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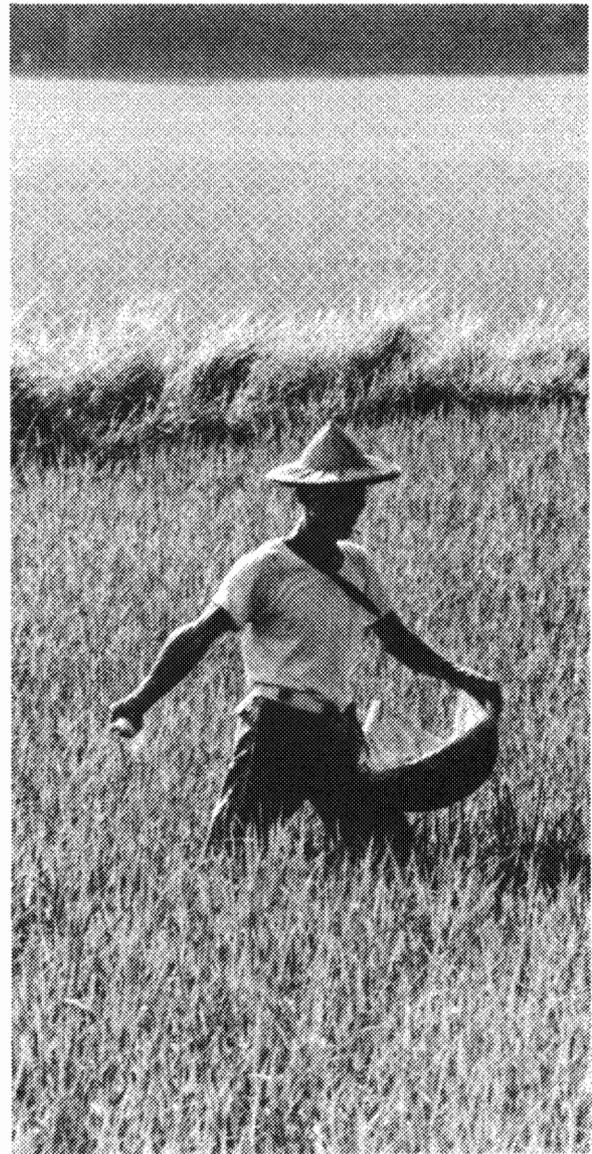
AGENCY FOR INTERNATIONAL DEVELOPMENT

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LAND REFORM IN ITALY

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in

ITALY

by

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Berkeley

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LAND REFORM IN ITALY, 1950-1960

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LAND REFORM IN ITALY, 1950-1960

I. SUMMARY

In the perspective of history, from World War II to the present day, the Italian land reform or "Agrarian reform" as it is more commonly called, appears as a spectacular episode in the modern evolution of land policy in Italy. The land reform was begun in 1950 in certain designated areas. By 1960 it was substantially completed as planned. During the latter part of the 1950s, when the Italian economy had entered into a period of rapid industrial expansion and a massive migration of workers from rural to urban areas was taking place, there was a reordering of the goals of land policy. Italian policy makers and analysts of policy (economists and others) shared a general conviction that the methods of the land reform were no longer appropriate to the changed economic and demographic situation. Pursuant to this thinking, the land reform was not extended beyond the areas initially authorized. Instead, a collection of measures for agricultural development, known as the "Green Plan," with application to the entire national territory, were undertaken in 1960 and amplified in 1965.

The land reform had several goals, but a primary one, concerning land tenure, was to establish the cultivators of the soil as proprietors of farming enterprises. When the Italian government decided to terminate the land reform, it did not at all abandon this land tenure objective but continued to pursue it by different means. Instead of creating new farms and settling them with selected farm laborer families, long-term loans were provided to agricultural laborers and tenants to purchase land. Separately, legislation on tenancy aimed to restrict and discourage share tenancy and to enlarge the rights of the tenant in relation to those of the land owner. All legislation on land policy since the end of World War II has pursued the vision of land

ownership by the working cultivators.

The land reform operated not entirely but for the most part in the poorest and least productive agricultural areas of Italy. Its clientele was the population of landless laborers, the poorest, most deprived class in the agricultural population. The land reform, therefore, was directed to poor land and poor people. With great ambition, it aimed to transform both: to create productive land and to convert the laborers into efficient owners and managers of small farms.

To these ends, the methods of the land reform were:

- (a) Expropriation of land holdings beyond certain limits of size, but according to a formula that bore most heavily on land of inferior unit productivity;
- (b) Land improvement by works of irrigation, drainage, deep plowing and the like, including construction of roads and other public facilities in areas lacking them;
- (c) Creation of developed, equipped, "going concern" farm units, complete with modern houses.
- (d) Selection and placement of families on the new farms;
- (e) To sustain the new farm proprietors, the creation of a system of cooperatives and of economic and social services including technical guidance.

This particular character of the Italian land reform was the outcome of balancing the competing claims of land redistribution versus progress in agricultural production. The land reform was designed at a time when not only was a great part of the rural population desperately impoverished and clamoring for land as an assurance of livelihood, but agricultural production was just recovering from the ravages of war. By many Italians, including most if not all of

the economists, the stimulation of agricultural production was judged an imperative necessity. This body of opinion particularly rejected any land reform which might subdivide existing, efficiently organized farm operating units.

After years of debate, the controversy was resolved by (a) limiting the reform to certain areas, mostly areas of low productivity, and (b) giving major emphasis to the expropriation and development of under-utilized land. In this way it was intended to satisfy the demands of the landless for land and at the same time to make a contribution to production by intensified land use. With two exceptions, the land reform did not touch the areas of developed agriculture.

