continuum. Although at first this may seem counterintuitive—for a norm either does or
does not enter the domestic realm—the case of Italy suggests otherwise. The Italian Constitutional Court's 1984 decision points to the fact that although norms may be internalized, sometimes this process is not completed. When the norm enters the domestic context, but is not defined in the same way as it was when outside the state system, we can deem the norm only as partially internalized. Consequently, when domestic institutional actors act to ensure that the internalized norm reflects, both in form and in scope, the international norm, the process may be considered complete. This operationalization is characterized by the fact that “international norms must always work their influence through the filter of domestic structures and domestic norms, which can produce important variations in compliance and interpretation of these norms.”

In the case of Italy, prior to 1984 the domestic context had been characterized by a complete absence of the supremacy norm. The court acted in 1984, but its reservations rendered the norm an inexact reflection of that which had been created by the European Court of Justice. In 1989, the parliamentarian act ensured that the ECJ’s doctrine was fully reflected in the Italian institutional system.

Theoretical Frameworks

The study of cooperation has elicited contributions from several schools of thought within the international relations and comparative politics literature. However, not all approaches have given it the attention it is due. Realists, for instance, have generally contended that international institutions have little impact on the international system, and that “they have no independent effect on state behavior.” John J. Mearsheimer defines institutions as “a set of rules that stipulate the ways in which states should cooperate and compete with each other.” His definition appropriately captures the scope of this paper, for these rules are “negotiated by states, and . . . they entail the mutual acceptance of higher norms, which are standards of behavior defined in terms of rights and obligations.” Norms underpin the structure of institutions, and thus define the nature of the cooperation that is thereby derived.
However, Mearsheimer would contend that the cooperation that ensues is the product of a state’s self-interest, and that states abide by rule-shaping norms simply out of their own choice and not because they are obliged to do so. This contention is hard to dispute, given the anarchic nature of the international system. However, the discussion does not end simply because there is agreement that the international system lacks a centralized enforcement mechanism, and that states pursue their interests. Indeed, the choice driving states to embrace these rules may not be as free as Mearsheimer would have us believe. While he does refer to the absence of obligations on states deriving from without, his contention is incomplete, in that it ignores the presence of constraints deriving from within. The argument advanced here suggests that Italy’s choice, while undeniably its own, was the result of political and economic pressures from within which, perhaps, made its choice less “free” than realist arguments might suggest. Thus, while realist approaches may help us understand certain aspects of the system, they do not fully explain how those aspects affect state choices.

Within the field of European studies, neofunctionalism is the approach that tends to be directly associated with European integration. The theory is rather complex and comprises several components. However, it is centered around the following tenets. First, interests drive national policy choices, and once the process of integration has begun, these interests remain constant. Second, decisions about integration are taken without much knowledge and when deadlines are approaching. Third, because of the close interdependence of the different issues dealt with by integration, a step in one area will produce further steps in other areas too. Fourth, states are no longer the sole actors, but work side by side with bureaucratic elites at the supranational level. Finally, the outcomes of integration are not fixed in advance, but rather, they are the “transient results of an on-going process.”

This paper borrows some insights from the neofunctionalist approach. In particular, I contend that the Italian government’s desire to curb unemployment and inflation was a relatively constant interest throughout the decade from 1979–1989. This does
not necessarily suggest, however, that these two issues would be the sole interests motivating Italy’s efforts toward future integration. Thus, it is possible that once unemployment and inflation are accounted for, new issues may become part of the Italian agenda for integration. The theory is also useful because it is possible to conceive of the decision to accept the supremacy of EC law as one “spillover” effect created by the movement toward the Single European Act (SEA) and the Economic Monetary Union (EMU).

In spite of these similarities, neofunctionalism’s contention that decisions are taken without much knowledge of future consequences is refuted by the empirical data. The decision to accept the supremacy norm was a well-reasoned effort aimed at solving specific problems, and although it was made with an approaching deadline in sight, the consequences were predicted with a certain degree of confidence. Finally, while the integration process did show a notable increase in activity at the supranational bureaucratic level, Italy’s case demonstrates that the main causal factors driving the process were cast at the domestic level. The population’s concerns with economic issues and how the government would respond to them were not particularly bureaucratic dynamics.

In a study seeking to understand the process by which international norms are driven into the domestic context, theories of norm transition may be particularly insightful. Andrew P. Cortell and James W. Davis, Jr. argue that international norms are internalized because of pressures exerted by domestic societal and political actors. They posit a causal link that emphasizes the process by which, “government officials and societal interest groups can appeal to international rules and norms to further their own interests in the domestic political arena.” The process is thus internal to the state, and understanding its causes requires the analysis of domestic factors.

Cortell and Davis propose two such factors that enable us to understand whether, “an international norm will influence state behavior: the domestic salience of the norm; and the domestic structural context within which the policy debate transpires.” The domestic structural context factor is logically antecedent to the
salience of the norm. If the domestic structure is characterized by a centralized “decision-making authority,” then the internalization process is likely to be successful, regardless of the salience of the norm.\textsuperscript{26} However, in the more likely event that the domestic context is more pluralist in nature, the “impact of government officials’ appeals on the state’s policy will depend on . . . the domestic salience of the international rule.”\textsuperscript{27} Domestic salience can then be detected by analyzing the “changes in the national discourse, the state’s institutions, and state policies.”\textsuperscript{28}

This argument is useful because, unlike realist accounts, it leads us to seek the domestic causes that drive a state’s choice to embrace certain rules of conduct. The concept of salience is also considerably helpful. By narrowing down the universe of norms to only the salient ones, the argument adequately accounts for the fact that states pursue behavior that in some way advances their interests. However, this theory also requires that prior to being internalized, the norm must be already perceived as salient; that is, only norms that have been salient for a certain amount of time will be invoked in the domestic context. This is not unlikely, but did not occur in Italy’s case. The norm of supremacy had not been part of the domestic discourse, and no societal or political actor had invoked it rhetorically. Indeed, when the Constitutional Court decided to establish the norm in the Italian legal system, its decision was perceived as a major turning point in its institutional approach.\textsuperscript{29} Had the norm been salient, it is likely that the decision would have been less eventful. In addition, as will be shown later, the external integration process at the European level constituted an important factor in leading the Italian government to accept European law supremacy; the salience theory, although it highlights the importance of international norms, does not account for external processes that evolve over time.

