



UNIVERSITÀ
DI SIENA
1240

QUADERNI DEL DIPARTIMENTO
DI ECONOMIA POLITICA E STATISTICA

**Paolo Di Martino
Emanuele Felice
Michelangelo Vasta**

The curious case of the coexistence of two “access-orders”:
Explaining the Italian regional divide

n. 758 – Luglio 2017



The curious case of the coexistence of two “access-orders”: Explaining the Italian regional divide

Paolo Di Martino (Birmingham Business School, UK)

Emanuele Felice (University of Chieti-Pescara, Italy)

Michelangelo Vasta (University of Siena, Italy)

Abstract: This paper uses the conceptual categories of Open Access Order (OAO) and Limited Access Order (LAO) developed by North, Wallis and Weingast (2009) to explain the origins and persistence of Italian North-South economic divide since the country unification in 1861. We argue that, despite the existence of the same set of formal institutions, historically the North of the country progressively developed into an OAO, while in the South only an “horizontal” transition took place whereby it remained a LAO, with aristocratic privileges being substituted by rents allocated to lobbies and political clienteles. Using original data on crime and participation to elections and referendums, we show that this evolution was the result of the failure of the State, in the South, to acquire the monopoly over the legitimate use of violence and to operate as an efficient and credible coordination mechanism. With the support of data on education and female labour participation, we claim that this led to a much more unequal access to resources and opportunities, leading to a gap in income per capita which persisted over time and it is still visible today being unparalleled in the Western world.

JEL codes: O17, O43, N14, N94

We thank Sara Pecchioli for precious research assistance. We are also grateful to Luigi Guiso and Paolo Pinotti, for sharing their data with us. A previous version of this paper was presented at the workshops *Violence, the Evolution of Social Orders and Transnational Relations* (4-5 December 2015, Munich, Germany), *La società italiana e le grandi crisi economiche 1929-2016* (25-26 November 2016, Rome, Italy) and c.MET05 *Politiche per il cambiamento (dell'industria, dell'economia e della società)* (8-9 June 2017 Ferrara, Italy); the authors thank the attendants to the seminars for comments and criticism. Usual caveat applies.

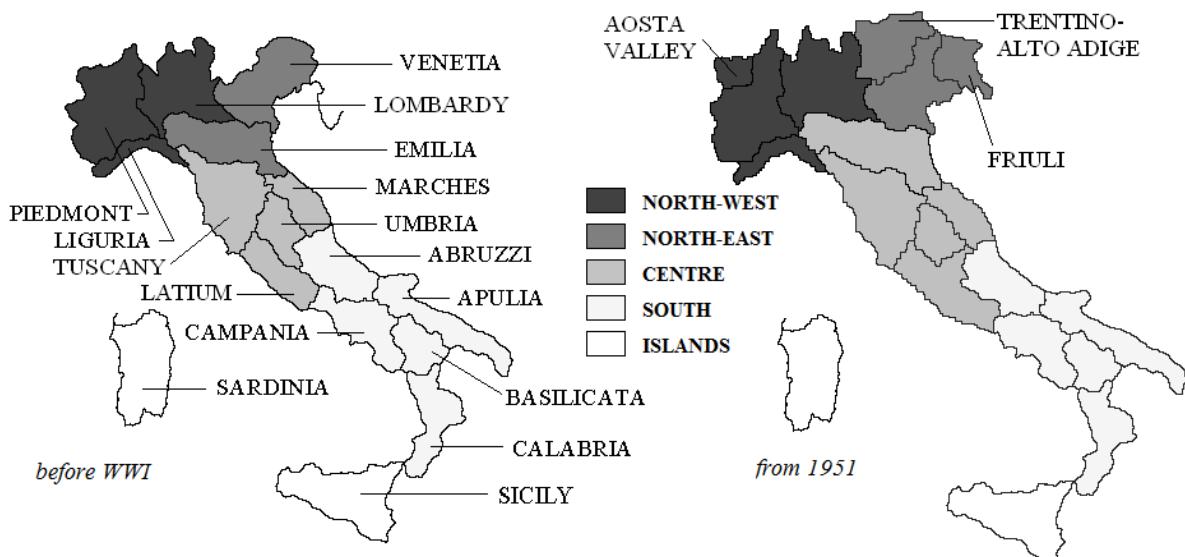
July, 2017

1. Introduction

Nowadays, Southern Italy represents the largest backward area of Western Europe. With a population twice the size of Greece, it still has most of its regions (Campania, Apulia, Basilicata, Calabria, Sicily) fully eligible for the European 2014-2020 structural funds; in these regions GDP per head is below 75% of the EU-27 average (at PPP) while in the rest of the South (Abruzzi, Molise, Sardinia) hovers between 75 and 90%.¹ Inside the European Union, to find such large underdeveloped areas we must look at Eastern countries, with an obvious, different institutional and historical legacy; but even those regions are now moving fast, unlike the Italian *Mezzogiorno*.

The explanation of the historical origin, the depth, and long-term persistency of regional divide in Italy is part of extremely controversial and so-far unresolved academic debates. In fact, the backwardness of South and islands (in light grey and white in Figure 1 below) as compared to the North-West, North-East and centre of the country (in darker grey) is also a huge political problem, with the so-called *questione meridionale* often put, at least on paper, at the centre of the policy and the political disputes.

Figure 1. Italy's regions and macro-areas



Source: Felice and Vasta (2015, 50).

Notes: our estimates are at the historical borders; Molise was created in 1963 from Abruzzi's Southernmost part, to have uniformity in the long run it was not reported. Trentino-Alto Adige and Friuli were assigned to Italy after WWI (the latter included Istria, lost after WWII).

¹ See the map in the European Commission website, http://ec.europa.eu/regional_policy/sources/what/future/img/eligibility20142020.pdf.

In looking at these debates (both academic and policy-oriented), however, the impression that one gets is of a certain degree of not just pessimism but fatalism too, as if we should now simply accept the idea that the problem will never be solved. In part this feeling is the product of the established views on the historical causes of regional divide in Italy which, for different reasons, can hardly generate strong policy responses. Although summarising a long and divisive debate is beyond the remits of this paper, it is fair to say that two broad explanations of the regional divide have been provided. The first one – that we can label the “exploitation” view – suggests that the South of the country has been directly, and/or indirectly, the victim of the North (Capecelatro and Carlo 1972). The implication of this view is that, *de facto*, the South has no problem that can be corrected via national policy and, to the extreme, the only thing to do would be mere financial compensation. The second view points towards natural limitations in the ability of the South to develop, being them geographic and resource-endowment related (Cafagna 1961, A’Hearn and Venables 2013) or linked to some long-term cultural traits that make the Southerners the architects of their own misfortune (Banfield 1958). Although this second view can be further divided between arguments that absolve the Southerners and arguments that condemn them, nonetheless the implication is that no policy can change things.

The failure of the above interpretations on the one hand to fully make sense of the backwardness of the South and, on the other, to propose effective policy, paved the way to efforts to provide an alternative view. Recently this has emerged, based on North’s concepts of institutions, defined as the “rules of the game” of the economy. In a recent book by Felice (2013), and in a subsequent paper by Felice and Vasta (2015), it has been argued that the cause of economic backwardness of the South is that Southern élites consistently promoted institutions that guaranteed their privileges at the expenses of the welfare of the population. This took place firstly before unification, but also later when the process of industrialization had already started. It continued in the interwar period and during the *golden age*, the so called Italian “economic miracle”, although political repression first and massive state intervention later partially mitigated the impact of the problem, and exploded again in the last four decades.

In the last few years North’s analysis has moved forward. In their 2009 book, North, Wallis and Weingast (from now on NWW) expand North’s institutions-based view of economic change (and growth) (North 1990, 2005) offering the new conceptual categories of “Access Orders”. The authors distinguish between Open Access Order (OAO) and Limited Access Order (LAO). In the former, the economic and political opportunities are the same to each individual, creating sound competition that maximises economic and political welfare. In the latter, to different extents depending on the specific type of access order, they are not: some

groups have exclusive control over the access to some resources, leading to rents and slowing-down the process of economic growth.

The aim of this paper is to deepen, reinforce and further conceptualise the institutions-based view of the North-South divide, arguing that this was the result of the unusual co-existence of two different access orders in different areas of the country: OAO in the North and LAO in the South. In so doing the paper provides a twofold result: at one hand a deeper analysis of the Italian case and, on the other, a challenge to the theory, as this seems to exclude the possibility that, under the same set of formal institutions, different access orders can exist.

The paper is organised as follows. Section 2 describes the conceptual framework. Sections 3 and 4 provide the evidence that in Italy two different access orders developed over time in the North and in the South; specifically Section 3 analyses the different degrees of the state political “legitimacy”, its control over the legitimate use of violence, and the “impersonality” of economic and political interaction in various areas of the country, while Section 4 provides evidence of how, depending on these elements, access to economic, social, and political opportunities differed, and still differ, in the North and the South. Section 5 combines this evidence into a historical explanation of the North-South economic divide over the last 150 years, while Section 6 concludes.

2. Conceptual framework

The degree of control by state authority over the legitimate use of violence is the pivotal element of the NWW conceptual framework. A state which cannot fully control it, faces the competition (actual or potential) from other groups which can demand privileged opportunities and/or preferential access to some resources in return to the promise of not using violence against the state itself. This way, the state creates what is defined a LAO, in which access to opportunities is not the same to all political and/or economic agents. The establishment of rents or quasi-rents that follows represents, for the authors, the main cause of economic backwardness. At the opposite side of the spectrum, a state which has a solid and full control over the use of violence is in the position of establishing an OAO to political and economic opportunities, fostering competition and, in this way, economic and political development. State monopoly over the legitimate use of violence represents, therefore, the necessary yet not sufficient condition for the establishment of a full OAO. In order to achieve this result, the state must also be able to provide a set of “rules of the game” (or “institutions” in North’s jargon)

able to support economic growth, the types of institutions that Acemoglu and Robinson (2012, 74–81) define “inclusive” as compared to “extractive”.

It must be noted that the link between the two conditions is far from automatic; even in a state which is fully in control of the legitimate use of violence, still the provision of inclusive institutions needs political elites willing and able to pursue the common interest. In his 1990 book, North already stressed how political elites might end-up providing institutions that proved to be extractive not necessarily out of an explicit political will, but also because of a lack of understanding of what kind of rules the economy actually needs (an issue described as “cognitive deficit”). The provision of inclusive institutions is, therefore, a structural condition for an OAO. However, it would be a mistake to simply equate extractive institutions with LAO. For instance, we can make the case of an overall LAO where the state still promotes inclusive institutions in the areas/industries/activities that it fully controls, while minorities who have monopolistic access to resources in some areas or industries can, in these environments, promote extractive institutions that promote and maintain their own interest. In this respect, we may think of an OAO as a tendency, established by degrees and through a process that not necessarily must be linear.