A very significant feature of the Italian land reform, ~~indicated by (a)~~
a new pattern of
~~and (b)~~, was the institution of/land settlement. The traditional pattern in southern Italy is one of village settlement and daily movement of workers from village to fields. Since the agricultural villages are frequently large and usually located, for historical reasons, on hilltops, the journey to and from the fields is often long, consuming several hours each day. This system is not only wasteful of labor time but it inhibits livestock farming, use of machinery, and enterprises requiring the continuous attention of the cultivator. At an extreme, it results in an "agriculture without farms" where the cultivator goes forth from the village to cultivate scattered parcels of land, held under various tenures, and not constituting an organized farming enterprise.

The land reform determined to break with this traditional system and to establish its beneficiaries in houses built on the farms. To preserve a community life and accessibility to services, the new farms were grouped along roads and a network of "service centers" was established, bringing

together at certain points a collection of organizations and services.

The quantitative achievements of the land reform are readily summarized:^{1/}
673,000 hectares of land were expropriated and an additional 94,000 acquired by other means. 43,900 new farms were created and an additional 70,000 parcels of land were distributed to families to supplement existing small holdings or transfer title to land already operated. Works of land improvement were carried out on 565,000 hectares including 46,000 hectares irrigated. The land reform agencies planted more than 141 million trees, organized nearly 900 cooperatives, and constructed, among other things, 44,000 houses, 180 rural service centers, 114 farm product processing plants, 7,400 kilometers of roads, and 2,000 kilometers of electric power lines.

The agriculture on the lands of the reform was decisively shifted from a traditional base of cereals to an emphasis on vegetables, fruits, industrial crops, and livestock products. The share of these categories in total saleable products rose from little more than a third in 1953 to nearly three-quarters in 1963. Livestock numbers on the farms of the reform increased notably: cattle, tenfold; sheep, swine and poultry, five to eight times.

To improve the knowledge of the peasant beneficiaries and help them learn to function as owner-managers of farms, the land reform agencies conducted an intensive program of education, social services, and technical assistance. Participation in the cooperatives was one important means of working on the human material. More directly, the agencies employed more than 1,100 agricultural technicians, a ratio of one per 93 farms, and up to 1962 had organized nearly 12,000 courses of general, adult education and technical instruction.^{2/}

The Italian land reform was, in many ways, a model of detailed planning

and precise administration by agencies specially created for the purpose and heavily endowed with technical staffs. It was a system of interventions aiming to modernize both agriculture and people, and it operated from a definite theory of how to accomplish both. It was guided by expert advice. Leading economists of Italy took a prominent part in both the planning and the administration of the land reform.

In one vital respect, however, the planning was wholly unrealistic, namely, in the area of cost estimation. Initial appropriations were soon revealed to be insufficient. In the end, appropriations totaled 657.75 billion lira, equivalent to 1.061 billion U.S. dollars. This was nearly double the expenditure initially planned. On a unit basis, expenditures were \$1,400 per hectare of land acquired, or \$9,200 per family directly assisted, or \$15,100 per new farm created. Although the land reform was never charged with extravagance or waste, these expenditures and the relatively small number of families directly benefited cast doubt on whether the land reform results were worth the cost. Policy resolved the doubts in favor of a different approach to land policy after 1960.

Far more important, however, than any cost-benefit calculations in the decision not to extend the land reform, were the changes in economic and demographic conditions that took place during the 1950s. The new small farms (average 9.6 hectares) prepared by the land reform undoubtedly represented to the beneficiaries a superior economic opportunity in the early years of the decade. But they became much less attractive in comparison with the industrial employment opportunities that became available later. Considerable numbers of assignees abandoned their holdings, especially in the poorer areas. Many more continued to cultivate their holdings, but ceased to live on them, returning

to live, in the traditional manner, in the villages. This occurred when heads of families departed for employment in the industrial cities, leaving wives and children behind to work the farm. Thus, in many areas, the land reform's policy of family settlement on the land became a casualty of migration. The unused houses represented substantial capital losses.

A more general effect of Italy's economic upsurge was to deflect attention from inequalities within agriculture to the disparity between agricultural and nonagricultural incomes. While a large section of the agricultural population was responding to this disparity by transferring to industrial employment, those remaining in agriculture demanded aids from government to increase their income possibilities. Economists laid increasing stress on structural factors inhibiting agricultural productivity such as the small size of farms, the fragmentation of land holdings, and the inadequacy of organization for marketing, research, and diffusion of innovations. The concern for efficiency and productivity received tremendous impetus from Italy's entry into the European Common Market and consequent necessity of confronting international competition.

Finally, among the rural population, political pressures for land reform virtually evaporated. This was clearly a direct result of the migration of rural workers to the cities. By 1960, a great part of the marginal and under-employed laborers, prospective beneficiaries of continued land redistribution, had departed. Those who remained were oriented to future migration rather than to settlement on the land. Among the political parties, only the Communists now demanded extension of the land reform although they had voted against it in 1950 and vigorously fought its administration. Land reform thus became reduced to a Leftist agitational issue. As a practical political choice it was dead.

II. PRE-REFORM PERIOD

Introduction: Economic and Political Background

Italy emerged from World War II with a ravaged economy, a large part of its working population unemployed, a new, democratic government restored after a quarter-century of Fascism, and a powerful Left revolutionary movement. Poverty, unemployment, and the discontent which they generated were the overwhelming problems of the day.

The postwar situation, economically, was an aggravated state of conditions which had long existed in Italy, but now combined with new hope and clamorous demand for change. For a quarter of a century, the Fascist, totalitarian regime had presented a facade of stability and suppressed the manifestations of discontent. But liberated from Fascism and with the war behind, the accumulated discontents exploded.

