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Central intelligence regency

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Italy: Communists and Christian Democrats at the Crossroads

Summary

The results of this spring's nation-wide administrative elections have given the Christian Democrats, and the governing coalition as a whole, an important boost both psychologically and politically. In particular, their re-entry into local coalitions in the wake of the election has boosted their access to power. The Communists' surprisingly lackluster performance, in contrast, probably represents their most serious setback since 1948. Italy's two major parties are each at a crossroad. Internal rifts are likely to distract both parties from the crucial decisions they need to-make about the future direction of their policies. We cannot be optmistic in the face of these deep divisions that the DC will be able to achieve enough stability to build on its recent electoral successes or that the PCI will be able to act as a responsible negotiator in addressing national problems.

This memorandum was prepared by	Office of European Analysis.
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Bottoming Out?

The results of this year's regional, provincial, and local administrative elections have reconfirmed the Christian Democrats (DC) as the pre-eminent force in Italian politics -- a position the Communists (PCI) had appeared well-placed to usurp. After dropping a disastrous 5 percentage points in 1983 and ceding a razor-thin plurality to the PCI in last year's European Parliament election, DC officials were bracing themselves for the loss of another 2 percentage points this spring. For the DC and most other observers, this year's 2-percentage-point improvement over last years's European election results -- a solid gain by the traditionally glacial standards of Italian electoral movement -- overshadowed the fact that they had not done as well as in the last nationwide regional and local elections in 1980. (See figure 1) Concern over the DC's inability to maintain its 1930 share of the vote apparently also was muted because party leaders assumed that the vast majority of lost votes had migrated to other members of the governing coalition, in particular to the Socialists and Republicans. Moreover, the DC's 2-percentage point gain over the 1984 election looked particularly robust compared with the Communists 4-percentage point drop during the same period.

This performance allows the DC to reassert itself. It can argue that its momentum has been restored and that as the largest party in the governing coalition it deserves to be the dominant voice. Perhaps more significantly, the Christian Democrats now believe they can insist that the five national governing partners—Christian Democrats, Socialists, Republicans, Social Democrats and Liberals—impose five-party administrations wherever possible in various regional, provincial, and municipal jurisdictions. The Christian Democrats are especially anxious to overturn those local governments where their national partners are allieu with the Communists.

Bringing Home the Bacon

The Christian Democrats' determination to reassert themselves within the governing coalition was reinforced in June by the successful outcome of DC Secretary DeMita's negotiations to have Francesco Cossiga chosen to replace former President Pertini -- only one other president has been elected on the first ballot during the 40 years of the Republic.

Despite these successes, however, the Christian Democrats face an uphill battle on the issue of five-party local coalitions. The governing partners postponed negotiations over restructuring the administrative governments until after the presidential election, but with that out of the way these talks

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have begun in earnest. Craxi, who supported the idea of fiveparty local coalitions during the campaign, has insisted since the election that the local governments must be dealt with on a case by case basis. Even where he does opt to push for fiveparty coalitions, the DC probably will not be able to overturn all of the local councils that it has designated for five-party administration. Local issues and local personalities almost certainly figure prominently in the deliberations. In many instances, after several years of cooperation with the Communists and poor relations with the Christian Democrats, grassroots Socialist, Republican, Social Democratic, and Liberal leaders are probably reluctant to carry out orders from the top to team up with the Christian Democrats. And where local party officials agree, against their better judgment, to follow the national party line, these new alliances are likely to begin on shakey ground.

Maintaining a firm hold on local power is especially important, we believe, for parties in political systems like Italy's where clientelism traditionally plays such a prominent Political loyalty in these circumstances is often closely linked to a party's ability to distribute favor's and largesse. In short, the DC's success in regaining access to local coalitions through the current negotiations -- or at least maneuvering the Communists out -- will be far more important than the numbers of votes or even seats won. To date, the DC has sealed its return to power in several of the largest cities: Rome, Turin, Milan, Venice, and Naples. But some 2,000 local governments have yet to be decided.