Norm embrace is not always merely the result of a state’s desire to achieve a certain objective: sometimes, it is the result of external pressure exerted by powerful hegemons.\textsuperscript{30} G. John Ikenberry and Charles A. Kupchan approach the study of norms by framing it in terms of socialization. The standard definition of so-
Socialization points to the “process of inducting actors into the norms and rules of a given community,” and Ikenberry and Kupchan particularly emphasize the induction aspect. Their argument views socialization as, “an important element of power . . . exercised through a process . . . in which the norms and value orientations of leaders in secondary states change and more closely reflect those of the dominant state.” The process is initiated when, “foreign elites buy into the hegemon’s vision of international order and accept it as their own—that is, when they internalize the norms and value orientations espoused by the hegemon and accept its normative claims about the nature of the international system.” This characterization may be particularly useful if one were to view the EC’s context as one in which European institutions act as hegemons and member states as secondary actors. This distinction is even more relevant given that Italy, although a founding member of the EC, is generally ranked as a second-tier state.

Ikenberry and Kupchan hypothesize that hegemonic socialization occurs under three circumstances. It is likely to follow periods of “wars and political crises, periods marked by international turmoil and restructuring[,] as well as the fragmentation of ruling coalitions and legitimacy crises at the domestic level.” Second, norms must gain support at the elite level within the state. Finally, socialization is likely to come about “in the wake of the coercive exercise of power” by the hegemon, through the manipulation of material incentives.

When applied to the Italian case, the theory of hegemonic socialization is insightful in several respects. Beginning in 1981, and up until the fall of the First Republic in 1992, Italy was governed by a five-party coalition, the pentapartito. Thus, coalitional fragmentation seems to have been a factor in the decade under examination. In addition, both the court’s 1984 decision and the passage of the law in 1989 can be seen as indicators of elites being receptive to the integration process and to the idea of supreme European law underpinning it. Finally, the integration process, with its emphasis on economic gains, and thus material incentives, may be seen as Europe’s hegemonic pressure being exerted on Italian elites.
However, while this may be the case, the EC did not use particularly coercive tactics, which is what hegemonic socialization requires. The argument also highlights the manipulation of material incentives as an important factor “inasmuch as it occurs primarily after war.” Obviously, this condition did not apply in the Italian case. Moreover, the examples Ikenberry and Kupchan cite as supporting their argument all refer to one state’s efforts to socialize another state. However, Europe’s path toward integration involved the entire community, so while Italy may have been the most receptive, it would be difficult to ascertain that it had been consciously singled out as the sole target. In sum, while a particularly insightful approach, hegemonic socialization lacks a certain degree of generalizability that would make it applicable to instances of European integration.

If hegemonic socialization is not entirely satisfactory, perhaps the larger concept may better capture the phenomenon. Jeffrey T. Checkel’s theory of European socialization includes most of the factors highlighted in hegemonic socialization. However, the account differs insofar as it differentiates between two specific kinds of socialization—a dichotomy that may prove useful in understanding the decision calculations of the Italian government. On one hand there is the kind of socialization where, “agents may behave appropriately by learning a role—acquiring the knowledge that enables them to act in accordance with expectations—irrespective of whether they like the role or agree with it.” In contrast, the second kind takes place when agents “go beyond role playing and . . . accept community or organizational norms as the right thing to do.”

Although both seem plausible answers to the Italian question, there are some limitations to their applicability. First, the argument suggests that it is not sufficient to show that agents “carefully calculate and seek to maximize given interests [by] adapting their behavior to the norms and rules favored by the international community.” Rather, the argument goes, we need to demonstrate that they “actively and reflectively internalize new understandings of appropriateness.” In doing so, the framework creates meth-
odological barriers that are not easily overcome. The analyst’s task becomes that of demonstrating, in an objective fashion, what the actors involved thought and believed at the moment they were acting. This is the ultimate goal of every social scientist; however, reality shows that it is hardly ever attainable.

Thus, socialization dynamics, both hegemonic and appropriateness-driven, are either incomplete or methodologically lacking. The causal link they highlight may prove useful in understanding the mechanisms driving norm acceptance, but other causal factors require further theorizing. As mentioned earlier, Garrett’s functional theory of cooperation provides many of the missing pieces. In studying member states’ motivations for signing the SEA, Garrett argues that the “ever-growing trade dependence of the European economies, combined with more than a decade of poor and declining performance (Eurosclerosis), greatly increased the benefits of completing the common market relative to the costs of cooperation.”\textsuperscript{44} The data illustrate that this is what happened in Italy. Poor economic performance, coupled with an integration agenda that enlarged at an increasing pace throughout the 1980s, were two of the major factors that led to the internalization of the norm. In addition, Garrett notes that, “government instability increased dramatically in Europe during the late 1970s and early 1980s as voters punished their leaders for not arresting economic decline.”\textsuperscript{45} It is plausible to suggest, then, that political considerations were also an important part of the Italian government’s decision to play an active role in the integration process.

Although the argument advanced in this paper borrows many of its insights from Garrett’s conceptualization of European integration, there are a few shortcomings that it also seeks to remedy. First, Garrett’s argument does not adequately operationalize the factor of economic decline. Second, Garrett suggests that the electorate’s dissatisfaction with the economy is an important factor driving a government’s policy choices. However, it is possible that other issues may be deemed salient by the population—issues which the government may seek to accommodate. Finally, Garrett’s explanation is not particularly clear with regard to the role that
economic issues actually played; were they an end in themselves, or were they means to other objectives? In the following section, I illustrate how these shortcomings can be remedied by developing a testable argument as to why Italy decided to accept the supremacy of European law.

Italy Accepts the Supremacy of EC Law

As the previous section illustrates, the existing literature on cooperation and socialization provides some of the answers needed in order to craft an argument about Italy's acceptance of supremacy, but none of the approaches are exhaustive. By adopting some of the insights offered by both the neofunctionalist and institutional choice frameworks, I develop a three-part explanation. I argue that the economic downturns produced by the oil crisis of 1979, an overwhelming public support for European integration, and the ongoing integration process, converged in leading the Italian government to accept the supremacy of European law.

The economic turmoil of the 1970s, in particular the 1979 oil crisis, raised Italian inflation rates to above 20 percent within two years (see Appendix A). At the same time, unemployment levels remained high, continuing to increase throughout the 1980s. These economic issues were two of the Italian population's major concerns during this decade. In addition, the vast majority of Italians looked to Europe as the most viable solution to their financial problems, so their support for further integration was particularly high, especially when compared with that of other EC states. At the European level, integration was witnessing one of its most active moments. After the slumber of the 1970s, the European agenda suddenly enlarged; beginning with the 1979 European Monetary System, the process saw a steady rise with the signing of the SEA in 1986, and the approach of the 1992 deadline for the creation of the Single Market. The Italian government was thus confronted with three factors: economic downturns, public discontent and support for Europe, and a revived European agenda. It consequently understood that the best way to bolster the national economy, and
thus appease its electorate was to eliminate the most cumbersome barrier to the economic benefits integration would bring. It is for this reason that in 1984 the government sought to have supremacy recognized by filing the suit that led to the Granital case. However, because the resulting opinion did not perfectly align with the standards mandated by the ECJ, the government finally enacted the La Pergola law in 1989, which officially put an end to Italy’s rejection of the norm.