Italy was one of the poorest countries of Europe. Its per capita national income in 1949 was less than a third of that of Great Britain or Switzerland.^{2/} Over a long period, economic development had proceeded less rapidly in Italy than in western or northern Europe. Down to the 1930s, more than half of the Italian working population remained occupied in agriculture. This was not because of any special attractions of agriculture. On the contrary, Italian agricultural resources are limited and of poor quality for the most part. Italian workers remained in agriculture for lack of alternatives.

At an earlier time, millions of Italians emigrated to more favored countries, above all to the United States. Italy was one of the major countries of emigration, dramatically expressing the Italians' assessment of the possibilities of their homeland compared to other places. But from the onset of the first World War, emigration outlets became progressively restricted by wars, economic depression, and the policies of

governments.

Students of the Italian economy have emphasized its dual character, arising from the incompleteness and unevenness of transition from a traditional to a modern economy.^{4/} Certain productive sections are modern in the sense of employing a progressive technology, investment, large scale and rational organization of enterprises, and achieving relatively high and rising productivity. Other sectors are traditional, with obsolete techniques, small units, little investment or none, and low productivity per worker. In Italy, the dichotomy, or more accurately, the continuum, between traditional and modern is everywhere apparent. Agriculture has its modern and traditional sectors. Large, technically advanced, expertly managed farms are prominent in the Po Valley and to a lesser extent elsewhere. But a vast number of Italian farms are traditional peasant enterprises, very small, technically backward, and unprogressive.

In Italy, the most conspicuous and massive expression of economic dualism is a geographic one between the Northern and the Southern parts of the country. Until well after World War II, economic development in Italy had been limited, essentially, to the portion of the country north of Rome, and more particularly to the region north of the Appenines where the great industrial cities--Milan, Turin, Genoa, and Bologna--are located. The South remained economically stationary. Over a long period, industrial employment in the South did not increase but contracted. Neither did agricultural employment increase very much because agriculture was saturated with labor. Population was not stationary. It expanded against a stagnant economy, resulting in extremes of unemployment, underemployment, and poverty.

An important psychological aspect of Italian poverty was the acute awareness by the Italians themselves of their disadvantage compared with other peoples. With an experience of decades of large scale emigration,

Italians of all classes and in all parts of the country, even the most remote, are well informed, usually through personal sources, about earnings and conditions of life in Europe, the United States, and other countries. Historical experience with foreign conquerors (most recently in World War II) and visitors has reinforced their perception of foreigners as wealthier than they. Moreover, it is the advanced countries and not eastern Europe or Asia which furnish the Italians with their standards of comparison. It is accurate, therefore, to say that for a long time, the large majority of Italians have had income aspirations far above their actual incomes. In the South, however, as so vividly portrayed in Carlo Levi's Christ Stopped at Eboli, the aspirations of the peasants tend to be fixed on emigration. The prevailing attitude toward the region is one of resignation and hopelessness.

The restored democratic regime after World War II was not a strong or stable government. It faced the problem of establishing its own authority together with the complex problems of responding to the demands of the people for swift action to relieve their misery.

Italy has a long history of political instability and disunity. Although an ancient society, Italy has been a unified state within approximately the present boundaries only since 1870. Prior to the unification, the various parts of Italy had existed for centuries under foreign conquerors and despotic local regimes. Few countries have had more experience with government for the benefit of the governors.

The unified Italian state has always faced formidable challenges to its legitimacy and authority. The Popes refused to recognize it and until 1929 forbade Catholics (who compose 95 percent of the population) to hold office under it or even to vote in Parliamentary elections. On the Left, the democratic regime has confronted revolutionary socialism which has attracted a large following from the 19th century to the present day. In

the South, banditry and peasant seizures of land have sporadically punctuated the disaffection of the peasant population. In Sicily, the Mafia has long constituted an invisible government, defying, ignoring, or subverting the legal authorities.

The Italian people are, to a great extent, estranged from the ordinary processes of politics and government. They are at the same time attached to various ideologies (Catholic, Socialist, Fascist, Monarchist) and manifest an affinity for extreme political solutions. The Fascist regime was one such radical solution, born of the post World War I disorders. After World War II, with the Fascists discredited, the Communists and their Socialist allies quickly achieved a position of great power, electing a third or more of the Deputies in Parliament. With some defections and additions, they have remained a massive block of intransigent, total opposition to the restored democratic government.

The politics of land reform revolved around the contest between the democratic parties and the Communists for the allegiance of the landless rural population. Italy's leading political party, the Christian Democratic, declared for land reform as early as 1943, proclaiming the explicitly anti-Communist slogan: "Not everyone a proletarian but everyone a proprietor!" The Constituent Assembly to draft a new Constitution, after extended debate, adopted an article authorizing "Obligations and restraints on private land property" and "limits to its size." This was in 1947. Then followed three more years of debate, in Parliament and in the country, before land reform legislation was enacted in 1950.

At the center of the protracted controversy were two main issues:

(1) the degree to which government should invade the rights of private property, and (2) the consequences of a land redistribution for agricultural production.

The institution of private property is deeply embedded in Italy. Land property is widely if unequally distributed (see Table 1 below). It is closely connected with the most fundamental and venerated Italian social institution, the indissoluble family. Even the Communists proclaimed their "absolute respect for the small and medium property" and focused their attack on "large" properties and "monopolies."^{5/} For the reason, too, that most of the governing class of Italy were land owners, proposals for expropriation were approached with extreme reserve.