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Victory in the Eye of the Beholder

A comparison of this spring's regional, provincial, and local administrative election returns with the last nationwide local elections in 1980 illustrates the extent to which electoral victory in Italy is in the eye of the beholder. Notions about victory and defeat can vary significantly according to whether attention is focused on local, provincial, regional, or national results and whether the most important indicator is share of the vote, net vote, or seats won. Moreover, the composition of local coalitions is very much a horse trading process; there is no guarantee that the final composition of a given government --local, provincial, or regional -- will correspond to the numerical logic of the voting results. The past 10 years are replete with instances where the Christian Democrats or the Communists have won a significant local plurality only to find themselves relegated to the opposition because of political expediency.

In percentage of overall votes, Christian Democrats and Communists both slipped this year compared with 1980, but thanks to a larger electorate and a heavy turnout, both parties saw their number of votes grow in the regional elections where the Christian Democrats gained 68,000 votes and the Communists 120,000. Results in the provincial elections were skewed in the other direction, however, with the Christian Democrats picking up 60,000 votes and the Communists losing 30,000 votes. Although comprehensive final returns from the communal elections have not appeared in the press, early projections suggested that they would parallel the provincial scores.

A glance at the number of seats won and lost in the regional and provincial elections provides a very different impression about the outcome. In the regional elections both camps lost ground. The Christian Democrats, who dropped 14 seats, however, lost nearly twice as heavily as the Communists. The dichotomy is even more marked in the provincial elections, where the Christian Democrats lost, 39 seats to the Communists' 5. Our communal election returns remain incomplete. (See table 1)

Statistically, it makes sense to compare this spring's elections with the last administrative elections, held in 1980. Many Italians, however, including a number of the country's most prominent political commentators, have preferred to emphasize the differences between this year's results and those of the 1984 European Parliament election and the 1983 national election. Despite the analytic problems generated by this kind of crosselection comparison, it is primarily in these findings that the case for DC optimism and Communist disappointment takes root.

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Why the DC "Won"

After being bested by the Communists for the first time in last year's European Parliament election, DC leaders concluded that the party's very survival was at stake this spring and shaped new strategies to overcome past weaknesses. Making a special effort to avoid controversial domestic policy issues like economic austerity, they emphasized instead the danger of the Communists winning a plurality. For the first time in nearly a decade, local churchmen and the Pope were galvanized into action by this threat and weighed in heavily on behalf of the DC. Several veteran campaigners who had all but ceased to participate in recent electoral battles also were drawn back to the lists, and party heads who had distanced themselves from DeMita during the past two electoral outings returned to the fold.

Sensitive to charges that they had failed to follow through on promises of party reform, the Christian Democrats also made a special effort to place new faces on their election lists. Final returns revealed that a surprising number of old Christian Democratic war horses had fallen by the wayside to be replaced by relative unknowns.

- Turning Out the Vote Traditionally a high voter turn-out favors the DC over the PCI. The PCI's election analysis team concluded on the basis of exit polls that the DC owes part of its improvement over the 1983 national election to votes taken from the Social Democrats (0.6%), Republicans (0.6%), and Liberals (0.2%), but nearly half of the DC's gains appear to have come from voters who for one reason or another had not voted recently. Judging by press and academic studies, we believe that a high proportion of the 500,000 votes lost by the DC between the 1983 national election and the 1984 European Parliament election were lost to abstention. Total voter turnout this spring jumped to 89.7 percent after an all time low of 83.9 percent in last year's European Parliament election. This year's total vote also topped the turnout of 88.5 percent for the previous administrative elections in 1980.
- Stark Choice We attribute the DC's success at remobilizing these voters to a combination of good fortune and the leadership's decision to return to more

*For a more in-depth look at the	Christian Democrats, see	DI Intelligence
Assessment EURA 84-10062 Christian Democratic Era:	April 1984, <u>Italy</u> :	End of the
christian Democratic Era:		

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It has always been difficult for the DC to keep its warring factions in check, and experience suggests that their willingness to cooperate this spring probably represents a respite rather than a permanent change. There is no evidence that the party has made significant progress toward reconciling its four diverse currents. DeMita and his colleagues still face the herculean task of choosing a strategy that is acceptable to moderate reformers, southern members who believe that favoritism and petty graft are the norm in politics, leaders who want to transform the DC into a modern Thatcher-style party, and Roberto Formigoni's fundamentalists, who wants the party to return to its roots as a confessional party.