It is also important to notice how LAO is a general label to indicate a set of different situations characterised by different degrees of state control over the legitimate use of violence, hence of stronger or weaker limitations to the full access to opportunities. In LAO the state must be seen as a coalition of members and groups all able to use violence and all seeking privileges and rents. These groups then form an alliance in which each member is committed not to use violence against the coalition in return to a monopolistic use of given resources. These orders can be divided into “fragile”, “basic”, and “mature”. In fragile orders the equilibrium is very unstable, the commitment of the state is not credible, hence the allocation of privileges and rents is constantly re-negotiated. In “basic” orders, the commitment of the state is credible, but no institution exists outside the state (i.e. the coalition). In such order then the state is exclusively a collection of groups with stable monopolistic access to resources. Finally, in “mature” systems although rents still exist, organisations external to the state act as a counterbalance and can influence the degree of the limitation to the access to resources. Although all these cases represent, from the point of view of economic growth, sub-optimal forms of organisation, their ability to support (or to frustrate) economic performance varies.

The NWW framework has proved useful in analysing various national experiences, in particular the complexity, uncertainty and lack of a pre-determined direction of the transition from LAO to OAO (a country can easily regress back from a more open to a more limited

access order).² In this regard it is important to notice how the standard point of view of these researches is that at a given point in time and under a given set of institutions, a state is characterised by one single given access order. In this perspective the NWW approach thus seems to exclude, or at least does not explicitly contemplate, the contemporary existence of various orders under the same institutional environment. Although NWW acknowledge that “the same institution produces different results depending on the context” (2009, p. 15) this refers to the idea that no rule is *per se* perfectly “inclusive” or “exclusive”, but this depends on the interaction with all other institutions. The example that NWW provide is the effect of elections (per se inclusive institutions when compared to dictatorship or hereditary power) depending on the actual degree of political competition. Still, in the analysis such degree is somehow stable across a given context. This assumption, however, deserves further analysis, in particular to see whether even under the same set of formal institutions, the existence in various areas/regions of different “informal institutions” such as socio-cultural norms and beliefs (North 1990) and/or different enforcement mechanisms can nonetheless lead to the contemporary existence of different access orders. To go back to the example of the elections, the actual degree of political openness would depend, among many other aspects, on issues such as whether is socially acceptable for women to vote, whether organizations outside the state (the church, organized crime) boycott or tolerate the vote, whether voting takes place in a safe and protected physical environment, and so on, all conditions that can well vary even within the same state and the same set of formal rules.

As the remaining sections of the paper aim to show, it is exactly the existence in various areas of Italy of different access orders, despite the same set of formal institutions being in place, that can be used as a convincing explanation of the North-South economic divide.

3. Control over violence, political legitimacy, and the nature of exchange

The first building block of the NWW view is that the type of access order prevailing in a given context depends on the degree of penetration of state power and, in particular, its control over the legitimate use of violence. It is only when the state has full control over violence that it acquires the strength to eliminate privileged access to resources. The control over the legitimate use of violence is, however, only a precondition, and in order for OAOs to be

² Such as, for example, Britain, France and the United States in the long-run (North, Wallis and Weingast 2009), the developing countries (North, Wallis, Webb and Weingast 2007), and Germany in the interwar period (Reckendrees 2015).

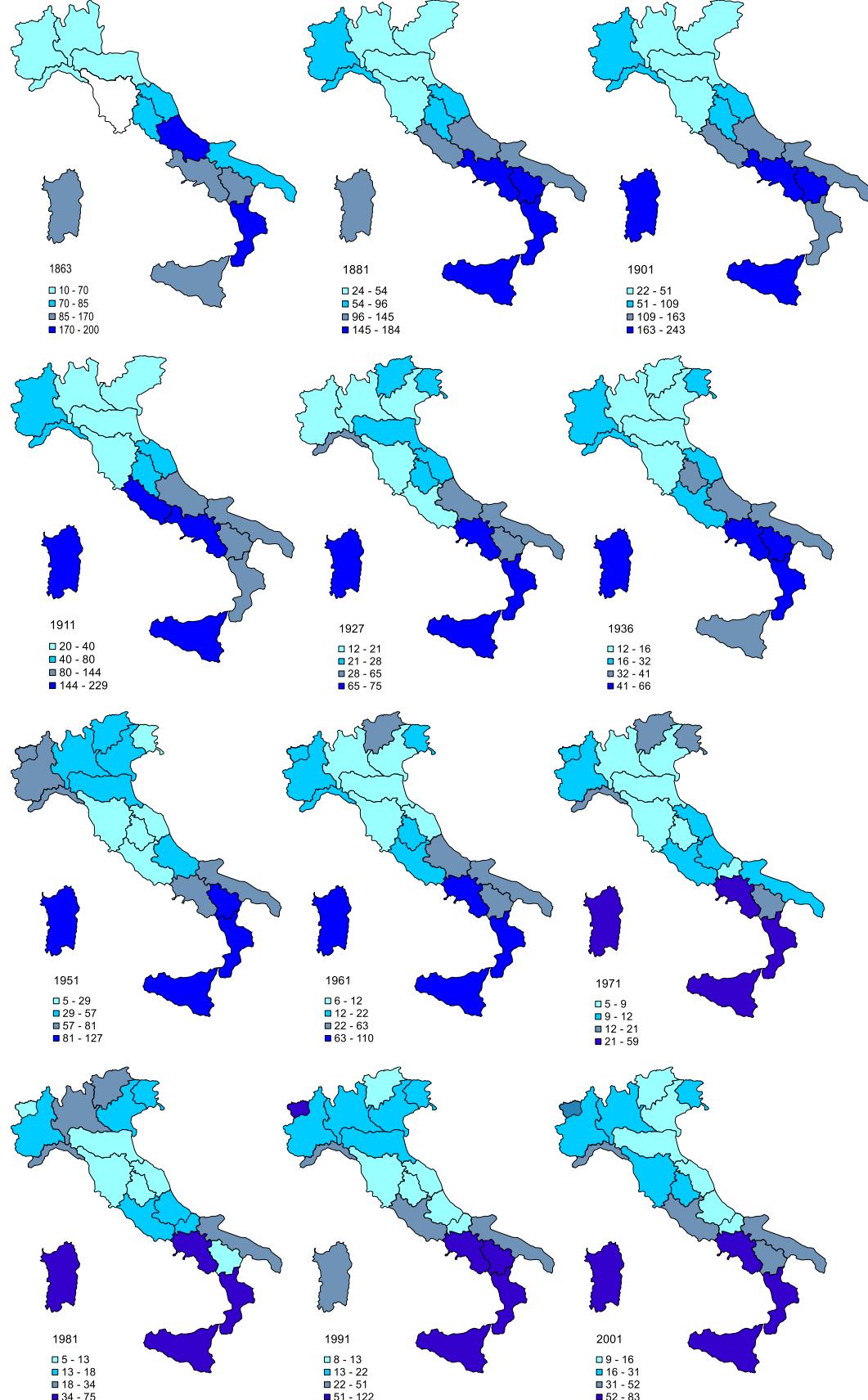
sustainable in the long-term other conditions are required too. For instance, as recently stressed by Reckendrees (2015, p. 4), the ability to create an OAO also depends on the state being able to promote efficient economic and political coordination. In analysing this dimension, NWW put emphasis first of all on the strength of social and cultural believes in the actual openness of the system as a fundamental element cementing the foundations of the OAO itself. In other words, shared and widespread trust that the system allows equal access to opportunities – what Reckendrees refers to as “political legitimacy” (p. 19) – is fundamental for the long-term ability to guarantee this outcome. Alongside the role of belief, NWW highlight other four elements which are, at the same time, indicators of the existence of a OAO as well as conditions for its viability. These four elements are: *i*) no restraint to entry activities (economic, political; religious); *ii*) equal support to all organisational forms via efficient external rules (for example enforcement of contracts); *iii*) impartiality in the enforcement of the rules of law; *iv*) impersonal exchange (i.e. the fact that the nature and outcome of economic and political interaction are independent from the role, connection prestige, etc. of the people involved).³ In this section of the paper we use various data and information to analyse how some of these elements have been operating in the Italian context; in particular, due to the nature of the available sources, we focus on the following three aspects: the control over the legitimate use of violence; the ability of the state to function of a coordination mechanism/the trust in such ability; the degree of impersonality in the exchange.

Firstly, the degree of monopoly over violence is studied by looking at the geographic distribution of violent crime per capita, specifically homicides. It is a well-established historical fact that organised crime – competing with the state for the use of violence – has existed in various regions of the country since unification. Our straightforward assumption is that homicides per capita measure the ability of the state to fight organised crime over time and space: the higher the control over the use of violence, the lower the number of homicides.⁴ Figure 2 presents the number of murders per million populations disaggregated at regional level for benchmark years. We may observe a significant North-South divide in terms of per capita murders, which goes back to the Unification (see the 1863 map) and – broadly speaking – remains unchanged throughout the history of post-unification Italy.

³ For a detailed analysis of these points, see NWW (2009, pp. 111-122).

⁴ Actually, however, homicides per capita may be low even when the state has not the full control of violence, but this control is held by other organizations as efficaciously as the state would. Nevertheless, such conditions are exceptional, usually limited in scope and time (for instance, this could be the case of the Sicilian Mafia for some years of the second half of the twentieth century, in some districts of the island). See on this Lupo (2004) and, for the very last years, La Spina (2016).

Figure 2. Number of murders on million population (1863-2001)



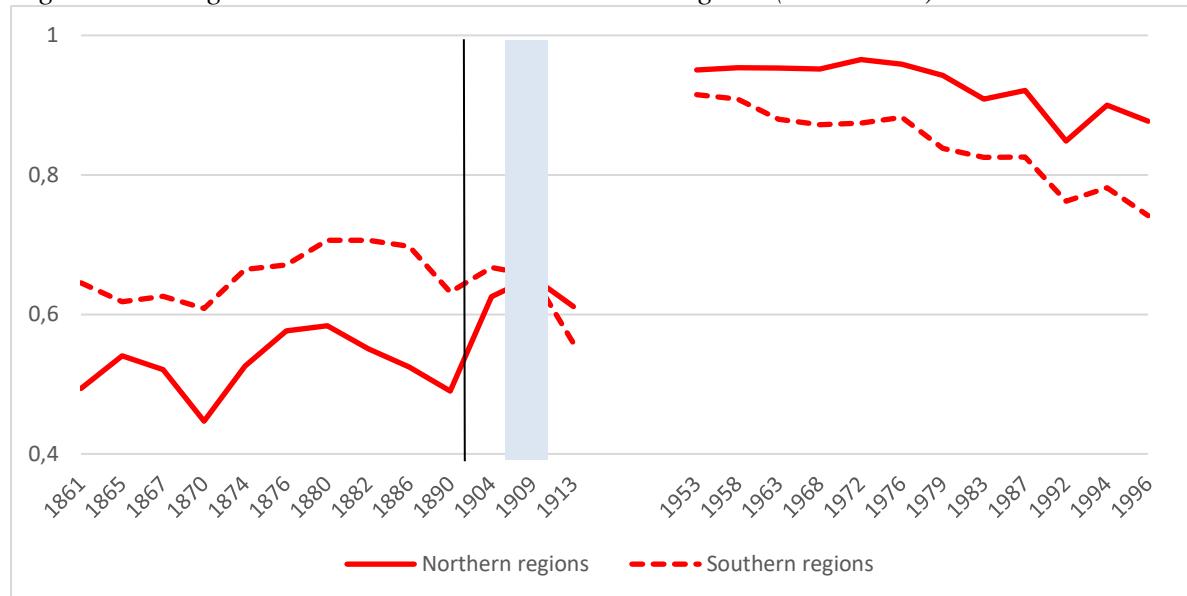
Sources: our elaboration on SGP (1865-67, 1884, 1904, 1915, 1931), ASI (1938), ASG (1955, 1964, 1974, 1984, 1993, 2003).