Economists and agricultural experts, several of whom were prominent political figures, were virtually unanimous in the conviction that Italy's paramount need was to stimulate production.^{6/} They advocated reforms to remove features of the land system which inhibited production but opposed any uniform or mechanical formula for land redistribution including a ceiling on size. Especially were they appalled at proposals to subdivide existing, good producing units.

While the debates were going on, the Communists directed intense political activity to the impoverished, landless farm laborers and tenants. They organized violent strikes and seizures of land. In the end, the Parliament sanctioned a limited land reform as a measure of political necessity. The Communist and Socialist deputies voted against it.

Land Tenure Structure

The land of Italy is subdivided into a multitude of private properties, mostly small but including a number of large estates descended from the past. Preparing for the land reform, an official inventory of land property in 1946 found more than 9.5 million private individual landholdings, or about one holding to every five inhabitants of the country. These private holdings in total amounted to nearly 80 percent of all non-urban land, the remainder being property of government, church, and private organizations.
(Table 1)
More than five million holdings were less than a half

hectare. An additional 2.8 million owned more than a half but less than two hectares. In terms of area, the 7.9 million very small owners held somewhat less than a fifth of the total land. Another fourth was held in units of two to ten hectares. At the opposite extreme, there were about 2,000 ownership units of 500 hectares or more, covering 9 percent of the privately owned land. Most of the large properties were located in southern and central Italy.

The Italian land is similarly divided among a great number of small farm-operating units. The 1930 Census of Agriculture (the last one prior to the land reform) counted 4.2 million farms. Since this figure is considerably less than half the number of rural properties found in 1946, it is evident that many Italian farming units, despite their small size, were composed of multiple properties. More than 90 percent of Italian farms in 1930 contained ten hectares or less. A breakdown of this category is not available, but relying on the 1961 Census, it may be accurately estimated that three-fourths had less than five hectares and a third of the total were dwarf units with no more than a single hectare. The average size of all farms in 1930 was 6.3 hectares. The larger farms, relatively few in number, operated, of course, a disproportionate share of the land. Details are given in Table 2.

Table 1. Distribution of private land property in
Italy by size groups, 1946

Size groups (Hectares)	Properties		Area	
	Number	Percent	Total (Hectares)	Percent
Total	9,512,242	100.0	21,572,951	100.0
0.5 and under	5,130,851	53.9	874,989	4.1
0.5 - 2	2,795,122	29.4	2,882,992	13.3
2 - 5	950,070	10.1	2,943,375	13.6
5 - 10	330,733	3.5	2,289,669	10.6
10 - 25	192,815	2.0	2,945,482	13.6
25 - 50	60,874	0.6	2,104,427	9.7
50 - 100	28,381	0.3	1,956,450	9.1
100 - 200	12,918	0.1	1,782,112	8.3
200 - 500	6,536	*	1,946,595	9.0
500 - 1,000	1,440	*	971,151	4.5
Over 1,000	502	*	875,701	4.2

*Less than 0.1 percent.

Source: Istituto Nazionale di Economia Agraria, Land Property and Land Tenure in Italy, by Giuseppe Medici (Bologna, Ed. Agricole, 1952), p. 28.

Table 2. Farms and farm land by size, Italy, 1930

Size-class (Hectares)	Farms		Area	
	Number	Percent	000 hectares	Percent
Total	4,196,266	100.0	26,252	100.0
Up to 10	3,788,707	90.3	8,618	32.7
10.1 - 20	253,959	6.1	3,536	13.5
20.1 - 50	106,961	2.5	3,189	12.2
50.1 - 100	25,575	.6	1,782	6.8
Over 100	21,064	.5	9,127	34.8

Source: Italy: Istituto Centrale di Statistica, Aunuario
Statistico dell' Agricoltura Italiana,
1947-1950. Rome, 1953

The Land Property Survey of 1946 distinguished between agricultural activities conducted on land owned by the operator and on land owned by others. Operators were classified as peasant, peasant-capitalist, and capitalist. A peasant operator (owner or tenant) was one who does all or most of the manual work on the land, employing outside labor to an extent not exceeding 20 percent of the total labor required. A peasant operator employing more than this amount of outside labor was considered a "capitalist-peasant." A "capitalist" was one who depends entirely on others, outside his family, for the manual work.

According to the Survey, approximately one-third of the productive area of Italy was operated by peasant owners. Capitalist owners operated 40 percent and the rest was tenanted land. Table 3 gives the data.

Table 3. Distribution of productive area by type of Enterprise, Italy, 1946

Operator	Percent of productive area	
	Operator-owned	Tenancy
Total	73.7	26.3
Peasant	30.1	14.8
Capitalist-peasant	3.7	3.9
Capitalist	39.9	7.3

Source: Istituto Nazionale di Economia Agraria, Land Property and Land Tenure in Italy, by Giuseppe Medici (Bologna, Ed. Agricole, 1952), p. 217.

In the area operated by "capitalists," the manual labor was performed in roughly equal proportions by share-tenants and croppers (25.3 percent) and wage workers (22.2 percent).

These data refer to how the land was held and worked. A similar

picture emerges when the point of view is shifted from the land to the population. Peasants and members of their families operating their own land comprised about one-third of all manual workers attached to agriculture in 1936. (Table 4.) A little less than a fifth rented all or part of their land or operated it under enfiteusis or usufruct tenures. Share tenants, not considered operators, were another fifth of the working population, and more than a fourth were wage laborers.

Table 4. Population 10 years old and over attached to Agriculture by occupation, Italy, 1936
(in 000)

Occupation	Cultivators		Non-cultivators
	Number	Percent	
1. Operators, total*	4,188.2	51.0	256.0
Of own land	2,702.2	32.9	169.3
Renters	747.4	9.1	49.3
Other and mixed tenures	738.6	9.0	37.4
2. Share tenants*	1,802.4	20.6	-
3. Operator-wage workers*	141.6	1.6	
4. Wage workers	2,320.9	26.7	
5. Employees	---		16.8
6. Occupation unknown*	5.9	0.1	
Totals	8,459.0	100.0	272.8
Of which, family helpers	3,512.7	41.5	

*Including family helpers.