I offer two indicators for the measurement of economic downturns: rising unemployment and high inflation. In addition to being the two most salient economic issues in the time period under consideration, they also capture the demand side of the equation: the population. Indeed, in order for this variable to have an effect on the decision calculations of the government, it must be one that directly relates to the economic perceptions of the public. Lack of employment can be considered as constituting a direct impact, and the price level of commodities will impact an individual’s perception of her economic welfare. Unemployment rates are measured yearly, and an increase is detected when the rate in year X is greater than the rate in year X-1, or: \( U(x) > U(x-1) \).

Inflation is measured both in absolute terms and in relation to other EC member states. The key aspect of these indicators is that they matter insofar as they are perceived to matter. Thus, while I offer objective measures of their actual levels, it is important to understand how serious the Italian public and the Italian government perceived them to be. Indeed, it is possible that even a minimum level of dissatisfaction may be the reflection of some level of real decline.

Public opinion captures the population’s perceptions of the national economy and of the progress of European integration. It is characterized as either high or low. This is determined by showing that the support percentages are high both in absolute terms and in relation to other EC members. The questions examined are specific in that they explicitly refer to an individual’s feelings about the economy, the problem of unemployment, and the process of European unification. This dramatically decreases the amount of
bias the analyst may encounter when interpreting levels of public opinion.

The European agenda with regard to integration is a relatively larger concept to be captured. It is not possible to include all the steps that contributed to integration in the 1980s. For instance, issues regarding political, security, and foreign policy integration, although important, are not the focus of this analysis. Rather, the focus is centered on the major turning points: the EMS, the SEA, and the EMU. Indicators of an ongoing integration process aimed at further cohesion are: whether the rhetoric employed refers to the economic gains to be obtained from integration, whether improvement in unemployment and inflation levels are mentioned as important goals, and whether the acceptance of a European body of law is mentioned as necessary for the attainment of the Single Market.

It is clear that the three causal factors illustrated above are cast at both the domestic and systemic levels of analysis. Public opinion is a dynamic that develops internally, and thus captures the domestic level. Conversely, the European agenda’s evolution takes place outside of Italy, and although the individuals affecting it are to some extent acting as representatives of their countries of origin, the process itself is regional, both in its nature and in its objective. Finally, economic downturns are a variable that captures both levels of analysis, for no economic dynamic is solely the product of a given state’s internal policies. Thus, while the problems were particularly severe in the Italian case—probably because of the profligacy of its economic actors—some weight must also be attributed to the external factors affecting its economy.

The unit of analysis driving this argument is cast at the group level. The preferences of the Italian public are examined on an aggregate level, because of the nature of the empirical data. This determination also suggests that the economic factors ought to be viewed in light of their aggregate impact on the Italian population as a whole. Lastly, the European agenda is not analyzed as the product of any particular European actor’s endeavors. Rather, these actors at the European level will be viewed as the representation of a
group of Europeans who, because of their beliefs and in light of certain goals, drafted an agenda with a specific structure and content.

In order to understand how these factors impacted the outcome in question, an illustration of the causal mechanism is imperative. The casual link in the argument is represented by the Italian government. The main contention is that the Italian executive was particularly receptive to these internal and external dynamics, and that the government’s decisions to initiate the 1984 case and the 1989 enactment were a conscious effort to account for all three factors.

Thus, in light of the preceding discussion, it is possible to hypothesize that:

Economic downturns, overwhelming public support for Europe and dissatisfaction with the economy, and an ongoing integration process, converged in leading the Italian government to accept the supremacy of EC law.

EMPIRICAL EVIDENCE

The data presented in this section cover the decade beginning in 1979 and ending in 1989 with the enactment of the *La Pergola* law. The main objective is to establish the causal link between the three factors identified and the outcome under consideration. The approach is qualitative in nature, although some quantitative details are provided. The case material is organized in three main sections, each section showing the independent impact of each causal factor over time. The aim is to single out each variable so that implications may be drawn about its specific role in effecting the outcome. This is particularly useful given that different combinations of these factors may apply to other cases outside this one.

With regard to the European agenda, the vast majority of the evidence derives from official EC reports and authoritative secondary sources on the subject. This provides exposure to the official aspect of the agenda, while simultaneously assessing different interpretations of the various steps of integration. The data about Italy’s economy were obtained from the databases of the Interna-
tional Monetary Fund and the Organization for Economic Co-op-
eration and Development. Data concerning Italian public opinion
were obtained from the yearly polls of the Eurobarometer, a series
of surveys distributed to the public by the European Commission,
well known for detailed questions focused on national and Euro-
pean matters, with an emphasis on the latter.

Obviously, the methodology suffers from some limitations.
The Eurobarometer, although a sophisticated device, is a polling
system and thus presents some bias in the way its questions are
phrased. Second, like any type of survey, the Eurobarometer is also
limited in the kind and size of sample it represents. However, here
it is assumed that the information obtained from the Eurobarom-
eter is reflective of the Italian population as a whole.

Third, due to technical difficulties, Eurobarometer data were
not available for all years between 1979 and 1989, because some
editions lost some of their pages in the scanning process. Years with
no data are marked as N/A.

Fourth, the term "supremacy," and the idea behind it, are judi-
cial concepts, and therefore it did not appear with much frequency
in the official documents of either the EC or the Italian govern-
ment. However, supremacy captures much of the legal underpin-
ings of the move toward integration; for instance, terms such as
‘approximation of laws,’ ‘harmonization of regulations,’ ‘legal cohe-
sion,’ all imply, in one way or the other, that EC law is to be set on a
higher level than its conflicting national counterpart.

Analysis of the Granital case introduces an additional meth-
odological limitation. This limitation revolves around the govern-
ment’s motivation for filing the suit, and the actual reasons that led
the fifteen judges to issue their opinion. Admittedly, there may have
been other factors that pushed the government to bring the case,
but the argument here assumes that if the desire to account for
the three causal factors was not the leading cause, it surely was one
among them. This is even more likely given the role the causal fac-
tors generally played in the process. With regard to the court’s deci-
sion, the only available source is the text of the case itself, due to the
unanimity of all of the court’s decisions. Thus, within the confines
of this study, there is no method by which to ascertain the actual motivations of the fifteen judges. Therefore, it is assumed that the court took an affirmative step toward Europe, perhaps pushed by the fact that the complaining party in the case was the executive.