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Introducting the fund	damentalists who, at least for the
integrating the run	tule meet dynamic grouping into
moment, appear to be the	party's most dynamic grouping into
the party hierarchy will	probably prove one of the most difficult
tasks. Old-line DC leade	ers have been loath to surrender any
nower to Formigoni and h	is colleagues. Moreover, it is hard to
imagine how some of the	fundamentalists' more serious notions
imagine now some of the	- maganeilad with ather views within the
about party reform can be	e reconciled with other views within the
DC, especially those of t	the traditional southerners.
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Failure to make sign	nificant progress on eliminating
a i julie to mune sign	ices could also cost the DC its new-found
questionable party pract	the Conc
support from the Vatican.	the Pope
has already warned the Ch	ir istian bemocrats that he will denounce
them publicly the first t	ime he hears, for example, that they
have been "on the take."	
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All of About muchles	- loom lange in DoMitale thinking in
All of these problem	ns loom large in DeMita's thinking, in
our view, but his attenti	ion over the longer term probably will
focus on the question of	whether the additional 3 percent of the
vote that the DC controll	led in the 1979 national election is
recoverable or nermanent	y lost. Although the DC looks healthier
thic envine than at any r	oint during the past two years, most
chis spring than at any p	ily would remon that the BC's support
academic observers probab	ly would agree that the DC's support
among Italy's increasingl	y volatile swing voters who now are
believed to account for a	bout 10 percent of voters remains
	able number of their voters back to the
fold this enring by playi	ing up the threat of a Communist
Total chis spiring by play i	ing up the threat of a community
plurality. Now that they	appear to have halted the PCI's
advance, the Christian De	mocrats may have lost their most
effective argument for he	inging reluctant voters to the polls.
circulate angument for or	inging refuctant voters to the points.
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<u> The Communists: Turnabou</u>	it is Fair Play
The Communisted eath	ack this spring in our view is roughly
	d by the DC in the 1983 national
election both in perce	ntage of votes lost and psychological
impact liba tha Chuicti	an Domocrate in 1983 the Communists

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*For a further discussion of the growing importance of the swing vote in Italy, see EURA 85-10082, Implications of the Local Elections.

whole was confident on the eve of the elections that the party would at least equal its 1980 administrative election score.

were taken completely by surprise. Although reports

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The Communists' disappointment was compounded by the distribution of their losses. Although the party held its own in the traditional red belt -- the North-Central regions of Emilia Romagna, Tuscany, and Umbria -- and could claim some limited gains in the south, it suffered serious losses in the northern regions of Lombardy and Piedmont, blue collar areas that the Communists thought they could count on. Moreover, while the party did reasonably well in the hinterland and the small and medium-sized cities, its worst setbacks occurred in the largest cities -- Turin, Milan, Genoa, Venice, Rome, Bari, and Palermo -- the very spots where the Communists scored their most impressive victories in the mid-1970s. (See table 2).

Like their Christian Democratic counterparts, the Communists have focused attention primarily on comparisons between this year's vote and the 1984 European Parliament and 1983 national elections. Most leaders at PCI party headquarters consider the May results an unparalleled loss.

ommunist rarty leaders interpret the vote as a check of the christian Democratic slide. (See figure 1).

Why the Communists Lost

The Communists may have lost support in some areas due to the poor performance or corruption of specific elected Communist officials, but recent public polls suggest two more fundamental causes for the PCI's setback: some voters had simply grown tired of the same faces in office, while others worried that the PCI was about to bound ahead of the Christian Democrats. This spring was also the first time in more than a decade that the Communists entered the electoral lists without their charismatic former leader, Enrico Berlinguer. The election campaign demonstrated clearly that the Communists have not yet found a successor capable of filling Berlinguer's shoes. Moreover, the election this spring underscored once again that the PCI had lost touch with younger voters and that the party is especially vulnerable along its left flank.

O Bloom Off the Rose The Communists' defeat in many of the large cities may be primarily the result of their longevity in office and the popular perception that they should have made more progress with urban problems. Press and Embassy accounts make it clear that voters who helped

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^{*}Berlinguer died just before the European Parliamentary elections in 1984, but an outpouring of sympathy votes still made him an important force in that election.