Source: Istituto Centrale di Statistica del Regno d'Italia, La Struttura della popolazione Rurale Italiana . . . VIII Censimento (Roma, 1937), p. 7.

Land Resource Information

Most descriptions of the Italian land dwell upon the variety of physiographic conditions found within the long Peninsula, and the scarcity of land of good agricultural quality. Approximately 24.9 million hectares were used for farming in 1947, but the Land Property Survey ventured the judgement that "barely 16.5 hectares are really worthy of cultivation."^{7/}

Rainfall is relatively abundant in the North, scarce in the South. At least a third of Italian territory suffers from chronic drought. The coastal zones, receiving more than average rainfall, are generally tree-covered while vast expanses of the interior, especially in the South, are almost denuded of trees.

Italy is a mountainous country. The great range of the Appenines bisects the country in the North, then runs the whole length of the Peninsula, terminating in a great jumble of mountains at the southern end. Of all the land used for farming, more than a third is classified as mountainous, more than two-fifths as hilly, and less than one-fourth as level.^{8/} Rocky soils and clays of low fertility predominate in the uplands. Much of the mountainous and hilly land, unprotected by natural vegetation and subject to hard rains in winter, has been severely eroded. The lowlands, in their natural condition, are often swampy and subject to frequent flooding.

For centuries, Italians have labored to augment Nature's stingy endowment. A great part of the farming land of Italy is man-made, developed by draining the swamps, terracing the steep hillsides, and irrigating the dry lands. Reclamation is, in fact, the most ancient theme of Italian land policy. Large and famous works of reclamation have been carried out on the Adriatic side of the Po Valley and in the Pontine Marshes south of Rome. Smaller works are beyond counting. Equally, a substantial part of the natural land resource has been destroyed by erosion.

In many places, cultivation has been pushed to the limits of agricultural possibility, of which the great amount of mountain land under cultivation gives testimony. In some mountain areas like the Gargano and Sorrento peninsulas, fantastic works of terracing have been carried out, permitting the cultivation of parcels no more than a few feet wide on precipitous slopes.

The ratio of farm land per worker in the period before the land reform was 2.8 hectares. With adjustment for regional differences in land productivity, the ratio in the South would have been about a third less than the figure cited and that for the North, about a third more.^{9/}

Rural Production and Productivity

The varied quality of the Italian land, the uneven pattern of technological development in agriculture, and wide differences in the intensity of land use combine to determine large variations from place to place in production and income. The level lands of the Po Valley support an intensive, highly developed agriculture with large investments and modern technology. Relatively high values of production per hectare and per worker are achieved also in the areas adapted to growing vegetables and fruits and in the best wine producing districts. On the other hand, the extensive mountain areas present a very poor agriculture, as does much of the hilly land. The average value of agricultural production per hectare runs 12 to 20 times greater in the richest provinces than in the poorest.^{10/}

In a great part of the interior, despite the small size of farm units and the abundance of labor (in the pre-reform period), the agriculture is not of intensive types. Wheat is the principal crop. In 1950, well over half of the total cultivated area was devoted to cereals. Almost every peasant farm, however small, had its little field of wheat.

Italian agriculture is primarily crop farming. Except in the Po Valley, livestock production, in the pre-reform period, was weakly developed.

A feature of the land system that inhibits productivity is the widespread fragmentation of farming units in multiple ownership parcels. Combined with the practice of living in villages and commuting to the fields, this has produced, in parts of the South, an "agriculture without farms," in which the peasant operators merely cultivate a collection of scattered fields, without an organic farming unit to be organized and developed.

In the years 1949-1951 when the land reform was being shaped, agricultural production was just returning to the levels of the 1920s, after the stasis of the '30s and the damage done by the war. However, in southern Italy, the population dependent on agriculture had increased considerably so that production per capita was substantially below the level of the 1920s. Table 5 gives the data.

Table 5. Net product of agriculture and forestry, total and per worker

Region	Net Product of Agriculture and forestry*					
	Total (billions of lire)			Per worker (000 lire)		
	1923-1928	1949-1951	Relative 1923-28 = 100	1923-1928	1949-1951	Relative, 1923-28 = 101
Italy	2,128	2,103	99	263	255	97
Northern Italy	934	965	103	254	311	122
Central Italy	382	353	92	256	230	90
Southern Italy	812	785	97	278	217	78

* Calculated at constant prices, 1959-61

Source: Giuseppe Barbero, Tendenze Nell' Evoluzione delle Strutture delle Aziende Agricole Italiane

(INEA, Rome, 1967), p. 13

Rural Population, Employment, and Underemployment

Italy's population numbered 25.6 million in 1861 and 46.7 million in 1951, an increase of about one percent a year average over the 90 years. Population growth before 1930 was substantially restrained by emigration, calculated at 6.9 million net up to 1936.^{11/} With 409 inhabitants per square mile (1951), Italy is one of the more densely populated countries of Europe, comparable with Holland and Belgium, Germany, and Great Britain. A little less than 60 percent of the population in 1951 was classified as rural (in communes of less than 20,000).

Down to the 1930s, a majority of the economically active population was employed in agriculture. The growth of nonagricultural employment and emigration were not quite sufficient to absorb the increments to the working population, with the result that the population engaged in agriculture was a half million more in 1936 than in 1861.