Monetary Struggle: Inflation

The 1979 Iranian revolution produced effects that were felt throughout the entire Western world, including Italy.\textsuperscript{46} There were no doubts about how the crisis would impact the country; it was clear from the outset that the Italian economy would be “suddenly and radically” changed.\textsuperscript{47} The most immediate effect was the impact on the price level of gasoline, but this soon impacted all goods. A sudden rise in inflation was inevitable.\textsuperscript{48}

The government saw a very busy year, trying to find the best possible means to mitigate the inflationary impact on the Italian economy. At the close of the year, the Minister for the Economy Antonio Bisaglia assured his interviewers that, “in light of the data we are receiving, we are evaluating the oil situation . . . . However, we are moving along a path that will on the one hand provide us with the most petroleum, and on the other will produce the smallest possible impact on inflation.”\textsuperscript{49} Unfortunately, the hoped-for results did not come about immediately. As Appendix A shows, the already high inflation rate of 14 percent increased the following year, reaching a historic maximum of almost 22 percent.\textsuperscript{50} However, in 1981, the rate began a steady decline that would bring it to 4.75 percent in 1987, the lowest value Italy saw in the 1980s.

Italy was not the only Western state to be impacted by the Iranian crisis; in some fashion, all EC members had to deal with higher petroleum prices and rising inflation rates. However, Italy was the most heavily impacted among the ten. Germany and France also faced their highest rates in 1981, but the latter’s reached 13.33 percent, while the former’s a ‘mere’ 6.32 percent.\textsuperscript{51} These relative differences are important because they highlight the particularly difficult situation Italians faced. This helps to explain their low confidence in the government’s ability to solve their problems, and
therefore their high support for the European Community. Moreover, as Italy was one of the largest exporters in the EC, its manufacturers saw the increase in prices as a direct threat to their economic transactions. As the Minister for the Economy noted, the high inflation rate “would soon erase the competitiveness of our goods, which is already in decline.”

Although entry into the EMS had been “considered a useful tool to impose deflationary policies on the domestic social and political actors,” by 1985 the inflationary situation was still a serious concern. Indeed, although the inflation rate in 1985 had decreased by eleven percentage points from its peak in 1980, it was still one of the highest in Europe. Italy’s lack of success in adapting to the standards of the EMS is further evidenced by the fact that in 1988 the rate began its second steady increase of the decade.

The reasons behind Italy’s inability to bring its inflation levels closer to those of its European counterparts are not immediately clear. Kenneth Dyson and Kevin Featherstone suggest that, from its inception, the EMS “came as something as a shock for the Italian monetary authorities.” In fact, Italian acceptance of the EMS was not without internal opposition. The skeptics were numerous; they all feared the costs that entrance into the system would entail. The head of Confindustria, the national employers’ organization, “saw the design as faulty.” The Minister for External Trade thought the EMS “would be less cohesive [than the ‘Snake’] and was thus doomed from the start.” The Minister for Agriculture “foresaw an intolerable burden on Italian agriculture.” Even the Banca d’Italia, the Central Bank, “feared that the new EMS would be unworkable, or at least that the Italians would not be able to live with it.”

The government understood that these fears were perhaps the reflection of internal systemic weaknesses. Given the country’s inability to bring down its inflation rate to the level of its European counterparts, the government sought action at the continental level, even after entry into the EMS. In his 1985 address to the European Parliament, Prime Minister Bettino Craxi recognized that Italy was among those countries that, “still [had] to follow a more
prudent course to preclude a recurrence of the phenomenon of inflation." He emphasized that it was for this precise reason that the Italian government would be, "among those who favour a comprehensive recovery programme based on differentiated policies: more expansive policies for countries with a high level of stability, and more prudent ones for countries where . . . levels of inflation are somewhat higher." 

Thus, the inflation problem remained a constant concern throughout the decade, probably due to Italy's inability to adapt to EC standards. The government's pressure for solutions at the European level further illustrates its belief that Europe would be the only source of real solutions. It is not excessive to suggest, then, that if the solutions would derive from Europe, anything acting as an obstacle to their receipt would need to be displaced. Ensuring that European rules regulating economic and monetary solutions would be supreme over national laws was imperative.

Unemployment: The Constant Fight

During the few months preceding the Iranian crisis, Italy had seen a modest improvement in its overall economic situation. This had partially been the result of the Pandolfi Plan, a three-year economic plan named after Treasury Minister Filippo Pandolfi, which aimed at lowering labor costs. This improvement ended with the advent of the crisis and inflation. As Appendix B shows, Italy's unemployment rate began its rise in 1980 and continued this trend throughout the decade. There is little doubt that unemployment levels were very closely connected to the problem of inflation; if the competitiveness of national goods was damaged, their production, and thus the manpower behind it, would also be affected.

As the general attitude indicated, unemployment was the main concern of the Italian public. At the end of every year, on the evening of December 31, the president of the republic addresses the Italian population, laying out the main themes of the ending year. The president then addresses the people with exhortations as to how to better face these challenges. The president of the repub-
lic retains very little political power in Italy; however, his symbolic importance is notable. President Sandro Pertini (1978–1984) addressed the issue of unemployment in all seven of his end-of-year speeches. His appeals to the public and to the government are best captured in his last address, delivered on December 31, 1984, in which he emphasized:

Unemployment is an awful evil. Numerous Italian families, who are listening at this moment, will spend a very sad beginning of the year because unemployment has invaded their homes. Thus, they will not be able to greet the new year with joy; there will be misery in their homes. Let us fight unemployment. 65

The president’s direct appeal to the public on this yearly ceremony indicates the impact unemployment had on the country as a whole.

More importantly, by the mid-1980s unemployment was the most salient issue at the center of the political debate, as evidenced by the rhetoric used in the context of national and European elections. In a 1983 La Stampa article, Carlo Donat-Cattin, a Christian-Democratic candidate for that year’s parliamentary elections, was reported to have stated: “We need a government that will fight unemployment and inflation.” 66 The issue was also contentious at the level of European elections. Claudio Martelli, the vice-secretary of the Italian Socialist Party (PSI) noted that, “the socialist parties [of Europe] are concentrating their efforts on the fight against unemployment, which is our primary objective.” 67 The editors of La Stampa were clear:

We cannot say with determination that the ending legislature, born in 1979, has been responsible for the most serious recession Italy has seen since the end of the Second World War . . . We can say, however, that it has cradled it . . . because it leaves us with an unemployment rate [above 10%], from little more than 2 million to well above 2 million and 750 thousand unemployed. 68

These statements point to the high salience of unemployment as a social and political issue. The government of the mid-1980s was well aware of this, and sought to find a solution employing all
means available. However, an increase in growth and production at the national level would not suffice; joint action with the other members of the EC was required. An important opportunity presented itself when it became Italy’s turn to hold the presidency of the Council of Ministers in the first half of 1985. Prime Minister Craxi was clear in his emphasis on unemployment as the major concern, and on joint European action as the best solution:

[W]e discussed at length the economic and social situation in the Community, a feature of which is still the unacceptably high level of unemployment at over 10% which is in sharp contrast with the prosperity of our nations and undermines the credibility of our system . . . . We have defined guidelines with a view to economic growth such as may create new jobs. [One of the main challenges, then, is] how to reconcile industrial innovation with the protection of employment. It is something we must tackle as a matter of urgency.  