During the early stages of industrialization (years 1881-1911), as well as during the “economic miracle” (1951 and 1971), the per capita number of murders increases in the industrializing regions of Piedmont and Liguria – which at the time of the Italian “economic miracle” were receiving substantial immigrant flows from the South. More significantly, per capita murders increase in the Centre-North, and above all in Lombardy and Latium, also during the last decades of the twentieth century (1981-2001). However, it is worth noting that these trends are not enough to overturn, or even only to bridge, the North-South divide.

The regions with the highest number of murders – usually Campania, Calabria, Sicily, and Sardinia – continue to be all in the South. Actually, these regions show an impressive stability: Campania, Sicily and Calabria, the three regions where organized crime is stronger, are always at the top of the rankings from 1961 to 2001. Furthermore, it is worth mentioning that also the other regions of the South – Basilicata and Apulia, to a minor degree Abruzzi and Molise – rank well above the Centre-North, along the entire history of post-Unification Italy.

As a second indicator, we analyse the share of voters in elections as well as in the referendums. In this we follow a well-established approach (e.g. Putnam 1993), arguing that the participation to political events can be seen as a proxy for the population’s trust and interest in the actions of the state. As such, this measure is therefore an indication of the ability of the state to function as a coordination mechanism as well as of the strength of social beliefs in such ability. Data on the turnout in election area available since 1861 and are plotted in Figure 3.

Figure 3. Voting turnout in Northern and Southern regions (1861-1996)

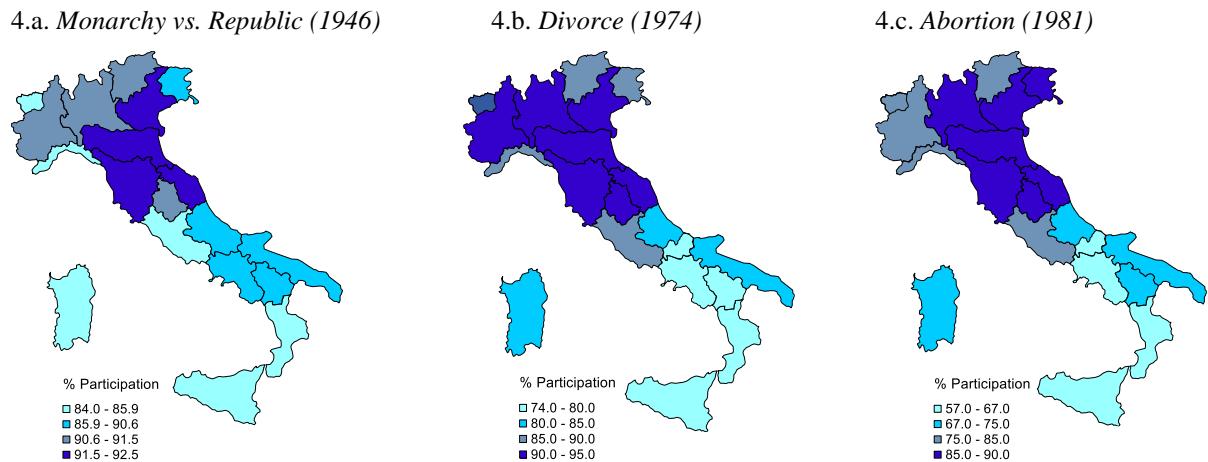


Source: Guiso and Pinotti (2011: Fig. 11.2, p. 310).

What emerges from these data is that as long as elections were based on limited suffrage, Southerners voted in a higher proportion to the Northerners, but as soon as the right to vote was extended to growing parts of the population, the trend inverted. Our interpretation is that the élites in the South held a big interest in the activity of the central government, for reasons that we briefly explained in the introduction and we fully develop in Section 4: a lobbying power over the central government was key in making sure that their privileges were not challenged. For the rest of the population, on the other hand, the state remained a detached institution – a “stone wolf”, as in a folk Southern song *Sempre poveri* of the mid-twentieth century (Salvatore 2002) – in which they held little trust or belief.

Similar evidence can be derived by looking at voting in referendums. Specifically, we looked at what can be considered the three most important referendums in the Italian history: Monarchy versus Republic (1946), Divorce (1974), and Abortion (1981). After the universal suffrage was fully established in 1946, such referendums are particularly indicative of generally-oriented topics, on big issues – the form of the state, the foundations of family and personal life – which have a potential interest for all the population, well beyond specific groups or social classes. Therefore, territorial differences in the rate of participation should not reflect differences in economic or social conditions, but in the degree of citizens’ involvement in public affairs. Monarchy versus Republic took place after the end of WWII (2-3 June 1946) and was the first truly universal suffrage (including the female population) held in Italy; the results of the referendum were meant to shape the political and institutional face of the country. The other two referendums, although less structural in terms of institutional implications, represented a fantastic watershed in cultural and social terms, considering the depth of the Catholic culture in the country and the total hostility of the Church and vast part of the political establishment to both divorce and abortion. Regional data on participation are plotted in Figure 4. Figures 4 (a, b, and c) all show a similar result, one of a clear North-South divide. In general, in the North and in Centre – and particularly in Emilia, Tuscany, Marche and Veneto – referendum participation was the highest in all the three instances, while in 1974 and 1981 also Lombardy and Umbria share this record (as did Piedmont and Friuli in 1974 and 1981 respectively). Apart from the regions scoring the highest turnout, what remains constant is the much higher turnout in the Centre-North as compared to the South. If ever, this difference even increased: in fact, while in 1946 the most active regions in the South (Abruzzi, Puglia, Molise, Basilicata and Campania) reach results higher or similar to the less active regions of the North and the centre (Liguria and Friuli, Lazio respectively), after that no region in the South ever matched one in the North-centre.

Figure 4. Participation to 1946, 1974 and 1981 referendums



Source: our elaboration on <http://elezionistorico.interno.it/> for 1946 and on MI (1977, 1982) for 1974 and 1981.

These results are compatible with the ones of the vast literature dealing with differences among the Italian regions in what can be defined as “social capital”. Elusive as it is, such a concept is usually calculated as a combination of social participation, political participation and trust (Putnam 1993). The last two of these measures typically refer to what we have considered, in this section, as indicators of the penetration of the state: political participation, which is most commonly measured through the share of voters in elections and referendums, and trust, which in the social capital approach is measured also (but not only) through violent criminality. Available estimates of social capital for the Italian regions all, coherently, indicate a clear-cut North-South divide, going back to the Unification times (Felice 2012), persistent (some changes nonetheless) throughout the XX century (Nuzzo 2016) and up to our days (Helliwell and Putnam 1995, Cartocci 2007, Sabatini 2008). However, even though social capital and the OAO/LAO approach lead to similar results and share some common features, in theoretical terms they are distinct and should not be confused. In the framework of this paper, lower social capital is the product of lack of political enforcement and the historical persistence of LAO characteristics: although institutions and culture are (obviously) interrelated, the prevailing causation link goes from the former to the latter.

Finally, something can be said about the dimension of the impersonality of the exchange. A vast literature has argued that the “traditional” family is a very powerful channel to guarantee the limited access to resources (i.e. for the exchange *not to be* impersonal), in all the (many) cases in which job allocation, favors, rents etc. are managed within more or less extended families; Banfield (1958), in his classical study, defined this mechanism “amoral familism”. Although quantitative evidence on this aspect is hard to find, Banfield himself argued that

“amoral familism” had much wider use in the South as compared to the North. As we will see in the next session, data on the results of referendums are, at least, in line with the idea of a stronger cultural and social support to and acceptance of the “traditional” family in the South of the country.

4. Evidence of different access orders

The data presented in the previous section clearly indicates that the conditions needed for the existence of an OAO applied and still apply very differently to the North and the South of the country. To what extent, however, did (and does) this diversity lead to inequality in the access to economic as well as socio-political opportunities? To answer this question, we present a set of data that, from different perspectives and in different ways, support the hypotheses this was (and is) indeed the case.

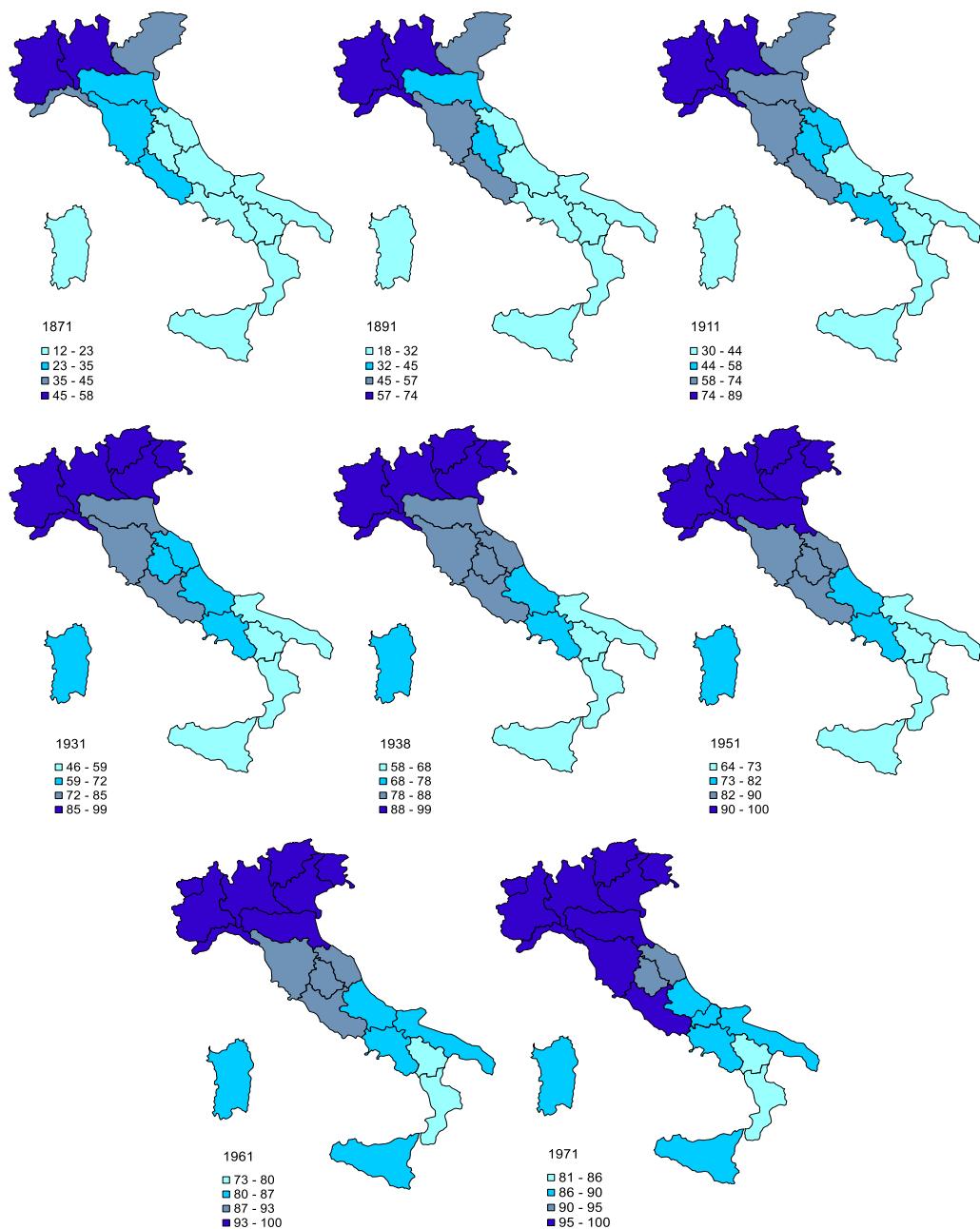
The first aspect we consider is the access to education; this is considered by NWW (2009, p. 118) one of the main channels to achieve that “extension of citizenship” constituting the pillar of OAOs. Education can also be seen as a basic measure of human capital, the proxy for the ability to access to opportunities of social emancipation and improvement of economic conditions. Figure 5 plots the literacy rates at regional level for various benchmark years. At the beginning of the period, the North-Western regions already show higher levels of human capital. Progressively, however, other regions in the North catch-up, with the Center that follows. Although some convergence is also visible for the South after WWI, the Southern regions remain constantly backward, even in 1971, the last year for which we are presenting our data.⁵