In the South of Italy, the population engaged in agriculture was about the same in 1936 as in 1861, both absolutely and relatively. But this was because of general economic stagnation. The total population of the region increased by 5.6 million or 57 percent, but the number economically active increased by only 200,000. A phenomenal growth occurred in the economically inactive population (Table 6).

It is obvious that at the end of World War II, Italian agriculture was saturated with labor and the extent of unemployment and underemployment was enormous. The heavy weight of unemployment in the cities precluded any significant shift to nonagricultural employment. The registered unemployed at the end of 1949 included 372,000 in agriculture^{12/} but this was certainly a great understatement of the reality. Studies indicated that the agricultural wage laborers, numbering close to two million, typically found

employment during only a third to half of the year.^{12/} A great part of the swollen economically inactive population was in reality, undoubtedly unemployed. Finally, the peasant farms, because of their small size and often extensive land use, concealed a vast amount of unutilized labor time. Estimates of the National Institute of Agricultural Economics (INEA) for the Parliamentary Inquiry into Unemployment, 1951, indicated that about one-third of the total man-days of the agricultural working population was idle.^{14/}

Income Distribution

Enough has been said up to this point to demonstrate that Italian agriculture as a whole, in the period before the land reform was characterized by low productivity per worker and low income per head of the rural population. Overall, in 1951, average net product per worker in agriculture was considerably less than half as much as in extractive and manufacturing industry.^{15/} A huge income gap existed between the North and the South. Even in areas of highly productive agriculture, labor incomes were low because of the insufficiency of employment for the number of workers engaged.

Table 6. Economic status of the population, Southern Italy, and Northern and Central Italy, 1861 and 1936 (in millions).

Economic Status	South		North and Central	
	1861	1936	1861	1936
Total population	9.8	15.4	16.3	27.0
Active population (10 years and over)	5.6	5.8	8.9	12.5
Agriculture	3.2	3.3	5.1	5.5
Industry and trans- portation	1.7	1.6	2.3	4.6
All other	0.7	0.9	1.5	2.4
Inactive population (10 years and over)	1.8	5.9	4.5	9.5
Population under 10 years	2.4	3.7	2.9	5.0

Source: Census data. From SVIMEZ, *Statistiche sul Mezzogiorno d'Italia, 1861-1953* (Rome, 1954).

III. LAND REFORM PROGRAM

Legislation

"To the end of achieving rational exploitation of the soil and establishing equitable social relations, the law shall impose obligations and restraints on private land property, fix limits to its size according to agrarian regions and zones, promote and impose the reclamation of land, the transformation of the latifondo and the reconstitution of productive units; assist the small and the medium property."

Constitution of the Italian Republic,
1947, Article 44.

The dual aims of land policy are stated in the Constitution, as are also the main lines of action. However, "rational exploitation of the soil" and "equitable social relations" are competing goals. To unite them in a specific program required years of debate, investigations, and political bargaining. Out of this process emerged these major decisions, defining the nature and limits of the land reform:

- (1) There would be no fixed limit on the size of properties.
- (2) The reform would be limited initially to certain selected areas.
- (3) Expropriation would be applied according to a graduated scale according to the size of property and the intensity of its land use.

Very clear in these decisions is the intent of policy to contain the land reform and minimize its intrusion on the vital areas of productive agriculture. The last mentioned decision was a particularly interesting compromise. Agitation for land reform had made great cause of the latifundia and "land monopolies." But the Land Property Survey revealed that really large properties were few. If any great amount of land was to be expropriated for redistribution it would be necessary to descend into holdings of medium size, with the risk of subdividing efficient operating farms. The dilemma was resolved by the joint criteria for expropriation. The largest properties were subjected to a 95 percent rate of expropriation regardless of land use intensity. But in the lowest category of intensity, an expropriation rate of 70 percent applied even to relatively small properties.^{16/} Size was measured not by area but by amount of taxable income. Income per hectare was the measure of land use intensity.

By this formula, the blade of expropriation fell mainly on land not previously used for crops or cultivated poorly. And consequently it committed the land reform to large investments to make undeveloped land suitable for intensive crop farming. These effects were magnified by the location of the land reform areas primarily in the South, the region of poorest land and least developed agriculture.

Three types of property were exempted from expropriation. One was the "model enterprise" meeting specified criteria of productivity, employment, and labor relations substantially superior to the area averages. Livestock farms were exempted if their number of animals per hectare was at least twice the area average, if they were suitably equipped, and if they met at least half of their labor requirements with continuously employed workers. Finally, a property owner could withhold one-third of his property from

expropriation on condition of carrying out land improvements and farm creation specified by the agency. After completion of such work, the owner could retain permanently half of the one-third withheld, up to a limit of 300 hectares.

The expropriation formula satisfied the political clamor for expropriation of large estates. By promising to bring more land under cultivation it responded to a felt need of a land-hungry country. And by concentrating on the South, the land reform aligned itself with the broader program for the economic development of the South, contemporaneously launched with formation of the Cassa per il Mezzogiorno (Fund for the South).

Demonstrating the "worst first" approach, Parliament enacted in May, 1950, a law for land reform in the region of Calabria, known as the Sila Law.^{17/} It was followed in October of the same year by a second land reform law known as the Legge Stralcio or "Fragment Law" because it was only a part of the general land reform law expected to follow.^{18/} The autonomous region of Sicily enacted its own law. The three laws differed in detail but not in substance. They prescribed for all affected areas a uniform program consisting of redistribution of land, improvement of land, and formation of peasant-operated farms.