The issue remained the center of national attention until the end of the decade. In 1988, unemployment touched almost three million people, and the ex-Minister of Labor Gianni de Michelis (1983–1987) was reported to have referred to the situation as “additionally dramatic,” especially in light of the reported growth in GDP at the end of 1987. Besides being real, then, the problem of unemployment persisted until the late 1980s, and persisted in the rhetoric of Italian government officials. Concerns over unemployment would prove to be crucial in the government’s identification of the measures to take in order to respect the 1992 deadline.

Public Opinion: The Attitude of Italians Toward Integration and the Economy

The bulk of these data derives from two types of Eurobarometer questions. The first regard the public’s overall satisfaction with the economy, and its thoughts about unemployment; the second reflect the population’s attitude toward Europe, the impact of EC membership, and the support for further and more cohesive cooperation between EC member states. The charts illustrating the
questions and their answers in appropriate context are provided in Appendix C.

The two questions Italians most often heard when confronted with Eurobarometer pollsters were: “In general, are you for or against efforts being made to unify Western Europe?”; and “Generally speaking, do you think your country’s membership of the Common Market is a good thing, a bad thing, or neither good nor bad?” As can be seen with regard to the first question, Italians consistently supported efforts toward further integration. In 1979, 86 percent of the population said they were for further unification. This number did not decrease much throughout the decade, reaching its lowest in 1982, when more than three-fourths of the population still thought unification was an appealing outcome (See Appendix C, Table 1).

With regard to the feelings toward benefits derived from membership in the EC, the percentage of Italians who saw membership as a good thing never went below 66 percent of the population. By 1988, over 80 percent of the population thought that Italy had benefited from its membership in the EC. Italy consistently ranked among the countries with the highest support for closer European integration. The contrast is even more striking when compared with some other member states, such as Denmark or the United Kingdom, where support for the EC was never particularly high. This incongruence between member states is important because it suggests that Italian public support was not just part of a larger European trend. Indeed, it was peculiar to Italy.

In 1979, Italians were asked an additional question that did not appear in following years. The question read: “Do you think the movement toward unification of Europe should be speeded up, slow down, or continue as present?” A clear majority of Italians, 55 percent in the spring and 66 percent in the autumn (averaging 60.5) thought the process should speed up. While support for the pro-European option was not as high as in the previous questions, the Appendices show that Italy was the only country among the nine where the majority opted for a quicker process; most other Europeans thought the process should continue unaltered.
The polls also included several queries about the public’s attitude toward the economy, and unemployment in particular. In 1979, in light of the first direct elections to the European Parliament, Italians were asked: “Among the three following things, which represents your strongest hope from the work of the new European Parliament? Should it control administrators and officials; speed up the process of unification; or take the initiative to make the Member States work together to face the economic crisis in Europe?” 68 percent of Italian respondents thought that the new Parliament should work to encourage members to act jointly to solve the economic crisis (Appendix C).73

A recurrent question was: “How do you think the general situation in your country has changed in the past twelve months?” Responses were available only for the years between 1982 and 1985. It is striking that over three-fourths of the Italian population thought that the economic situation throughout 1981 had gotten worse, and only 11 percent of respondents thought it had improved. This trend decreased over the four following years; but, by 1985, almost half of the population still thought the economy had not seen any improvement.

Finally, when in 1982 they were asked whether they thought unemployment would be better fought if Italy acted alone or jointly through the EC, 65 percent of Italians believed that joint European action would produce the best outcome.74 Concern about unemployment was also apparent when Italians were asked: “What do you think is the biggest problem that will change life in the next ten or fifteen years?” 60 percent of respondents thought that unemployment would be the second most life-changing factor, preceded only by fear of crime and terrorism.75

Some commentators have suggested that in Italy, the “popular association of Europe with wealth strengthened” over time.76 It is, then, plausible to suggest that “the political elites . . . would lose prestige if Italy could not remain abreast of EC developments.”77 Public consciousness of the country’s financial problems thus urged the government to adopt affirmative measures aimed at ensuring a smoother integration process. The government’s activism is at-
tested by the 1985 Milan summit predating the SEA, and by the multiple speeches delivered to the European Parliament during the Italian presidency, as noted above. But it was most apparent in its decision to officially decree that European law would be supreme over national law. In order to fully understand the government’s move toward internalization, the larger context in which it operated must also be taken into consideration. The third causal factor, the integration process itself, will be illustrated in the next section.

**European Integration: The Process**

By the end of the 1970s, “increasing economic divergence and dwindling political enthusiasm for the European ideal had created a situation in which the prospects for further advances toward European unity seemed extremely gloomy.” The EMS was, in the eyes of then-President of the Commission Roy Jenkins, the means through which both political and economic problems would be solved. In a speech delivered in Florence, shortly before the signing of the agreement, Jenkins emphasized the economic advantages the EMS would bring. The gains included a stronger and more developed industry and a credible alternative to the U.S. dollar but, more importantly, it would “contribute to the battle against inflation [and] it would help reduce unemployment.” The Italian government could not ignore these prospects. As president of Confindustria Guido Carli aptly noted, “[i]f Italy is too weak to participate in the EMS, it is also true that she is too weak not to participate.” But improvements did not come about as rapidly as the government would have wished. Italian monetary policy had difficulties adapting to the new “external constraint,” and the fiscal problems persisted.

However, Europe had gained momentum. On June 19, 1983, the heads of the Ten convened in Stuttgart, Germany and signed the Solemn Declaration on European Union. The Declaration constituted an intermediate step toward the SEA, and was the product of the so-called German-Italian initiative, a proposal submitted by the foreign ministers of the two countries in 1981. The most
important aspect of the Stuttgart Declaration was its scope. Article 3.1.1 called for:

An overall economic strategy in the Community to combat unemployment and inflation and to promote convergence of the state of economic development of the Member States. Priority should be given to encouraging productive investment and raising competitiveness as a basis for creating durable jobs, bringing about sustained economic growth and reducing unemployment. In this context, effective action . . . should be taken . . . by means of . . . harmonization of social security systems.85

The emphases on unemployment and inflation are key elements of this provision.