Despite the fact that since Unification primary school was regulated by national laws, the backwardness of the South in the process of human capital formation is due to two elements both linked to institutional issues, hence in line with the idea of the existence of two different institutional environments in the North and in the South of the country. Firstly, a negative role in the process of diffusion of human capital was due to the design of the Casati Law of 1859, which provided for the decentralization of primary schools to the country’s municipalities (*Comuni*). Since many areas of the country, particularly in the South, lacked sufficient resources to fund primary school, the regional gap widened considerably and convergence was not visible until the Daneo Credaro Law of 1911 which, by centralizing the entire system,

⁵ We stop presenting these data in 1971 as since WWII, literacy progressively becomes a less precise proxy for human capital, due a generalized increased in the average years of education.

fostered primary schooling and reduced the regional disparities (Cappelli 2016, Cappelli and Vasta 2016). The existence, for a long time, of such an unequal provision of resources for the educational system is linked to the “cognitive deficit” of the politicians of unified Italy who, as recently argued by Cassese (2011), failed “to integrate people in the institutions”, meaning that they were unable to provide adequate answers to the specific needs of the Italian economy (Di Martino and Vasta 2015a, 2015b).

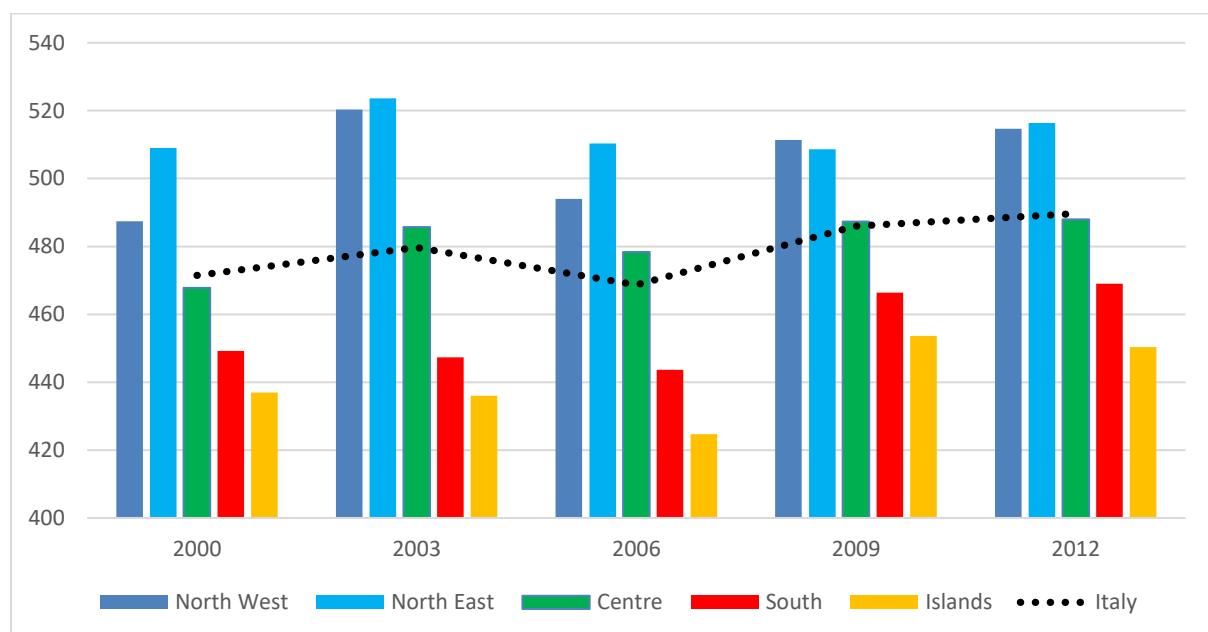
Figure 5. Literacy, 1871-1971



Sources: Felice and Vasta (2015)

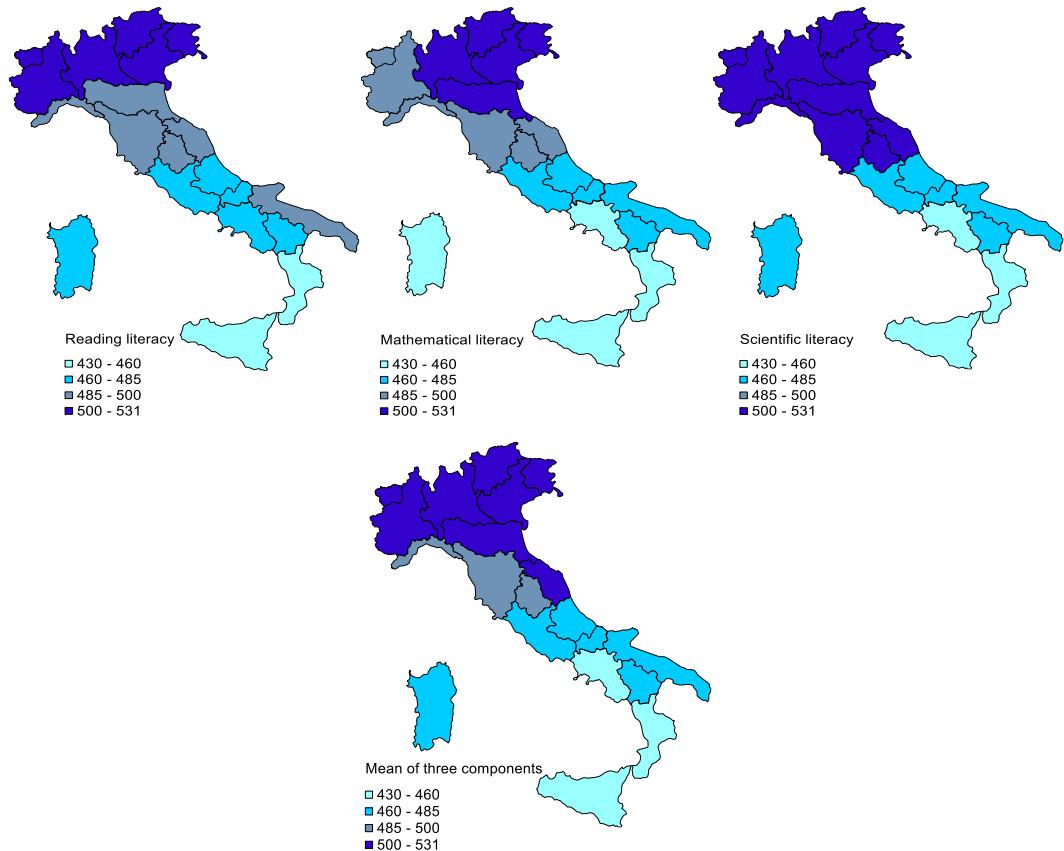
The second aspect is linked not just to lower resources in the South, but also to the preferences of the local élite which was happy to benefit from lower taxation at the expense of the limited opportunity for the mass of the population (A'Hearn and Vecchi 2017, Felice 2013). Such a behavior is one more confirmation of a widespread international literature, starting from Sokoloff and Engerman (2000) hypothesis, stressing as in agrarian contexts characterized by high land inequality, the élites (i.e., the landlords) have less interest in providing public education than in urban environments or in more equal societies as the benefits they can extract from this policy are lower (Erickson and Vollrath 2004, Banerjee and Iyer 2005, Wegenast 2010, Hippe and Baten 2014). It is remarkable to note how in the North and in the South different institutional settings led to the persistency of a gap in literacy rates despite a number of changes in the formal arrangements regulating the provision of schooling. As we claim in the next section, this gap is one of the main candidates in explaining the persistence of the wealth inequality between the two areas of the country. A similar picture can be derived by PISA data which measure, for the last 15 years, the performance at school level of 15 year old students, as an average of mathematical, literacy and scientific skills (Figures 6a-6b): also in school performance a clear unabridged North-South divide can be detected. For the previous decades, although we do not have quantitative information for this variable, we have anecdotal evidence that differences in the performance of public primary and secondary schools were noticeable, as early as in the interwar years (e.g. Levi, 2010, 190) and in the liberal age.

Figure 6a. PISA (mean of the three main components) results by macro-areas (2000-2012)



Sources: our elaboration on OECD (2000) and Checchi (2004) for 2000, Invalsi (2006) for 2003, OECD (2007) for 2006, Invalsi (2012) for 2009, Invalsi (2013) for 2012.