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propel the PCI into office ten years ago in anticipation that city services would improve significantly under Communist direction have become disenchanted. Consequently, there is a widely shared perception that the time has come to clear out city hall again. Recent public opinion polls suggest, in fact, that voters were not so much dissatisfied with what the Communists had done in office, as disappointed that they had not accomplished more. Ten years of office have also taken a toll on the party's reputation for honesty and integrity. Although far fewer charges of corruption have been leveled against Communist Party office holders during the past decade than office holders from other parties, these incidents nevertheless have compromised the Communists' claim to be a "different kind of party with clean hands."

Natta's Slip The press

agree that Communist the Natta slipped badly
lifway through the campaign, he asserted that his party would press for a crisis and try to form a new government if it won a plurality in the election. This gaffe played into the hands of the DC, which had succeeded in molding the election into a choice between Christian Democratic and Communist-led government: the status quoversus the vaguely sinister and threatening unknown.

Weak Leadership The death of Party Secretary Berlinguer last summer left the PCI floundering in search of a strong leader who could unite the party and clear up the ambiguities surrounding the "democratic Alternative" -- the party's successor strategy to the "historic compromise." Natta flopped first one way and then the other as he struggled to appease the various party currents. For openers, he alienated the DC by pursuing charges in parliament last fall linking Foreign Minister Andreotti to a petroleum kickback scandal. But he found the road to fuller cooperation with the Socialists -- the PCI's only other option for entering a majority government -- blocked by Craxi's violent anti-Communism. In the end, he tried to appease both parties without much success.

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^{*}A strategy aimed at forging an alliance between the traditional Leftist parties and the "progressive elements" of the DC.

Losses Along the Fringes Another cause of the Communists' setback were their losses to the Proletarian Democracy Party and the Greens. In fact, Achille Occhetto -considered by many the most likely candidate to replace Natta when the time comes -- argues that Communist losses might have been even worse if the party had not restructured its youth organization into a lobby for ecological and other special interests groups that otherwise would be strongly attracted to the fringe parties. Rinascita, the party's theoretical magazine, has emphasized that the Communists generally did better in areas like Calabria, Basilicata, Molise, and Umbria where the Greens did not run. Our calculations show that in the 20 provinces where both the Proletarian Democrats and the Greens fielded candidates, their combined vote is equal to nearly half of the Communist losses. In another 15 provinces where the Proletarian Democrats ran lists but the Greens did not, the Proletarian Democrats gained at least half as many votes as the Communists lost. We suspect that in many instances the two parties were particularly effective among young and first time voters, two categories where the PCI has admitted difficulty for some time.

PCI At The Crossroads

We believe that the elections this spring have heightened tensions within the party and driven home to base and party leadership alike that the Communists, like the Christian Democrats, have reached an important turning point. It is increasingly clear that the PCI has at least as many divergent currents as the DC -- the Marxist-Leninist hardcore identified with Armando Cossutta; the traditional left championed by Pietro Ingrao; Giorgio Napolitano's moderates who favor closer ties with the Socialists; and the Centrist Berlingueriani whose strategy has been to try to satisfy everyone. We believe that the rank and file and the leadership recognize that failing to reconcile these currents could result in a situation where, rather than holding on at 30 percent of the electorate, the Communists will begin to hemmorhage uncontrollably.

Although a number of sources have insisted over the past year that Natta might emerge as something more than a simple transition figure, we believe that the party's recent defeats have made it all but impossible to avoid reopening the succession question. Most party leaders have rallied to Natta's defense in the face of post-election criticism and