Article 3.4 is also particularly relevant. Entitled “Approximation of Laws,” it provided:

Approximation of laws in areas within the competence of the European Communities will be pursued and intensified through effective use of the measures provided for in the Treaties . . . . Among new activities which can be conductive to the attainment of European Union, the following deserve special attention: the introduction of legal instruments which can strengthen cooperation among the judicial authorities of the Member States . . which can thereby make the administration of justice more efficient and less cumbersome; cooperation in the area of suppression of infringements of Community law.86

The article’s mention of legal approximation and the problem of community law infringements were obviously an invitation to heed the dictates of European law supremacy. Given the integration process’ particular emphasis on unemployment and inflation, if the socioeconomic benefits were to be obtained, affirmative internal steps had to be taken in order to ensure that this would be the case.

The path toward the SEA had been officially opened. The German-Italian initiative was soon emulated by other committees at the European level. The Dooge Committee, chaired by former Irish foreign affairs minister James Dooge, included one representative for each member state and one member from the European
The final report proposed, among other things, “the creation of . . . a European legal area, the strengthening of the European Monetary System, and the development of common policies on the environment, culture, and social affairs.”

The appeal these new steps held for the Italian government became most apparent when the EC members reviewed the Dooge report at the Milan European Council held on June 28–29, 1985 and chaired by Prime Minister Craxi. The Italian presidency was adamant in its efforts to overcome any political deadlock and conclude the conference with substantial results that would lead to tangible solutions. When the situation seemed to be stalling, Prime Minister Craxi, “for the first time in the history of the Community, plumped for a new interpretation of Article 236 of the Treaty of Rome . . . by putting the issue to a vote.” Belgium, France, Germany, Ireland, Italy, Luxembourg, and the Netherlands voted in favor of the motion, and the mandate for the creation of a European Union was issued.

Given that these types of decisions had always been achieved through consensus, the Italian suggestion was groundbreaking.

However, despite the energetic effort and the prolonged negotiations, the final draft of the SEA deeply disappointed the Italian government. Foreign Affairs Minister Giulio Andreotti noted, with much regret:

An objective examination of the results of the Intergovernmental Conference shows that the Single European Act is merely a partial and unsatisfactory response to the need for substantial progress in the direction indicated by the European Parliament and by the reports of the Dooge and Adonnino Committees . . . . The Single European Act does not therefore represent the realization of that fundamental reform of the European Community for which the Italian Government has been striving and which was desired by the national parliament.

Despite the disappointment, Andreotti’s stance toward the future of integration and national implementation was clear: “Italy intends to use the opportunity afforded by the signing of the Single European Act to reaffirm its determination to work to ensure that
the limited reforms agreed upon are not only applied in full but in addition, and above all, that they are carried out in a progressive manner.” The process was not over.

Indeed, Europe now embarked on its path toward the “1992 deadline.” By 1988, the process toward the EMU had gained full speed. That year, the European Commission published the Cecchini Report, named after Paolo Cecchini, the commissioner who had coordinated the study. The aim of the report was to, “evaluate scientifically the benefits of the single market.” The primary results showed that, “the first and immediate effects will be in terms of downward pressure on prices and costs . . . . [In addition, t]he positive impact on employment could in the medium-term amount to about 2 millions jobs.” The report warned, however, that, “if Europe is to get the most out of its large home market, the internal frontiers must truly disappear and be free of administrative complications between Member States. All barriers have to be removed, otherwise the last remaining barriers may on their own be sufficient to keep the markets segmented.” Conflicting national regulations thus had to be invalidated if these barriers were to truly disappear.

The Cecchini Report was not the only document illustrating the momentum that integration had gathered by the end of the 1980s. The same year the report was issued, the Commission released a document authored by Dominique Servais. This was a comprehensive account of where the path toward the 1992 deadline was heading, what it required, and what its implications would be. The document sought to clarify the concept of “internal market” by noting that it, “goes deeper, since it not only assumes the elimination of obstacles which are currently considered lawful in Community law, but aims at positive integration, implying that account must be taken of objectives of economic, social and legislative cohesion.” This was no small step, and it required substantial institutional change on the part of each of the member states. How would this ambitious goal be achieved? The document stated that the solution would be found in the “harmonization of national regulation [,] mutual recognition of national regulations, and the attribution of a ‘Community effect’ to national protection systems.”
The document thus called on all member states to fully accept the supremacy of European law, especially in light of the fact that the mutual recognition principle was absent in national legal systems. The principle had been introduced in 1979, when the European Court of Justice had held that goods produced in one state could be sold in another. The principle had now become one of the main goals of the 1992 deadline, and it required the supremacy norm to be present.

In sum, the drive toward integration had been gaining strength throughout the decade. The SEA marked the peak of European ambitions, in both economic and legal terms. The 1992 deadline constituted a meaningful incentive for member states, Italy among them, to eliminate all obstacles that divided them from the gains to be obtained.

**Supremacy is Internalized**

The Italian government acted in light of the existence, and persistence, of the three causal factors illustrated in the previous sections. Minister Andreotti’s statement to the European Parliament in 1985 illustrates the government’s recognition of the deep economic problems affecting the country:

> In our view, unemployment is the central problem to be resolved, and it is at this problem that we believe specific analyses and action should be directed on a concerted basis by the Member States of the Community . . . . The Italian Presidency therefore intends to ensure that the central importance of the issue of employment is the main criterion guiding the determination and development of Community instruments and . . . initiatives.101

The government also recognized what the requirements for fighting unemployment were, as the German-Italian initiative, the Milan Council, and the dissatisfaction with the SEA all showed. The central contention of this study is that the government’s decision to bring the Granital case to court in 1984 reflected its concomitant desire to act *internally*. The case had risen when the government imposed an import levy on the Italian company Granital
S.p.A. The levy followed the standards that had been decreed by the European Court of Justice in one of its recent cases. The company refused to pay by invoking a national legislation that contradicted the ruling of the ECJ. A suit was filed and it reached the Constitutional Court. There, the parties sought a judgment on the issue of the relationship between the community regulation and the national legislation conflicting with it. The court’s opinion finally established that community law would be supreme over national law. However, because “each is regarded as an independent and separate legal system . . . a Community regulation, when in force, does not abrogate, in the proper meaning of the word, a provision of municipal law which is inconsistent with it, but prevents this provision from becoming relevant in the settlement of a dispute before a national court.” The timing of the court’s decision is crucial; the opinion was issued during the peak negotiation period, between the Stuttgart Solemn Declaration, and the SEA. However, the legal distinction it drew, between “abrogation” and “irrelevance”, was substantial. Simply classifying the national regulation as “irrelevant” meant that it could still be applied in other similar, though not identical, circumstances. More importantly, it meant that it could still be invoked in future suits, thus creating additional hurdles in the transposition and implementation of EU law.