Areas designated for land reform operations were the following:

<u>Reform Area</u>	<u>Agriculture-forestry area</u>	
	<u>000 hectares</u>	<u>% of national area</u>
Po Delta	260	0.9
Maremma	957	3.4
Fucino	44	0.2
Puglia-Lucania-Molise	1,453	5.2
Calabria	545	2.0
Sardinia	2,322	8.4
Sicily	2,439	8.8
Total	8,141	29.3

All but the first three areas are located in the South including the islands. The Maremuna, on the west coast north of Rome, presented conditions of extensive land use and limited cultivation similar to the South. In the Fucino, a reclaimed lake bed north of Rome, held in a small number of large ownerships, the land reform merely gave the peasants title to the small plots they were already renting. The Po Delta, a reclaimed area of rich, alluvial soil, was the only significant exception to the land reform principle of focusing on poor and underdeveloped land. But the Po Delta was the site of one of the largest concentrations of underemployed day laborers, a scene of aggravated social unrest. The land reform in this area aimed to moderate the class conflict and give the laborers a more secure basis of livelihood by establishing them as peasant proprietors. Even here, however, the expropriation formula tended to select the incompletely reclaimed portions of the area.

Institutional Arrangements

Considering the complex and technical character of the land reform and the desirability of swift action, the Government determined not to entrust it to the existing agencies of public administration or even to a new single agency. Instead, the administration of the land reform was decentralized to a series of autonomous agencies, each responsible for a single reform area. This was no great innovation. It is customary in Italy to create specialized agencies, detached from the state bureaucracy, to handle particular problems.

Having no sources of income, the reform agencies could not be financially autonomous. They were bound to operate on plans of a year in advance, subject to approval of the Minister of Agriculture and dependent on inclusion in the State Budget. The law concerning expropriation was so precise as to leave the agencies little discretion in that aspect of the reform. But in the post-expropriation phases, relating to the development and subdivision of

the land, the creation of farm units, selection of beneficiaries, and assistance given to them, the agencies had broad discretionary power.^{19/}

Each agency was headed by a president, with a 12 member advising council of administration, both appointed by the Government. Power was concentrated in the president. Initially, no provision was made for any participation by the clientele in the decisions. In 1957, law was enacted enlarging the authority of the council and providing also that councils should include five assignees of land, presidents of cooperatives.^{20/}

Program Objectives

Economic

The Italian land reform aimed to make the land capable of supporting more people at a higher level of living than before. To this end, land would be taken from owners who were using it in extensive ways, subjected to physical procedures of improvement, and converted to intensive crop and livestock farming. However, to view the land reform objectives in this way is to take them out of social and political context and so to lose sight of what the Government of Italy was most concerned to accomplish.

Social and Political

The land reform proposed (1) to transform the class of landless agricultural laborers into owner-operators of small farms and, at the same time (2) to transform the agriculture of certain depressed areas into a modern system of farming. To achieve these aims, ancillary objectives were (a) physical improvement of the land including investment in livestock and equipment, and (b) creation of an institutional structure to sustain the new farmers and the new agriculture. All of these objectives were clearly understood and deliberately pursued.

Ownership of the land by the cultivators was a social ideal in Italy as in other countries. In the immediate context, extension of the owner-operator-worker system was an answer to the collectivist schemes advocated by the Communists and Socialists. In broader political context, the existing class of farm owner-operator-workers or "direct cultivators" as they are called in Italy, gave its support to the Center parties, whereas the wage laborers and share-tenants generally supported the Left. By transforming the landless into land owners, the makers of the land reform hoped not only to improve their economic and social condition but to shift their political allegiance.

The planners of the land reform were very clear on the need to create appropriate supporting institutions. For this purpose, in addition to direct provision of technical and social services, the agencies aimed primarily to create cooperative organizations capable of providing services of supply, marketing, machinery, and the like.

Program Implementation and Enforcement

Redistribution of Land Ownership

The expropriation of land was completed by the end of 1953 as required by law. 673,000 hectares were expropriated. An additional 94,000 hectares were acquired by purchase or other means, bringing the total land at disposition of the reform agencies to 767,000 hectares. 89 percent of this total was assigned to peasants. ^{21/} Assignments represented 2.5 percent of the agricultural and forest land of Italy.

Land assignments were of two types: 44,500 families received farm units; 45,500 families were given "quotas" or parcels of land to supplement their existing small holdings. In addition, all assignments in Sicily were called

"lots" and were required by the Regional law to be in the size range of three to six hectares. These numbered slightly more than 23,000. In all, therefore, approximately 113,000 families received land.^{22/}

Of the peasants receiving land, 47 percent were wage laborers, 37 percent were renters or share-tenants, and the remainder were small owners or of other categories.^{23/}

Changes in tenancy systems

Land owner and tenant relations are a long-standing social and political problem in Italy but have been dealt with by legislation and programs completely separate from the land reform. The problems of tenancy and the pertinent legislation form an important part of agrarian or land tenure policy but are not considered in this paper which is limited to the land reform.

Colonization

Under this heading will be discussed the formation of new farms under the land reform. The most important aspects are land development, farm size, and land settlement pattern. Financial arrangements and the provision of technical assistance and other services are discussed in separate sections below.

Because of the expropriation formula, the new farms were developed largely on land not previously used for intensive crop and livestock farming. Consequently, extensive works of drainage, irrigation, brush removal, deep plowing, and other development measures were needed to make the land suitable for intensive farming. Infrastructure facilities like roads and electric power lines were constructed in some areas.

It was the policy of the reform agencies to deliver to the settlers farms ready for operation. Hence, each farm was equipped with a dwelling

house, barn, livestock, and tools. In suitable areas trees, especially citrus, were planted. To make an immediate, visible improvement in the settlers' conditions of living, the houses provided were modern, well constructed, and commodious.