Figure 6.b. PISA results by regions (2012)

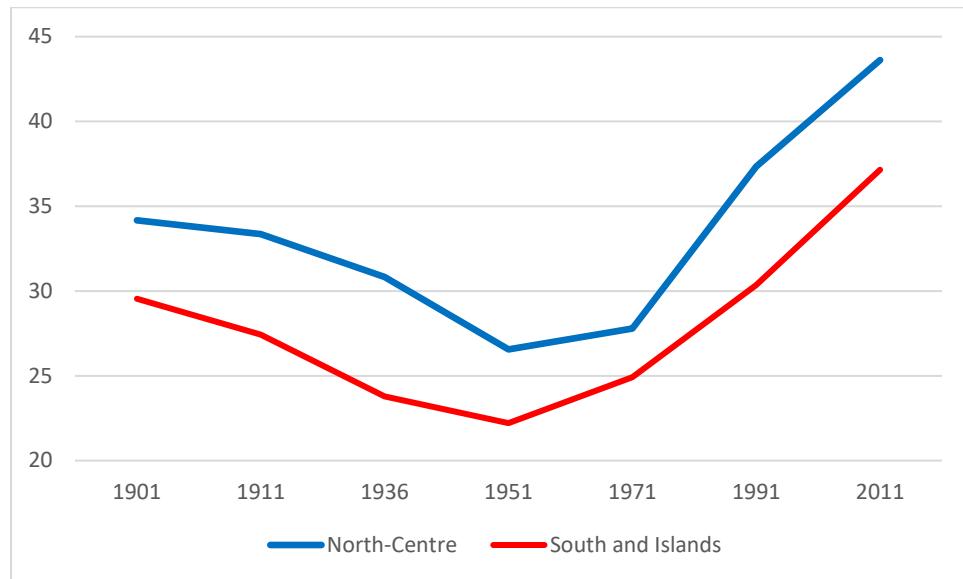


Source: our elaboration on Invalsi (2013).

While literacy rates, and education more in general, suggest an uneven access to resources according to social-economic dimension, the role of women in the economy unveils whether such unevenness also applies to gender. Figures 7a and 7b below show the general level of female participation to the labor market (7a) as well as its disaggregation by macro sector (7b).

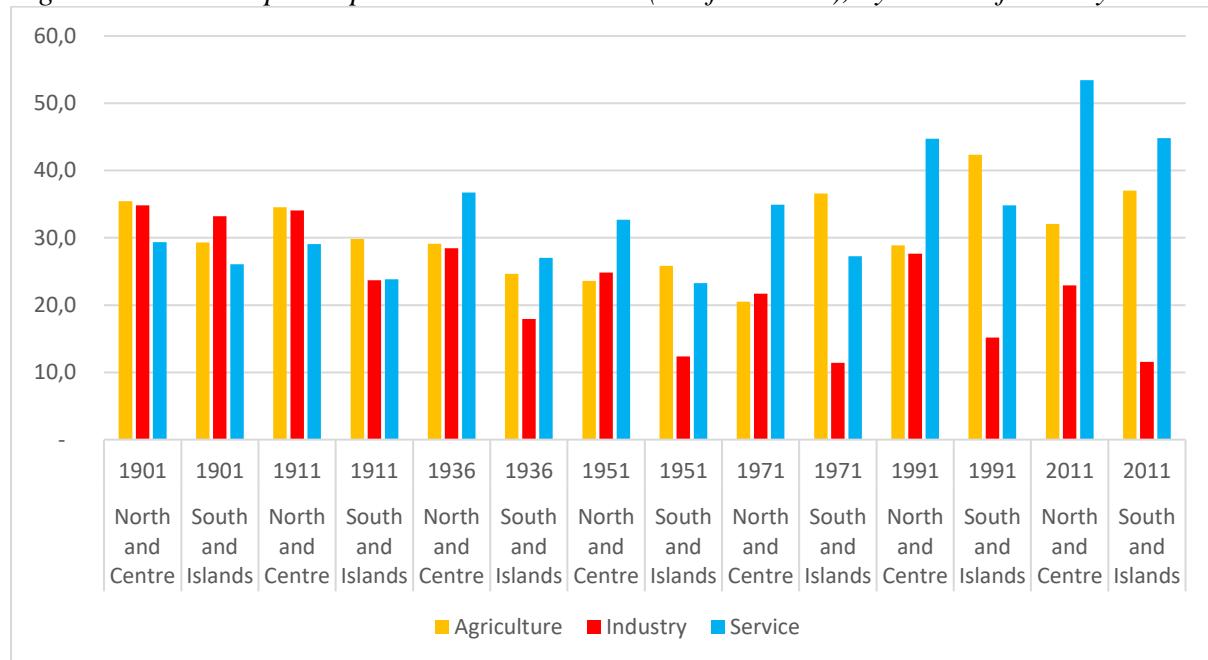
Figure 7.a shows how women participation to the labor market decreases until the 1950s and then increases again. Probably this is due, before 1951, to declining opportunities in traditional sectors combined with a general improvement in economic conditions (making redundant for women to work) that followed the progressive industrialization of the country. After 1951 the situation reverses, with more opportunities opening-up to women. Across the period, however, the gap between North and South is clear: constant until the 1950, declining for a short phase correspondent to the *golden age* (and the massive state investment in the South), and then opening up again since the 1970s.

Figure 7.a. Women participation in the labor market (% of the total)



Source: our elaboration on CP (1904, 1915, 1939, 1957, 1977, 1995, 2013) and Vitali (1970).

Figure 7.b. Women participation in labor market (% of the total), by sector of activity



Source: our elaboration on CP (1904, 1915, 1939, 1957, 1977, 1995, 2013) and Vitali (1970).

Not only, however, access to economic opportunities in general is segmented by gender but, within employment, women are confined to traditional (and lower paid) jobs much more in the South.⁶ Figure 7.b shows how in the North industry and agriculture (in similar share)

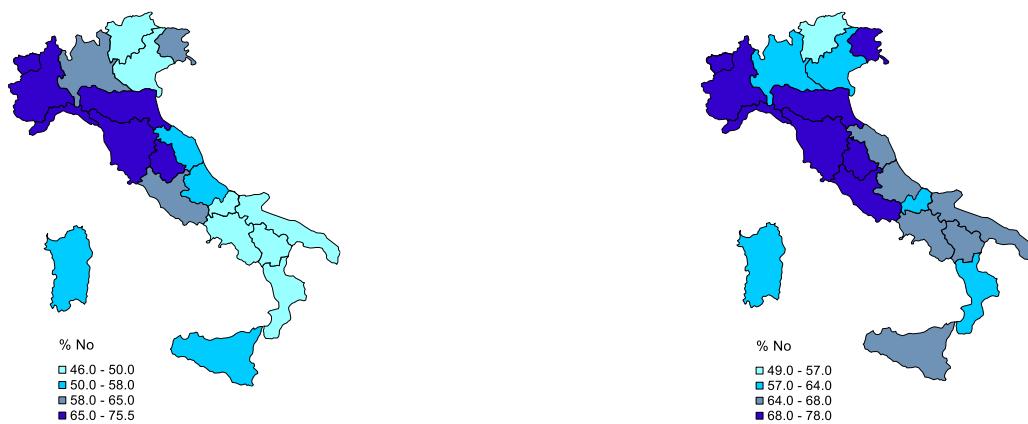
⁶ Male-female salary differences in the South are comparatively higher than in the Centre-North, and the female participation to the working force is smaller (e.g. Amici and Stefani 2013).

tend to hire the relative bigger percentages of women at the beginning of the period, but since 1936 women hired in services became the relative majority. In the South, to the contrary, agriculture tends to be the biggest employer of women up to the 1990s, with the exceptions of 1901 (when industry has the biggest share) and 1936 when services prevail. Probably the issue of migration after the War is part of the same narrative: unable to find opportunities in the South, skilled women migrated, making the share of unskilled women in agriculture looking bigger.

The limited access provided to women to economic opportunity can be seen from a different perspective, the one of the results of 1974 and 1981 referendums on divorce and abortion (Figure 8). Both referendums dealt with structural issues perceived by the public opinion as strongly influencing free-determination and the autonomy of women in the society. In both instances, what was perceived to be at stake was the possibility of women to shape their own destiny, having the full right of getting free from imposed and unhappy relationship or to avoid unwanted pregnancies. In other words, behind the specificity of the question, the referendums were also, if not mainly, a referendum on the role of women in the society. What Figure 8 shows is that, as for participation (Figure 4), results were quite clearly split between the North-Centre (favorable to the introduction of divorce and abortion, with the exception of very Catholic regions in the North-East) and the South.

Figure 8. Self-determination of women: results of 1974 and 1981 Referendum

8.a. Divorce (1974): % No (in favour of divorce) 8.b. Abortion (1981): % No (in favour of the legalization of abortion)



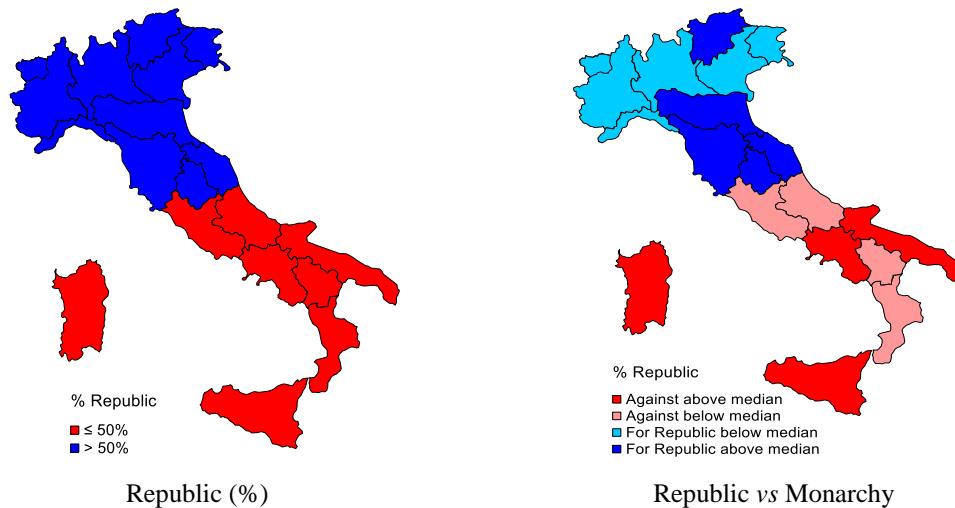
Source: our elaboration on MI (1977, 1982).

These results thus point towards a resistance, in the South, of a culture favorable to maintain women in their “traditional” ancillary role – something that is in line with the results showed above about women participation to the economy. However, these results can also be

seen in a less direct way; keeping women in their traditional role was also functional to the preservation of the “traditional” family, an “institution” that, as we stressed in the previous section, can strongly contribute to keep economic and political exchange on personal rather than impersonal basis, further limiting the access to political and economic opportunities.

The exemplary case for a North-South divide in the effectiveness and consensus for different access orders is probably the referendum concerning the form of the state – monarchy versus republic. Although it must not be necessarily so, in theory the republic is more open-access than the monarchy. In practice – that is, in the actual experience of the Italian history – it was surely so after WWII, having been the Italian monarchy seriously compromised with Fascism in the previous decades and usually conservative; the republic instead appeared to be (and actually was) much more progressive and inclusive. The results are mapped in Figure 9 and display a clear and strong North-South divide: all the South, plus Lazio, voted for the monarchy, unlike the Centre-North. The fact that the Nazi occupation lasted one more year in the Po Valley than in the Centre-South – with the consequence that the partisan movement, strongly pro-republic, lasted and grew powerful in the North more than in the Centre-South – played probably some role for this result. And yet, the geographical center of the peninsula (Tuscany, the Marches, Umbria, Lazio, Abruzzi) was all liberated from the Nazi at the same time (late spring-summer 1944), and later than the South (summer-early autumn 1943): if the duration of the Nazi occupation (and thus of the partisan movement) was the true explanation for the observed divide, the corresponding line should run either South of Abruzzi and Lazio, or North of Tuscany and the Marches; not in the middle of the peninsula, as it does.