It was because of this peculiar reservation that the La Pergola law was enacted. Article 3, section 1, sub-section (a) of the act, which included the substance of the new legislation, provided that the “periodic adjustment of the national legal system to the communitarian system, is ensured through the amendment or invalidation of national regulations in contrast with the obligations established in article 1, section 1.” The internalization process was thus completed. Italy could now fully enjoy the benefits of the Single Market. This would enable its government to solve its economic problems and thus placate its deeply dissatisfied public.

CONCLUSIONS

The main contention of this paper has been that Italy’s deci-
sion to accept the supremacy of European law was the product of three causal factors. The economic downturns that began in the late 1970s and stretched throughout the 1980s constituted the major concern of the Italian population. The dissatisfaction of the public was coupled with its overwhelming support for a united Europe and a continuing integration process. These two internal factors, together with the revived integration agenda at the European level, induced the government to take affirmative steps toward the acceptance of European law supremacy. This was primarily an effort by the government to solve the economic difficulties of the population by removing the major legal obstacle to the receipt of the benefits of integration.

The evidence suggests that the 1980s were characterized by a tumultuous economy, here operationalized as the levels of inflation and unemployment. While inflation decreased substantially—albeit without ever descending below 4 percent—unemployment remained the one major problem in light of its persistent rise throughout the decade. This explains the population’s overall concern regarding unemployment and the economy more generally. In addition, as the Eurobarometer polls suggest, Italians had a particularly positive and supportive attitude toward Europe and further integration. As demonstrated by the steps taken toward the SEA and EMU, the integration process saw a revived intensity during these years. The data also suggest that the government was responsive to the internal economic dissatisfaction, and to the external integration process. This was evidenced by the particular role unemployment and inflation played in the political discourse and by the markedly "maximalist" role Italy played at the European level. Finally, the government’s role in the process is illustrated by its efforts to bring the supremacy norm into the domestic realm in the Granital case and by its enactment of the communitarian law in 1989.

Interestingly, the evidence also suggests that the Italian government opted for Europe in spite of the preferences of its elites. An example is provided by the accession of EMS, fervently opposed by the economic technocrats of the time. But it was also apparent
in the SEA itself. Italy decided to sign the treaty, despite the fact that it was an “unsatisfactory response to the need for substantial progress.” This provides insight into the way the Italian policymaking process may function in certain delicate circumstances; faced with two options, either an unsatisfactory deal or no deal at all, Italian elites opted for the former option. This was true despite the fact that this was not what Italy as a country sought. Nevertheless, Giulio Andreotti’s statement evaluating the outcome of the Intergovernmental Conference (see page 29) suggests that the Italian administration saw the SEA as a small, perhaps necessary, step toward the loftier goals Italy had set for itself. Further research may be useful in better understanding whether, as the data in this project seem to suggest, the pressure of public opinion was so strong as to almost "coerce" the government into pursuing policies that are not immediately and clearly beneficial. In particular, it is important to understand whether the goal of reelection supersedes most other considerations.

There was never any doubt that Italy would eventually accept the supremacy of European law. The question then becomes one of why it happened in 1989, and not earlier or later. The argument has been that the convergence of the three dynamics paved the path for acceptance. However, did they all matter equally? This question can be answered with a fair degree of confidence, only if we were to isolate each factor and assess its independent impact by controlling for the other two. Some counterfactual speculation is thus in order.

Italy’s initial refusal to sign the SEA, and its later acceptance, provide a useful example. The refusal was evidence of the fact that the treaty did not fully satisfy the Italians, because it did not perfectly align with their preferences. Of course, the problem was not that it was too costly; it simply was not enough. However, we may wonder what would have been the outcome if the treaty had not aligned with their preferences, in that it had been too costly, or too restrictive. Would it have been signed? The EMS example suggests that the answer would be yes. Entrance into the system showed that the internal institutional costs could be withstood and that there was a strong likelihood that the government would lose its
prestige if it did not “remain abreast of EC developments.”

This may in fact be the case with regard to the SEA, EMU, and with the necessary adoption of the supremacy norm.

This concern about prestige may have been even more relevant for a government that between 1981 and 1992 was based on a coalition of five different parties, the so-called pentapartito. Although the five parties, the Christian-Democrats, the Socialists, the Social-Democrats, the Republicans, and the Liberals all had a positive and supportive stance toward Europe, each worried about their own constituencies, on whose support they depended for their permanence in the coalition. A look at previous support for European integration also suggests that Italians were not as adamant as they were during the 1980s. In the 1950s, only 57 percent of the population supported further unification, and a number that climbed only to 60 percent during the 1960s. Indeed, before 1970, Italian support for unification was among the lowest in Europe, compared to Germany’s 70 and 81 percent in 1952 and 1962 respectively, or the Netherlands’ 87 percent in 1962.

Changes in Italian attitudes toward Europe seem to coincide with the changes in the overall national economy, and in particular with unemployment and inflation. Throughout the 1950s and 1960s, Italy had seen times of prosperity thanks to the “near-religious adherence to classical liberalism” that had characterized the Luigi Einaudi reforms. Those policies had brought inflation down, and the rising unemployment had been stopped thanks to the increase in exports that soon ensued. According to Dyson and Featherstone, this was immediately reflected in the “Christian Democrats collecting the votes.” The likelihood of economic downturns being a precondition for substantial institutional change is high. This explains norm acceptance as a change designed to account for the economy and its impact on the population.

However, the question still remains whether this institutional shift would have taken place with the same determination had the integration process not been as momentous as in the late 1980s. But this still begs the question of whether integration itself would have been so active had the economy of Europe been in good condition.
The counterfactual nature of this inquiry, added to the uniqueness of the process, precludes any accurate answer. However, further research may assess with more precision whether other instances of revived European integration—for instance, the run to the euro, or the adoption of the constitutional treaty—did or did not coincide with periods of economic crises and recessions.

In sum, economic considerations may play a very important role in driving states toward the pursuit of institutional changes that tend to alter their sovereign control over their policies. But such considerations do not explain the precise mechanisms leading to these alterations. Evaluating how the problems are manipulated domestically is key to capturing the entire picture. This has been the main objective of the argument advanced in this study. Admittedly, the evident reach of this argument is within the sphere of European integration, and in particular Italy’s relationship with this process. However, the argument’s external validity may be emphasized in two ways.

