The emergency government of Italian Prime Minister Mario Monti, which was unveiled Wednesday, isn’t the first administration of technocrats Italy has tapped to pull it out of trouble. It does, however, face the highest stakes.

Twice in the 1990s, Italy’s governments were led by or made up of economists, legal experts and other specialists who successfully carried out economic or political overhauls that Italy’s fractured political establishment couldn’t pull off.

But the challenges confronting Mr. Monti—as well as those facing the new technocratic prime minister of Greece, economist and former European central banker Lucas Papademos—are a magnitude greater. In the 1990s, Italy's financial future was at stake. Today, Europe's is.

The records of several recent international technocratic governments—populated by experts deemed to have the tools to tackle jobs that poll-watching politicians won’t touch—offer a sobering assessment. In several cases in Eastern Europe and Latin America, technocrats have succeeded. But when they haven’t, failure has often been a consequence of the depth of the crisis they confronted.

Mr. Monti, an economist by training, is an expert on the weaknesses of the Italian economy. A former European commissioner, he also understands how the European Union works. He has been a regular and influential visitor to Brussels since he stepped down as the EU’s antitrust chief in 2004. European officials say this background will help give his views substantially more weight in Brussels and other national capitals than those of his predecessor, Silvio Berlusconi.

But such familiarity also raises the possibility of a backlash. It remains to be seen whether the two internationalists, thrust suddenly into domestic political scenes, will be seen at home as carrying water for Brussels bureaucrats or the German government rather than guarding the interests of their own voters.

Mr. Monti will have political support as long as he sticks to his mandate, said Lamberto Dini, who led a previous technocratic government in Rome. From 1995 to 1996, Mr. Dini, a former Bank of Italy official, led a government that began revamping Italy’s costly pension system.

"Monti has an essentially economic program that is aimed at doing what Europe has asked of Italy. If he sticks to it, he’ll succeed,” Mr. Dini said. Mr. Monti’s European ties are an asset.
in Italy, where both the center-left and center-right are pro-Europe, added Mr. Dini, now a lawmaker in Mr. Berlusconi's party, which supported Mr. Monti's appointment.

Mr. Monti's hands are tied in a way that Mr. Dini's weren't: Europe's common currency means Mr. Monti can't tweak monetary policy to help its economy. Plus, like 15 years ago, Italy has a huge national debt.

"This is an extraordinarily difficult moment," Mr. Monti said as he announced his cabinet, including a top Italian banker and well-known lawyer, which is charged with adopting measures to lower Italy's €1.9 trillion ($2.57 trillion) debt. European lawmakers have also called for Italy to overhaul its restrictive labor market and costly pension system.

Mr. Monti said Wednesday that the absence of political personalities in his government will help take the pressure off. Still, his cabinet will have to respond to Parliament.

"If it fails, you can always kick [the technocrats] out at minor cost to the parties....If it's successful, you can always take credit," said Ricardo Hausmann, a minister of planning in a technocratic government in Venezuela in the early 1990s and now director of Harvard University's Center for International Development.

Most of Italy's main parties, including Mr. Berlusconi's, have agreed to back Mr. Monti's government in Parliament, forming a sort of grand coalition aimed at easing through the new cabinet's proposed legislation.

But some politicians—most notably the separatist Northern League, which was a key member of Mr. Berlusconi's conservative government—have said they won't back the new administration. The League has positioned itself as watchdog of the new government, a stance that puts it in the position to distance itself from failure and take credit for overseeing success.

"Governments must be chosen by the people, especially in difficult moments that require politicians to find solutions," said Roberto Cota, a top League politician.

Franco Pavoncello, a professor of politics at John Cabot University in Rome, says it is misleading to suggest that technocrat governments are undemocratic. "They have to respond to Parliament," he says. "And political parties have a say, if not in being part of the government but in setting the agenda."

Italy first turned to technocrats in 1993 after the country—buckling under market pressure—was forced to exit the European Monetary System, the precursor to the euro. The government of then-Bank of Italy Gov. Carlo Azeglio Ciampi had the task of persuading Italy's European partners to let it back in following a large currency devaluation. It pushed through a series of economic reforms, most notably killing Italy's wage-indexation system, a move that put a brake on the country's inflation for years.

This week, Mr. Ciampi compared the situation he inherited in 1993 with Mr. Monti's today. "It is clear today, as it was 1993, that with the reforms asked of us by Europe, Italy is betting a big part of its future as a modern and developed country," Mr. Ciampi wrote in an editorial in Il Sole 24 Ore newspaper.

Two years later after the Ciampi government, the first Berlusconi government collapsed after less than a year. Mr. Dini's one-year emergency government navigated union resistance and overhauled the pension system to make benefits correspond to how much people have contributed over their working lives, instead of their final salaries. It remains Italy's biggest effort to date to lower the costs of its pension system.

"We were able to operate without worrying about being elected," says Tiziano Treu, who was a labor minister in Mr. Dini's administration.

Mr. Treu, who subsequently served in center-left governments and is now a senator for Italy's Democratic Party, says the pension overhaul wouldn't have been possible in a political government.

In Latin America, where mostly presidential systems make it easier to appoint technocrats to serve under elected presidents, outcomes have been more mixed than in Italy, sometimes because the crises they confronted were more intractable.
In the late 1980s and 1990s, economic programs masterminded by technocrats sometimes brought lasting changes, such as Mexico’s entry into the North American Free Trade Agreement with the U.S. and Canada in 1994 under the government of President Carlos Salinas.

Brazil’s 1993-2003 technocratic project, masterminded by Fernando Henrique Cardoso as finance minister and then president, overcame a serious currency crisis in 1998 and 1999 with the help of the International Monetary Fund as part of the fallout from the Asian currency crisis. Helped by the fair winds of economic growth after 2001, the country began to be bracketed with China and India as one a key group of large emerging economies to wield increasing influence on the world stage.

In the early-1990s, technocrats in Chile, led by Finance Minister Alejandro Foxley, are seen as having succeeded too, not in exiting a crisis but in ensuring the economic credibility of the first democratic government after the exit of dictator Augusto Pinochet.

Many technocratic administrations ended sooner or later in another political or financial crisis, such as was the case in Mexico (1994-95) Argentina (2001-02) and Venezuela (1993).

Of his experience in Venezuela in 1992-93, Mr. Hausmann said he believed technocrats achieved a greater economic adjustment than conventional politicians would have done, "but there was a price to pay for it."

The experiment ended with riots, two military coup attempts and an eventual impeachment of President Carlos Andrés Pérez.

**Corrections & Amplifications**

Italy's public debt, as a percentage of gross domestic product, was 124 percent in 1995 and currently stands at 120 percent. An early version of this article incorrectly said Italy's debt in 1995 was lower than today's.

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