

Regional income inequality in Italy in the long-run (1871-2011). Patterns and determinants

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Abstract

In recent years there have been major advances in the research about the different growth patterns of the Italian regions and their historical roots: new and more accurate estimates of regional GDP, as well as of social indicators (human capital, life expectancy, HDI, heights, inequality, social capital) and other indices (market potential), running roughly from around the Unification to our days, are now available. By the light of this up-to-date information, the article reviews the debate about the determinants of regional development in Italy, within the broader framework of the country’s industrial take-off and modern economic growth, and connects it to the main strands of the international literature. After critically discussing the competing hypotheses proposed to account for the different patterns observed and the North-South divide, a different explanation – and the main argument of the article – is presented: a North-South socio-institutional divide pre-existed Unification, in some respects grew stronger with it and was never bridged throughout the history of post-Unification Italy; such a divide ultimately impacted on the levels of human and social capital, as well as upon differences in policies and institutional performance, and thus on economic growth.

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