First, the causal mechanism underpinning the argument, and the causal factors driving the norm internalization process may prove useful in assessing other instances of integration within the current Union. Integration is an ongoing process, and the constantly growing body of law that regulates the interaction between member states attests to this fact. The relatively recent debate over the Constitutional Treaty, its rejection by the Dutch and the French populations, and the subsequent Treaty of Lisbon, show how the integration process is both alive and a source of sociopolitical activity within member states. Theories pointing to how economic concerns may affect the mood of public opinion and the policymaking process of governmental elites may shed light on the mechanisms underpinning phenomena such as the outcome of the French and Dutch referenda, or the overall process of European enlargement to the east and southeast. The mechanism I have highlighted emphasizes how economic concerns may prompt further integration. In the French and Dutch cases it is possible that economic concerns may have lead to a restrained integration, or that economic concerns were absent, and thus the French and the Dutch saw no point in
restraining their countries’ sovereignty with an additional *constitutional* treaty. Thus, the convergence of the economy, the strength of public opinion, and the integration process, may help us solve some of the puzzles that underpin the reality of the European Union.

Second, though this study is concerned with European integration, it is not unlikely that the argument advanced may provide insights into the functioning of other regional or global economic agreements. Regional organizations such as the North American Free Trade Organization, the Southern Common Market, the Association of Southeast Asian Nations, or the World Trade Organization share many similarities with the EU, primarily economic in nature. Arguments pointing to how the overall level of the national economy and public opinion affect the policy outcomes may be applicable in these other contexts, too.

In its modest reach, the argument advanced in this paper has sought to provide further insight into the dynamics driving European integration. As noted above, such insights may be applied elsewhere in the field of international relations and international political economy. Studying the past and future developments of the European integration process enables us to understand how and why states approach or shy away from Europe and the ideal behind it. But the endeavor enables us to reach beyond this in an effort to understand the international system and the factors that lead to cooperation—and sometimes conflict—among states.

*To view all charts and tables, visit:*
http://www.helvidius.org/2012/srour

**Notes**

processo normativo comunitario e sulle procedure di esecuzione degli obblighi comunitari.”


9 Ibid., p. 536.

10 Ibid., p. 539.


12 Examples that come to mind are the North Atlantic Treaty Organization for the first category, the World Trade Organization for the second, the United Nations Environmental Program for the third, and the International Criminal Court for the last.


15 Ibid., p. 891.

16 Ibid., p. 893. [Emphasis added].


18 Ibid., p. 8.

19 Ibid., p. 8. His definition of norms is quoted from Stephen D. Krasner, ed. *International Regimes, special issue of International Organization* 36,2 (Spring, 1982), at 186. Internal quotations marks omitted.


21 The following elements of the neofunctionalist theory are the essence of the argument advanced by Ernst B. Haas in *Beyond the Nation-State: Functionalism and International Organization* (Stanford: Stanford University Press, 1964), and much of the paragraph is derived from Philippe C. Schmitter, “Ernst B. Haas and the Legacy of Neofunctionalism,” *Journal of European Public Policy* 12,2 (April 2005), pp. 255–272, at 259–261.


24 Ibid., p. 452.

25 Ibid., p. 452.

26 Ibid., p. 457.

27 Ibid., p. 457.


29 Andrea Mantella, “Corte Costituzionale più ‘politica’: La svolta di Elia,” *La Stampa* (Turin), 7 May 1985, p. 2. [All translations from the Italian are the author’s].


33 Ibid., p. 285.
36 Ibid., p. 284.
37 Ibid., p. 284.
38 Ibid., p. 293.
39 Checkel, "International Institutions and Socialization in Europe."
40 Ibid., p. 804.
41 Ibid., p. 804.
42 Ibid., p. 809.
43 Ibid., p. 812.
46 Mario Deaglio, "La crisi petrolifera cambia tutto: Già superato il piano triennale?"
47 La Stampa (Turin), 18 February 1979, p. 17.
48 Ibid., p. 17.
50 International Monetary Fund, "World Economic Outlook," 1999. See Appendix A.
51 International Monetary Fund, "World Economic Outlook," 1999. See Appendix B.
52 Antonio Bisaglia, "La crisi energetica peserà su sviluppo e occupazione." La Stampa (Turin), 30 December 1979, p. 11.
53 Talani, Betting For and Against EMU, p. 43.
54 La Stampa,"L'inflazione non cala: Ancora + 0,9," La Stampa (Turin), 25 March 1985, p. 2. This regional edition of La Stampa noted that "we are still above the 7% inflation threshold decreed by the government."
55 With the exception of Greece, Italy's 9.05% was still by far the highest. For a clear comparison, see Appendix A.
57 Ibid., p. 474.
58 Ibid., p. 475.
59 Ibid., p. 475.
60 Ibid., p. 475.
62 Ibid., pp. 7–8.
63 "La crisi petrolifera cambia tutto," p. 17. The article asked: "Is it possible to keep alive the economic improvement we have been seeing in the past two or three months?"
64 Dyson and Featherstone, The Road to Maastricht, p. 475.
67 Francesco Matteini, "Socialisti europei: Primo impegno la lotta contro la


71 See Appendix C, Tables 3–4.

72 See Appendix C, Table 8.

73 While Italy was not the sole country with this percentage, this constituted the highest response among the ten states, and was also notably above the Community average. See Appendix C, Table 9.

74 With regard to this question, Italy was the country where support for joint action was the highest. See Appendix C, Table 6.

75 See Appendix C, Table 7.


77 Ibid., p. 52.

78 Ibid., p. 53.


80 Ibid., p. 6.

81 Ibid., p. 6.


83 Ibid., p. 476.

84 Ibid., p. 497.


86 Ibid., Articles 3.4.1, and 3.4.3.


88 Ibid.

89 Ibid.

90 Ibid.

91 Ibid.


93 Ibid.


95 Ibid., p. 5.

96 Ibid., p. 6.


99 Ibid., p. 22.
100 Rewe-Zentrale AG v. Bundesmonopolverwaltung für Branntwein, ECJ 120/78, [1979].
106 Dyson and Featherstone, The Road to Maastricht, suggest that with regard to EMS the “Italians were now maximalists” suggesting that their “stance had moved towards Europeanized solutions.” p. 473. This was the same also with regard to the EMU negotiations. See Dyson and Featherstone, pp. 512–514, and pp. 518–524.
107 “Statement in the Hague.” See n. 86.
110 Ibid., Table 13, p. 27.
111 Dyson and Featherstone, The Road to Maastricht, p. 465.
112 Ibid., p. 465.
113 Ibid., p. 465.