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Natta has outflanked his detractors within the party, at
least temporarily, by proposing to move the next regularly
scheduled congress up a year to next April.
Natta does not want to be remembered merely as the party
secretary who led the Communists to one of their most serious
defeats: Natta sees the congress as an
opportunity to redeem nimser and also chart a new political
strategy and to facilitate "generational change" within the party
hierarchy.
Natta will seek to be renamed party secretary at
the congress and to elevate Achille Occhetto to second-in-
command. Natta intends to retire,
within two years after the congres s, rearing the way open ro r Occhetto to replace him. Natta also hopes the congres <u>s will open</u>
the way for extensive changes within the Secretariat.
The way the parameter with the Secretariate has noted a
growing sanse among rer leaders char Jounger prood will be named
to head various departments despite objections from current
occupants of these posts.
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Finally. Natta has
concluded that the congress should jettison its bemotratic
Alternative" strategy in favor of returning to a more active
dialogue with the Christian Democrats.
both Natta and the Christian Democrats <u>aiready nave pur our</u>
feelers about closer collaboration.
DeMita and Natta each saw the
recent negotiations to secure Communist support for Cossiga's
election to the presidency as an initial step toward
Communist/Christian Democratic dialogue on other issues.
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Natta will not find it easy to push through his ideas at the
congress. Not only is he likely to face stiff opposition from
the party's increasingly vocal currents especially over
jettisoning the Democratic Alternative but he is almost
certainly in for a rough time from the rank and file who have
grown increasingly impatient with the slow pace of internal party
democratic reform. Natta may be hard pressed to channel debate
in directions that he wants or to stave off resolutions that he
opposus.
Short-Term Gain for Italy and the US
Shore- term dain for feary and ene 03
The Communists' setback not only represents a welcome
outcome from the perspective of US interests, it is also a
healthy outcome for the Italian political system. The elections
this spring may have underscored for the Communists that winning

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power is no guarantee that they will stay in power. Just as uninterrupted DC rule in the large cities from 1948 to 1975 weakened the Christian Democrats' capacity to govern effectively by exposing their inefficiency, their venality, and their corruption, so ten years of office have taken their toll on the PCI. The recent elections complete a cycle in which the Communists and Christian Democrats have peacefully passed the reins of government back and forth in nearly all of Italy's largest cities, another important step in the PCI's evolution toward Western democratic practice.

The shift in momentum toward the DC, however, could prove ephemeral. We would not be surprised to witness a falling out among the governing partners either nationally or locally that would enable the Communists to win back control in those city, provincial, and regional councils where coalition shifts have taken place as a result of only modest changes in the distribution of council seats. Renewing their access to local levels of power would strengthen the PCI, and could be instrumental in setting them back on the road toward joining the national government.

Outlook

The immediate impact of the spring elections on the PCI is already apparent in the less strident tone and less effective conduct of its opposition. Preoccupied with internal matters and anxiously searching for new allies among the governing parties, the Communists are likely to adopt a less confrontational approach toward government policies over the next several months.

In theory, the PCI's restraint should offer Craxi a rare opportunity to come to grips with some of the country's more vexing problems. His success or failure will turn, however, on the willingness of the coalition partners to put their rivalries aside and press ahead with an agreed program.

Each of the three most prominent partners in the Craxi government -- the Christian Democrats, Socialists, and Republicans -- gained in the administrative elections. Although the strong Socialist showing has improved the likelihood that Craxi will remain in office for at least several more months, both the Christian Democrats and the Republicans believe that they are now in a better position to demand a higher price for their support. The Republicans may be content, for the time being, to extract concessions on economic policy; they are especially likely to insist that the government must undertake new cost-cutting initiatives to reduce the budget deficit.

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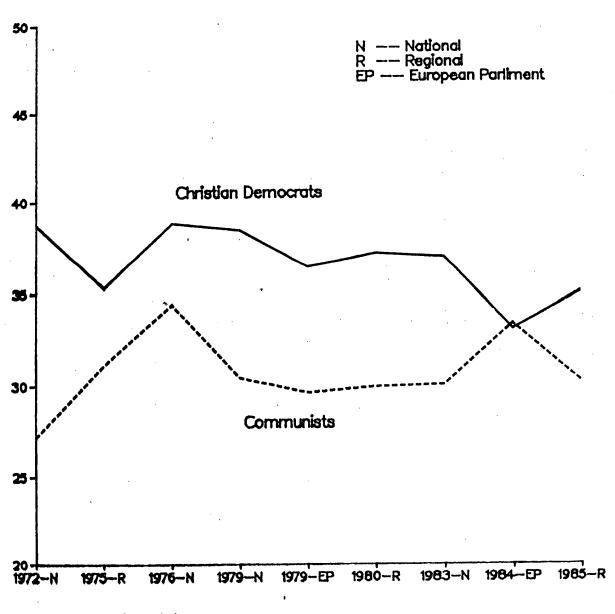
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Economic policy will also figure prominently on the Christian Democrats' agenda as they attempt to articulate a program to convince voters that the DC is more serious about austerity than the Socialists without threatening key elements of their existing constituency. DeMita is anxious to maintain the current coalition, but these elections probably have left him more determined than ever to reassert DC dominance and restrain the growth of Socialist Party influence and voting strength. In our view, the danger both to the Christian Democrats and to the survival of the coalition is that DeMita or his colleagues will lose their sense of balance. In short, their ambition to reassert themselves within the coalition will cause them to lose sight of problems within their own party that could set the DC back on the skids for the next election.