Figure 9. The form of the state: referendum Monarchy vs. Republic (1946)



Source: our elaboration on <http://elezionistorico.interno.it/>

5. Explaining the Italian economic regional divide

Before starting the analysis of the causes of the Italian economic regional divide, it is worth mentioning that its extent, in terms of GDP per capita, is itself part of a wide debate. In this paper we rely on the most recent figures provided by Felice (2013) that show how the gap was already present at the time of Unification, but it was somehow limited. Between 1871 and 1911 the gap increases, slowly though (over the Italian average, set equal to 100, per capita GDP of South and islands decreased from 90 to 84); divergence accelerated in the interwar years and reached its peak after WWII (by 1951, per capita GDP of South and islands had gone down 61). During the *golden age* the distance declines (in 1971 per capita GDP of South and islands has risen up to 73), but since the 1970s it opens up again (by 2011, it is 68). Meantime, that is in the last forty years, the regions of the North-East and the Center converged towards the more advanced North-West and some of them (Veneto, Emilia) firmly overtook some historical leaders of the “industrial triangle” (based in Piedmont and Liguria): as a consequence, at the dawn of the new century in terms of GDP per capita Italy appears to be divided into two halves, as no other Western European country does, with all the regions of South and islands ranking at the bottom, those in the North and Centre laying above the national average and relatively close to each other.

To what extent does the interpretative framework (and the evidence) analyzed in the previous sections make sense of this pattern? Before entering the discussion, a point about endogeneity is worth being made, although on mere qualitative grounds. In strict economic terms, as mentioned above, North-South differences were relatively modest around Unification.⁷ Those in the access orders, at least according to the measures already available for that period - such as per capita murders (Figure 2) and literacy rates (Figure 5) - were instead much stronger. This suggests that, therefore, these latter did not depend on the major economic backwardness of the South, which in fact was not so pronounced: in other words, causation seems to go from social and institutional differences (already high by the time of unification) to economic ones (which instead at the beginning were modest, but would have subsequently increased); even though the two are obviously interrelated and feedbacks are present.

⁷ According to alternative estimates by Daniele and Malanima (2007) the South had on average the same per capita GDP as the Centre-North in 1861 and 1871; after that, it followed approximately the same pattern as in Felice. It is worth noticing that by accepting them our argument would grow stronger, since the differences in access orders observed in the previous sections would not be due to economic differences – and therefore, rather, they should cause them.

At the down of Unification, in the mid-nineteenth century, the various states that were going to be forged into the Italian nation can all be described, overall, as LAO systems. The generic belonging of various states to the LAO category does not imply at all, however, that institutional conditions were the same everywhere. These differences explain not only the fact that a gap in income per capita, however small, did exist, but are also part of a trajectory of evolution that explains why such gap kept increasing during the period up to WWI. A comparison between the institutional arrangements in the two biggest political entities in the North and the South of the country (respectively the Kingdom of Sardinia and the Kingdom of the Two Sicilies) shows how a trajectory of openness towards political and economic opportunities was taking place in the former while was not in the latter. In terms of state control of violence, a necessary condition for any evolution towards OAOs, while the Kingdom of Sardinia had a solid grasp on the vast majority of its territory (with the possible exceptions of some areas on inner Sardinia), in the Kingdom of the Two Sicilies the LAO took a form between “fragile”, with domination of uncontrolled violence and even “failed” States (in parts of Sicily and Campania, where Mafia and Camorra were already present, in territories of Calabria and Lucania where banditry was widespread), and “basic”, where order was maintained but with the only aim of guaranteeing privileges and rents (those of the landowners, namely). At political level, in the Kingdom of Sardinia the existence of a constitution – approved in 1848 as a result of the revolutionary movements taking place across Europe in that year and then never repealed – is the most visible sign of a process of progressive depersonalisation and democratisation of power typical of the transition towards an OAO. Parallel to this, a progressive opening-up of opportunities is also visible in many aspects of the economic sphere. To the contrary, in the Kingdom of the Two Sicilies the constitution, also approved in 1848 for the same reasons as in the Kingdom of Sardinia, was quickly banned as soon as political tensions faded. This went hand-in-hand with brutal repression of political freedom as well as the preservation of conservative institutions in the economic sphere (Felice 2013, p. 18). The state therefore appears as a mere coalition among élites providing a set of extractive institutions, and allowing organised crime to grow and to exercise the power of para-legal enforcement.

At Unification, in 1861, the regions of the North thus already had institutional arrangements that were compatible with the three elements that NWW (2009, pp. 148-181) indicate as the “doorstep conditions” for a transition into an OAO. Firstly, there was an institutionalised “rule of law” that applied at least to the elite, meaning that conflicts were resolved via the use of institutional channels (such as courts) rather than via personal

connections. Secondly, the state and its bureaucracy appeared as long-living institutions independent from the specific people at power. Finally there was full control over the police and the army.⁸ Starting from these premises, institutional changes promoted by the Kingdom of Italy went, although not always totally coherently, towards the opening-up of opportunities in both the political and the economic sphere. In the former, for examples, changes to the electoral system in 1882 and 1912 led to a substantial increase (from about 2% to 23% of the adult male population) in the participation to the governance of the state. The freedom to form and join political parties was also improved, especially after the rise to power of Giovanni Giolitti as prime minister around the turn of the century (Carocci 1961). Unification, to the contrary, brought to the South no real political change: the élites (formally) rapidly embraced the new regime (and the new “inclusive” discourse) but only in order to remain in the position of defending their own privileges. As the young and rampant Sicilian aristocrat Tancredi (who had joined the rebellion against the ancient regime following the arrival of Garibaldi) explains to his conservative uncle in the novel by Tomasi di Lampedusa *Il Gattopardo (The Leopard)* “everything changes so that nothing changes”. So while inclusive intuitions were passed by the new Kingdom of Italy, suitable for liberal and advanced economies, these in the South remained empty facades behind which informal extractive institutions – for instance the power of organised crime and their enforcement of the elites’ power in the countryside – continued to rule. Diverging evolutions towards the access to political opportunities in the North and in the South are mirrored in the economic sphere, especially in the key area (for what was at the time a mainly agrarian country) of the institutional settings in agriculture. Neither liberal reforms of the 1860s nor protectionism after the 1870s succeeded in dismantling the latifundium in the South and to allow agricultural workers to benefit from a more open and equalitarian access to opportunities such as the ones possible under small tenancy or share-cropping in the North.⁹

The divergent path of institutional change (evolution towards an OAO in the North, immobility in the South) up to WWI is at the roots of the growing economic gap between Italian regions, via its impact on the process of industrialisation that was taking place during the same years. So while the LAO South remained mainly rural and backward, the Northern regions industrialised and grew. The link between the relative levels of openness of the institutional settings in the North and the South, on the one side, and the different degrees of industrialisation

⁸ On this point, however anecdotally, the episodes of Garibaldi (leader of an informal militia of volunteers) handing power to King Vittorio Emanuele II over the regions of the South he occupied in 1860, or surrendering to the Italian army in 1862, support the idea of the existence of a recognised state monopoly over military power.

⁹ See Sereni (1946), Macry (1997) and Felice (2015).

in the two areas (and thus ultimately the increasing gap in income per capita), on the other, took at least three different forms.

Firstly, at a very general level, it is possible to argue that the diffusion, in the North, of institutional and impersonal “rules of the game” in areas such as contract enforcement, as compared to the use of violent and personalised enforcement, also via organised crime in the South, paved the way for a reduction in transaction costs and a generic support to investment and entrepreneurship.

Secondly, different degrees of freedom to access opportunities, offered by different institutional settings in agriculture, contributed to explain the differences in terms of accumulation of human capital in the North vis-à-vis the South. This is because while unskilled workers in the latifundium did not have opportunities (nor the incentives) to improve their conditions or the one of their sons via education or training, share-cropping as well as small independent ownership offer the opportunity to (and/or require) this type of investment. The relevance of the link between the type of land ownership and accumulation of human capital has been emphasised by Mazzotti (2017) for the area of Romagna, while the link between the two and industrialisation has been stressed, among the others, by Cafagna (1961) in the context of Lombardy.

A third possible link between openness of institutions and degrees of industrialisation in the two areas relates to the access to education, technical education in particular. As we stressed in the previous section of the paper, despite education being regulated by national laws, local institutional settings meant that the access to the opportunity of schooling was much more open in the North than in the South. In a recent paper, Nuvolari and Vasta (2017) argued that differences in the human capital formation across provinces are a powerful explanation of the geographic localization of patenting activities and consequently of the manufacturing activities in Italy during the Liberal age.

In the first decades after unification these issues were not talked at national level mainly because of a problem of “cognitive deficit” (Di Martino and Vasta 2015a, 2015b). Northern politicians did not know and understand the South, and they promoted institutions which were effective and rationale, but only in the North. It is worth noting that Camillo Cavour, the leading figure of the first steps of the Italian unification process, never visited a place South of Florence in his life (Cassese 2011, 35). After the 1870s, with the rise of the so-called *sinistra storica*, the situation even worsened as Southerner elites will became a key element in balancing fragile coalitions and to obtain, in return, a compromise between the approval of reforms applicable only to the North and the preservation of their interests in the South.

Fascism and WWII represented a step backward in terms of the evolution from a LAO to an OAO visible in the North. The access to both economic and political opportunities – after a brief phase of “liberal” policies in the economic sphere in the early 1920s (Bel 2011) – became more and more restricted to obey to the need of the regime. Even more importantly, however, fascism froze the Italian institutional divergence between the North and the South crystallizing the differences already emerged. This is particularly clear in the two areas that most penalised the process of industrialisation and development on the South: the role of organised crime and the ownership of land. Regarding the former, despite the rhetoric of the new regime, the attempts at fighting organised crime in the South ended-up in a mix of brutality and ineffectiveness: Mafia’s “foot soldiers” were arrested and killed, but the structural links between the economic and criminal elites remained untouched, ready to start operating under changed circumstances. In the agrarian sector, extensive latifundium was not fundamentally challenged, some land reclamation nonetheless; actually it was even reinforced by some fascist policies such as the “Battle for Grain”, which favoured labour-extensive and land-consuming wheat at the expense of more labour-intensive and land-saving crops (more suitable to the factor endowments of the South, rich in labour and poor in land). The inability to correct the institutional inefficiencies in the South further reinforced the inertia of different paths of industrialisation fuelled by the existence of different access orders in the previous decades. In fact, the South remained overwhelmingly agricultural (and backward, locked in its LAO order): the share of agricultural employment out of the total employment hovered around 60 per cent from 1911 to 1951, at the same time as in agriculture Southern productivity sharply declined in comparison to the North (Felice 2011: 937–940). Conversely, the Centre-North continued to industrialize. It is this scenario that led to the emergence of the biggest ever gap in the regional economic divide.

In the decades after the end of WWII, Italy embarked on a complex transition towards an OAO. As for the liberal age, this transition had a different impact on different areas of the country. In the South changes were only cosmetic and, *de facto*, this area only evolved “horizontally”, remaining a LAO where aristocratic privileges were substituted by rents given to political clienteles and lobbies.¹⁰ In the other regions, the transition to an OAO was undeniable yet far from linear or perfect: alongside inclusive institutions being passed in the areas such as voting rights, education, public health, and various aspects of social life (as the

¹⁰ E.g. Felice (2013). But see also Lupo (2004) for Sicily, Barbagallo (2011) for Campania. For the second half of the twentieth century, see also Trigilia (1995); with respect to Southern Italy, see also Bevilacqua (1997); with respect to the Centre-North, see also Bagnasco (1985) and Trigilia (1986).

referendums on divorce and abortion discussed above), in the economic sphere, extractive institutions remained largely diffused, for example the strong artificial protection given to small firms' dimension or the lack of control over widespread tax evasion (Di Martino and Vasta 2015a, 2015b, forthcoming). In these cases, Southern constituencies became key in the passing of laws and regulations (or in not suggesting changes at least) and supported them in return to a blind eye towards the existence of extractive institutions in the South. Once again, formal institutions (not always inclusive) applied to the North, informal (always extractive) institutions persisted in the South.

The decline of the Italian economy and the parallel increasing economic distance between the North and the South of the last four decades (with the exception of the brief boom of the early 1980s) can thus be explained by looking at institutional issues: inadequate formal institutions frustrated the economic development of the most advanced areas of the country, but even more unsuitable extractive informal institutions blocked the South in its relative backwardness. For instance, more "inclusive" institutions led to higher levels of social capital in the North-East and the Centre, paving the way for a reduction in transaction costs and the emergence of industrial districts (e.g. Ramazzotti, 2010; Cusmano, Morrison and Pandolfo, 2015); while Southern Italy lacked it and stagnated (Felice 2012, Felice and Vecchi 2015a, pp. 235-237)¹¹. Parallel to this, the traditional lower female participation in the labour force in the South also affected economic growth, particularly in the last decades, when the falling back of the South in per capita GDP was driven by a decreasing employment rate with respect to the Centre-North, while per worker GDP slowly converged (Felice and Vecchi 2015b, p. 533).

It might be less straightforward, on the basis of the interpretation provided above, to explain while in the 1950s and 1960s the South temporarily converged exactly while the North was enjoying a spectacular economic performance. In fact, this phase too is consistent with our interpretation; ineffective economic institutions were not modified, but the forces behind the growth in the North were too strong to be frustrated by issues such as inefficient bankruptcy law or tolerance towards pseudo-fraudulent form of firms' ownership and governance (Di Martino and Vasta 2010, forthcoming). At the same time, massive state intervention and investment helped the economic conditions of the South to an extent that more than compensated for the North "economic miracle". However, this intervention did not modify the South's institutional set-up and social structure and in some respects – after the collapse of the top-down

¹¹ Furthermore, the industrial advantage acquired by the North, thanks to its take-off during the liberal age, may have helped it, in the last decades, to move to the knowledge-based economy (Quatraro 2009).

industrialization strategy following the oil crisis of the 1970s and the redirection of public intervention towards unproductive expenses (Felice and Lepore 2017) – even reinforced it. As a consequence, the South was bound to fall back again, once state intervention had become ineffective and, later on, began to retreat.

6. Conclusions

In this paper we have argued that the approach by NWW (2009), which introduces the conceptual categories of “access orders”, seems to be able to explain the peculiar long-run characteristics of the Italian institutional set-up and, via this, the regional patterns of economic growth within the country. By merging two recent interpretations based on Italian institutional weakness, we have identified the parallel existence in Italy of two different orders: on one hand, the North followed, since Unification, a slow and difficult transition from LAO to OAO which ended after the WWII; on the other hand, the South only evolved “horizontally”, remaining a peculiar type of LAO, with the aristocratic privileges substituted by rents given to political clienteles and lobbies. In support of this thesis, we have presented and discussed several measures which point towards a clear and persisting North-South divide: for what concerns the political enforcement and monopoly of violence, as proxied by the rate of murders, or by the political participation in elections and referendums; as well as with respect to the existence of different access opportunities, as measured by the levels of literacy and education, by the participation of women to the labour market and by the results of referendums about the form of the state and the women’s rights. To this broad framework, a number of qualifications (or caveats) can be added.

First of all, we should ask ourselves why, and how, different orders can coexist in the same formal institutions: clearly, formally identical institutions may not be the same in practice, because of different informal institutions and because of inherited cultural traits. These features are obviously interrelated, but it is worth noticing that the widespread literature about North-South differences in social capital – and via this in institutional performance – usually argues that these differences, going back to the eighteenth-nineteenth centuries (Felice 2012, 2013), to the early modern period (Padgen 1989, Marini 2016) if not to the middle ages (Putnam 1993), are a consequence of different institutional settings, in the agrarian regimes or in the political scaffolding. Such differences have made formally identical political institutions (typically the representative system via suffrage) work very differently, in the history of modern Italy. Furthermore, between the North and the South significant differences are

observed also in formal institutions: in the agrarian regimes, again (think of latifundium versus sharecropping), as well as for what concerns the long-lasting pervasive presence of organized crime (which can be seen as a formal, although illegal, institution) in the most important Southern regions.

Secondly, from our analysis some policy implications follow for what concerns the bridging of the North-South divide: the way should be to endow the South with better formal and informal institutions; it inevitably passes through the defeat of organized crime. Such a goal, however, can be no easy to achieve, as long as in important areas of the South a widespread, at times implicit acceptance of organized crime and its logics persists.¹² This is where formal institutions, informal ones and culture intermingle – and it is precisely here that even for the most capable (and well-disposed) policy maker it is more difficult to act.

Finally, it is worth explicating that there are different degrees of institutional failure, between the South on the one side, Italy as a whole on the other. In the last twenty-five years, the economic performance of Italy has been disappointing because of an institutional failure at the national level: it became manifest only recently, but in many respects, such as the national innovation system (Nuvolari and Vasta 2015), it also has a long history, related to the Italian national building and institutional set-up (Felice 2015, Di Martino and Vasta 2015a, 2015b, forthcoming). In the last decades at least, the institutional failure of the South, more profound as well as more historically persistent, combines with the national one.

¹² Only think, in recent times, of the negative reaction to Saviano's international best-seller *Gomorrah* by famous Neapolitans such as Fabio Cannavaro, former captain of the Italian football national team, or Pino Daniele, a very well-known singer.

References

Amici, M., Stefani, M.L. (2013), *A Gender Equality Index for the Italian regions*. Bank of Italy, Questioni di economia e finanza (occasional papers), n. 190, June.

Acemoglu, D., Robinson, J. (2012), *Why Nations Fail. The Origins of Power, Prosperity, and Poverty*. London: Profile Books.

A'Hearn, B., and Vecchi, G. (2017), "Education" in G. Vecchi (ed), *Measuring Wellbeing. A History of Italian Living Standards*, Oxford: Oxford University Press, pp. 175–214.

A'Hearn, B. and Venables, J. (2013), "Regional disparities: internal geography and external trade", in Gianni Toniolo (ed.) *The Oxford handbook of the Italian economy since the Unification*, Oxford: Oxford University Press: 599-630.

Bagnasco, A. (1985), *Tre Italie. La problematica territoriale dello sviluppo italiano*. Bologna: il Mulino.

Banerjee, A., Iyer, L. (2005), "History, institutions and economic performance: The legacy of colonial land tenure systems in India", *American Economic Review*, 95 (4): 1190–1213.

Banfield, E.C. (1958), *Moral Basis of a Backward Society*, Glencoe IL.

Barca, F. (1997), "Compromesso senza riforme nel capitalismo italiano", in *Storia del capitalismo italiano dal dopoguerra a oggi*, ed. by F. Barca: 3–115. Rome: Donzelli.

Barbagallo, F. (2011), *Storia della camorra (II ed.)*. Rome-Bari: Laterza.

Bel, G. (2011), "The first privatisation: selling SOEs and privatising public monopolies in Fascist Italy (1922–1925)", *Cambridge Journal of Economics*, 35 (5): 937–956.

Bevilacqua, P. (1997), *Breve storia dell'Italia meridionale (III ed.)*. Rome: Donzelli.

Cafagna, L. (1961), now in Cafagna, L. (1989), *Dualismo e sviluppo nella storia d'Italia*, Padova: Marsilio.

Capecelatro, E.M. and Carlo, A. (1972), *Contro la 'questione meridionale'*. Roma: Savelli.

Cappelli, G. (2016), "Escaping from a human capital trap? Italy's regions and the move to centralized primary schooling, 1861-1936", *European Review of Economic History*, 20 (1): 46–65.

Cappelli, G. and Vasta, M. (2016), *Can school centralization foster human capital accumulation? A quasi-experiment from early-20th-century Italy*, mimeo.

Carocci, G., (1961), Giolitti e l'eta' Giolittiana. La politica italiana dall'inizio del secolo alla prima guerra mondiale. Torino: Einaudi

Cartocci, R. (2007), *Mappe del tesoro. Atlante del capitale sociale in Italia*. Bologna: il Mulino.

Cassese, S. (2011), *L'Italia: una società senza Stato?* Bologna: il Mulino.

Checchi, D. (2004), *Da dove vengono le competenze scolastiche? L'indagine PISA 2000 in Italia*, mimeo, October.

Colli, A., Rinaldi, A. (2015), "Institutions, Politics, and the Corporate Economy", *Enterprise & Society*, 16 (2): 249–69.

Cusmano, L., Morrison, A., Pandolfo, E. (2015), "Spin-off and clustering: a return to the Marshallian district", *Cambridge Journal of Economics*, 39 (1): 49–66.

Daniele, V., Malanima, P. (2007), “Il prodotto delle regioni e il divario Nord-Sud in Italia (1861-2004)”, *Rivista di Politica Economica*, 97(3-4): 267-315.

Di Martino, P., Vasta, M. (2010), “Companies’ insolvency and ‘the nature of the firm’ in Italy, 1920s-1970s”, *Economic History Review*, 63 (1): 137–64.

Di Martino, P., Vasta, M. (2015a), “Wealthy by accident? Firm structure, institutions and economic performance in 150 (+3) years of Italian history: Introduction to the special forum”, *Enterprise & Society*, 16 (2): 215–224.

Di Martino, P., Vasta, M. (2015b), “Happy 150th birthday Italy? Institutions and economic performance since 1861”, *Enterprise & Society*, 16 (2): 291–312.

Di Martino, P., Vasta, M. (forthcoming), “Revisiting the Italian ‘economic miracle’: law, firms’ governance and management (1950-1973)”, *Business History Review*.

Felice, E. (2011), “Regional value added in Italy, 1891-2001, and the foundation of a long-term picture”, *The Economic History Review*, 64 (3): 929–950.