The Communists, for their part, are likely to be distracted by internal soul-searching for the next year or so. During this period they will probably be somewhat more pliant in dealing with the Christian Democrats than they have been recently. On balance, we conclude that the Christian Democrats and the Communists have both reached an important turning point. Their success at coming to terms with internal problems while establishing or maintaining alliances with other parties will determine the course of Italian politics for years to come. Factionalism within the two parties seems particularly intractable, however, and we cannot be optimistic that the DC will be able to put its own house in order or that the PCI will be stable enough to act as a responsible negotiator in addressing national problems.

Christian Democratic and Communist Vote Shares 1972-85

Percent



Source: Annuaria Statistico

Table 1

1980 and 1985 Regional and Provincial Election Results Changes in Vote Received, Vote Shares, and Seats

	Regions	1 Elections					Provincia	Provincial Elections	\$1	•		
	Change Votes R	Change in Votes Received	Percentage Change in Vote shares	Percentage Point Change in Vote shares	Change in Seats Won	두 털	Change in Votes Received	e ived	Percentage Change in Yote Change	Percentage Point Change in .	Change in	<u> </u>
	읾	12	8	Ē	2		8	124	2		Seats Won	
Morthwest				!		!	•	:	3	į١	ᅬ	
Pienonte Lombardia Liguria	-36,917 -34,775 -3,468	-61,524 9,807 -16,053	-1.9		770	770	-30,796 -30,913 - 8,053	-79,758 -68,026 -21,360	8.6.6	5.65	m m m	240
Mortheast Veneto Friuli-Venezia-Giulia	2,558	2,992	-3.6	-1.3	~	7	- 7,640	-13,623	9.0	. 0.4	> ~- !.	0 ~0
Center Emilia-Romagna Toscana Umbría:	218 -35,123 5,617	23,753 24,678 . 4,842	-1.0	d d c 4 w c	0 - 7 (353	7,798	-1.0	. 5.5 -1.6 -0.3	1 01	70
Marche	5,132	•		, o.	° 7		1,051	2,587	1.5	1.5		77
South Lazio Abruzzi Molise	64,646 12,729 9,277		1.5	, dd.o 8.6.2	- 4 4 4	770	130,185 9,819	-11,284 11,878	2.4.0	က ဝှ• ဆ မာ		~ 0
Compania Puglia Basilicata	-10,936 -10,936		6.4. 4.7.	4.00	779	0	3,653	- 1,332 34,764	2.0		NO-	0~4
Calabria	7,389		-2.1) e 9 e	07	70	7,131	20,767	-0.5	-1.9	,	,
Islands Sicily Sardegna			,				-33,913	58,169 6,349	9.4	0.3	7 77	n
TOTALS	68,477	120,123			-14	\$	59,827	-30,348			, _Š	ې د د
Source: L'Unita	L'Unita 15 May 1985	E	Į			. •						•
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Christian Democratic/Communist Shares of the Yote in Key Cities 1980-85

	1985 Loca	ce1	1980 Local	Xa1	1983 National	•	1994 First Control of the Control of	
)	102	뙤	FCI	. 임	되		PCI
Turin	23.4	35.4	23.55	39.9	19.6	34.3	21.0	39
Hilan	24.0	24.9	5"92	28.0	22.0	27.0	23.1	29.6
Genoa	25.0	36.5	22.5	39.6	27.1	38.5	22.1	41.9
Ventce .	27.4	30.5	31.0	33.6	25.3	31.9	26.9	35.3
Bologna	22.7	44.5	22.5	46.1	19.3	45.1	19.8	47.7
Palermo	34.3	14.7	16.7	15.5	36.0	18.7	32.5	23.5
	32.7	15.8	33.4	15.9	28.2	20.4	28.7	27.4
Florence	26.5	39.9	29.9	41.9	24.7	40	24.6	43.2
Rome	33.1	30.8	29.6•	35.9*	28.3	29.9	29.0	35.4

* 1981

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