Felice, E. (2012), “Regional convergence in Italy, 1891–2001: testing human and social capital”, *Cliometrica*, 6 (3): 267–306.

Felice, E. (2013), *Perché il Sud è rimasto indietro*. Bologna: il Mulino.

Felice, E. (2015), *Ascesa e declino. Storia economica d’Italia*. Bologna: il Mulino.

Felice, E., Vasta, M. (2015), “Passive Modernization? Social Indicators and Human Development in Italy’s Regions (1871-2009)”, *European Review of Economic History*, 19 (1): 44–66.

Felice, E., Vecchi, G. (2015a), “Italy’s Modern Economic Growth, 1861-2011”, *Enterprise & Society*, 16 (2): 225–248.

Felice, E., Vecchi, G. (2015b), “Italy’s Growth and Decline, 1861-2011”, *Journal of Interdisciplinary History*, 45 (4): 507–548.

Felice, E., Lepore, A. (2017), “State intervention and economic growth in Southern Italy: the rise and fall of the ‘Cassa per il Mezzogiorno’ (1950-1986)”, *Business History*, 59 (3): 319–341.

Ginsborg, P. (2006), *Storia d’Italia dal dopoguerra a oggi*. Turin: Einaudi

Helliwell, J.F., Putnam, R. (1995), “Economic growth and social capital in Italy”, *Eastern Economic Journal*, 21 (3): 295–307.

Hippe, R., Baten, J. (2014), “Keep them Ignorant. Did Inequality in Land Distribution Delay Regional Human Capital Formation?”, Working paper, University of Tübingen.

Invalsi (2006), *Rapporto nazionale OCSE-PISA 2003. Il livello di competenza dei quindicenni italiani in matematica, lettura, scienze e problem solving*. Rome: Armando Editore.

Invalsi (2009), *Le competenze in lettura, matematiche, scienze degli studenti quindicenni italiani. Rapporto nazionale Pisa 2009*. Rome: Armando Editore.

Invalsi (2013), *OCSE PISA 2012. Rapporto nazionale. Le competenze in matematica, lettura e scienze degli studenti quindicenni italiani*. Rome: Armando Editore.

La Spina, A. (2016), *Il mondo di mezzo. Mafie e antimafie*. Bologna: il Mulino.

Levi, C. (2010), *Cristo si è fermato a Eboli* [1945]. Turin: Einaudi. [11]

Lupo, S. (2004), *Storia della mafia. La criminalità organizzata in Sicilia dalle origini ai nostri*

giorni (III ed.). Rome: Donzelli.

Macry, P. (1997), “Rethinking a stereotype: Territorial differences and family models in the modernization of Italy”, *Journal of Modern Italian Studies*, 2 (2): 188–214.

Marini, M.B. (2016), *La via italiana allo sviluppo. In Le buone abitudini. L'approccio culturale ai problemi dello sviluppo*, ed. by. M.B. Marini: 137–173. Rome: Donzelli.

Mazzotti, O. (2017), “Istruite dalla cattedra, istruite coll'esempio!”. Conoscenze agrarie e capitale umano in Romagna tra Otto e Novecento. Bologna: Il Mulino.

North, D.C (1990), *Institutions, Institutional Change, and Economic Performance*. New York: Cambridge University Press.

North, D.C (2005), *Understanding the Process of Economic Change*. Princeton: Princeton University Press.

North, D.C., Wallis, J.J., Weingast, B.R. (2009), *Violence and Social Order. A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge University Press.

North, D.C., Wallis, J.J., Webb, S.B., Weingast, B.R. (2007), *Limited Access Orders in the Developing World: A New Approach to the Problems of Development*. The World Bank, Policy Research Working Paper 4359.

Nuvolari, A., Vasta, M. (2015), “The Ghost in the Attic? The Italian National Innovation System in Historical Perspective, 1861–2011”, *Enterprise & Society*, 16 (2): 270–290.

Nuvolari, A., Vasta, M. (2017), “The geography of innovation in Italy, 1861–1913: evidence from patent data”, *European Review of Economic History*, forthcoming, doi: 10.1093/ereh/hex006 .

Nuzzo, G. (2006), *Un secolo di statistiche sociali: persistenza o convergenza tra le regioni italiane?* Quaderni dell’Ufficio Ricerche Storiche 11. Bank of Italy, Rome.

OECD (2000), *Measuring student knowledge and skills. The Pisa 2000 assessment of reading, mathematical and scientific literacy*. OECD, Paris.

OECD (2007), *PISA 2006: Science Competencies for Tomorrow's World*. OECD, Paris.

Padgen, A. (1989), *La distruzione della fiducia e le conseguenze economiche a Napoli nel secolo XVIII*. In *Le strategie della fiducia. Indagini sulla razionalità della cooperazione*, ed. by D. Gambetta: 165–182. Turin: Einaudi.

Putnam, R.D. (1993), *Making Democracy Work. Civic Traditions in Northern Italy*. With R. Leonardi and R.Y. Nanetti. Princeton (NJ): Princeton University Press.

Quatraro, F. (2009), “Innovation, structural change and productivity growth: evidence from Italian regions, 1980–2003”, *Cambridge Journal of Economics*, 33 (5): 1001–1022.

Ramazzotti, P. (2010), “Industrial districts, social cohesion and economic decline in Italy”, *Cambridge Journal of Economics*, 34 (6): 955–974.

Reckendrees, A. (2015), “Weimar Germany: the First Open Access Order that Failed?”, *Constitutional Political Economy*, 26 (1): 38–60.

Sabatini, F. (2008), “Social capital and the quality of economic development”, *Kyklos*, 61 (3): 466–499.

Salvatore, M. (2002), *La luna aggira il mondo e voi dormite. Autobiografia raccontata ad Angelo Cavallo*. Roma: Stampa alternativa.

Sereni, E. (1946), *Il capitalismo nelle campagne (1860-1900)*. Turin: Einaudi.

Sokoloff, K., Engerman, S. (2000), “Institutions, Factor Endowments, and Paths of Development in the New World”, *The Journal of Economic Perspectives*, 14 (3): 217–232.

Tomasi di Lampedusa, G., (1958), *Il Gattopardo*. Milano: Feltrinelli (English translation *The Leopard*, 1960)

Trigilia, C. (1986), *Grandi partiti e piccole imprese. Comunisti e democristiani nelle regioni a economia diffusa*. Bologna: il Mulino.

Trigilia, C. (1995), *Dinamismo privato e disordine pubblico. Politica, economia e società locali*. In *Storia dell'Italia repubblicana*, vol. II: *La trasformazione dell'Italia: sviluppo e squilibri. I. Politica, economia, società*, ed. by F. Barbagallo: 713–77. Turin: Einaudi.

Vitali, O. (1970), *Aspetti dello sviluppo economico italiano alla luce della ricostruzione della popolazione attiva*. Rome: Failli.

Wegenast, T. (2010), “Cana, café, cacao: Agrarian structure and education in Brazil”, *Revista de Historia Económica, Journal of Iberian and Latin American Economic History*, 28 (1): 103–137.

Official sources

ASG:

Istituto Centrale di Statistica (1955), *Annuario delle statistiche giudiziarie: anni 1951-1952*, Serie I, vol. 3, Rome: Tipografia F. Failli.

Istituto Centrale di Statistica (1964), *Annuario di statistiche giudiziarie: 1961*, vol. XI, Rome: Istat.

Istituto Centrale di Statistica (1974), *Annuario di statistiche giudiziarie: 1971*, vol. XXI, Rome: Istat.

Istituto Centrale di Statistica (1984), *Annuario di statistiche giudiziarie: 1981*, vol. XXIX, Rome: Istat.

Istituto Centrale di Statistica (1993), *Statistiche giudiziarie: 1991*, n. 39, Sistema Statistico Nazionale, Rome: Istat.

Istituto Nazionale di Statistica (2003), *Statistiche giudiziarie penali: 2001*, n.10, Sistema Statistico Nazionale, Rome: Istat.

ASI:

Istituto Centrale di Statistica del Regno d'Italia (1938), *Annuario Statistico Italiano 1936, Quarta Serie, Vol. V*, Rome: Istituto Poligrafico dello Stato.

CP:

Ministero di Agricoltura, Industria e Commercio, Direzione generale della statistica e del lavoro (1904), *Censimento della Popolazione del Regno d'Italia al 10 febbraio 1901*, volume IV. *Professioni e condizioni*. Rome: Tip. Nazionale di G. Bertero e C. [111] [SEP]

Ministero di Agricoltura, Industria e Commercio, Direzione generale della statistica e del lavoro (1915), [SEP] *Censimento della popolazione del Regno d'Italia al 10 giugno 1911*, volume V. *Popolazione presente, di età superiore a dieci anni, classificata per sesso, età e professione o condizione*. Rome: Tip. Nazionale di G. Bertero e C. [111] [SEP]

Istituto Centrale di Statistica del Regno d'Italia (1939), *VIII Censimento generale della popolazione, 21 aprile 1936*, volume IV. *Professioni*, Rome: Istituto Poligrafico dello Stato.

Istituto Centrale di Statistica (1957), *IX Censimento generale della popolazione, 4 novembre 1951*, volume IV. *Professioni*, Rome: Istituto Poligrafico dello Stato.

Istituto Centrale di Statistica (1977), *11° Censimento generale della popolazione: 24 ottobre 1971. 6. Professioni e attività economiche. 6.2. Professioni*, Rome: Istat.

Istituto Nazionale di Statistica (1995), *13° Censimento generale della popolazione e delle abitazioni: 20 ottobre 1991. Fascicolo nazionale*. Italia. Rome: Istat.

Istituto Nazionale di Statistica (2013), *15° Censimento generale della popolazione e delle abitazioni*. <http://www.istat.it/it/censimento-popolazione/censimento-popolazione-2011>

MI:

Ministero dell'Interno, Direzione generale dell'amministrazione civile – Servizio elettorale (1977), *Referendum popolare del 12 maggio 1974. Risultati*. Rome: Istituto Poligrafico e Zecca dello Stato.

Ministero dell'Interno, Direzione generale dell'amministrazione civile – Servizio elettorale (1982), *Referendum popolari del 17 maggio 1981. Risultati*. Rome: Istituto Poligrafico e Zecca dello Stato.

SGP:

Ministero di Grazia e Giustizia (1865-1867), *Statistica giudiziaria penale del Regno d'Italia per l'anno 1863*, Turin: Tipografia Eredi Botta.

Direzione generale di statistica (1884), *Statistica giudiziaria penale per l'anno 1881*, Rome: Tipografia Botta.

Direzione generale della statistica (1904), *Statistica giudiziaria penale per l'anno 1901*, Rome: Tipografia Nazionale di G. Bertero e C.

Ministero di Grazia e Giustizia e dei Culti (1915), *Statistica giudiziaria penale per l'anno 1911*, Rome: Tipografia ditta Ludovico Cecchini.

Ministero della Giustizia e degli Affari di Culto (1931), *Statistica giudiziaria penale per gli anni 1927 e 1928*, Rome: Istituto Poligrafico di Stato.