On the problem of farm size, the agencies adopted, as principle, that farms should be large enough to employ the labor of an average peasant family and assure an income sufficient for a "normal" level of living.^{24/} But this principle collided with the pressure of the peasant population for land. To satisfy as many claimants as possible, farm sizes were pushed down. The average size, finally, came to 9.6 hectares, which may be compared with the average of 6.2 hectares for all Italian farms in 1961. Many of the new farms, however, were far below the average size while the larger ones were in areas of poor land. In Calabria where population pressure was most intense, the new farms averaged less than 5.5 hectares and some 1,100 of them were less than two hectares.^{25/}

A major, innovative feature of the new agriculture which the land reform aimed to create was a new pattern of land settlement. The traditional pattern in Italy and especially in southern Italy was one of settlement in villages and travel to the fields. In the South, the agricultural villages are often large (10,000 to 20,000 population and more) with the consequence that many peasants spend several hours each day in traveling to and from their fields. This practice is not only wasteful of labor time but strongly inhibits methods of farming using livestock, machinery, or equipment requiring storage and protection.

By offering the settlers unitary farms complete with houses in which they were expected to live, the land reform agencies broke with the traditional Southern pattern. For the settlers, the change represented a new and

strange way of life. Typically the farms were grouped along roads and located within a few miles of a rural center where services were brought together. The new rural centers were planned to be centers for trade and services but not residential villages.

Financial Aspects

Valuation Procedures

As in the case of expropriation, the reform legislation provided an automatic method for valuing the expropriated land, based on parameters already available. Lands were valued by applying certain coefficients to the land income previously declared for purposes of taxation. Owners had the right to request a revision of the valuation so determined but if they did so they were liable for payment of additional taxes in arrears and also would place their property in a higher percentage category of expropriation (property size being measured by taxable income). Hence, few appeals were made.

Program Financing

Landowner compensation

The valuation procedure based on taxable income resulted in an average price of 77,000 lire per hectare expropriated, equivalent to approximately \$124.^{26/} Undoubtedly this price was only a fraction of the real value of the land. But in the conditions of the land market that prevailed in post-war Italy, and especially in southern Italy, it is difficult to imagine how "real" values could have been fairly determined.

Payment to the expropriated landowners was made, according to law, in State Bonds redeemable in 25 years, with interest at five percent.

Peasant Repayment

The land reform legislation specified that assignees should receive

their land under a contract of sale with payment of the price in 30 annual installments. Interest was fixed initially at 3.5 percent and later reduced to one percent. Payment at a more rapid rate was excluded. Renting or other transfer of the property was forbidden until the price was fully paid.

In case of death of the assignee, only his spouse or direct heirs could inherit, providing that one of them met the requirements for assignment of land. Lacking a qualified heir, the land would revert to the Agency for new assignment.

Another provision of the contract obligated the assignee to be a member of the cooperatives organized by the Agency, for a period of 20 years.

Concerning the price to be paid by the assignees, the legislation specified a maximum equal to two-thirds of the expropriation indemnity and 44 percent of the cost of improvements on the farm.^{27/} Under this limit, the Agencies fixed the price of each farm according to the criterion of "supportability" measured by the income producing capacity of the farm minus the income considered necessary for a "normal" level of living. To do this involved a host of calculations and estimates, most of which could be only guesswork and which were, moreover, in the words of one analyst, "fatally incomprehensible to the people concerned."^{28/}

Assignees were not charged with any part of the cost of inter-farm or infrastructural or community improvements. On the capital sums eventually determined, they were charged interest at one percent a year. Considering all factors, it is evident that assignees were held to repay no more than a small fraction of the cost of the land reform.

Government Expenditures

Costs of the program were grossly underestimated. Initial appropriations were in the amount of 365 billion lire (\$584 million) intended to suffice for the decade, 1950-1960. It became soon apparent that these

appropriations were not sufficient. A series of supplementary appropriations brought the total amount, by 1963, to 657.75 billion lire (\$1.061 billion) or nearly double the expenditure initially planned.^{29/}

Prior to adoption of the land reform laws, serious concern had been expressed about the prospective financial burden of compensation to the expropriated landowners. In fact, indemnities for expropriation amounted only to 51.2 billion lire (\$82.6 million) or about one-fourteenth of the total cost. (The amount indicated for indemnities is additional to the 657.75 billion for operation of the reform agencies.)

Reclamation and land development, including works of infrastructure and housing, were by far the largest category of expenditure, accounting for well over half of the total. An imposing sum was spent for the construction of houses on the farms. It has been estimated that about two-fifths of the total investment in farm capital, amounting to 120 billion lire (\$200 million) were used for this purpose.^{30/}

To gain some idea of unit costs, the total expenditure of 657.75 billion lire may be divided by the number of families directly assisted, giving a figure of 5.8 million lire (\$9,200) per family. Per hectare of land acquired by the agencies (767,000 hectares), the total expenditure was 857.5 thousand lire (\$1,400). Charging the investment in housing solely to the 43,900 farms created, one arrives at a calculation of the total investment per farm equal to 9.5 million lire (\$15,100). All of this is exclusive of the cost of the land.

Supplementary Measures

Measures such as organization of services which in some land reforms might be considered supplementary to the main task of land redistribution were not regarded by the Italian policy makers as supplemental but as an integral part of the program. This followed from the two-fold objective of transforming the agriculture and transforming the people.

The people who were to become farm owner-operators were, with few exceptions, laborers who were totally lacking any experience in farm management. Their lifetime experience, moreover, had been one of poverty and deprivation. The reform agencies approached them as a class of people needing to be helped and guided toward a better way of life. Giuseppe Medici, eminent economist, policy adviser, and Minister of Agriculture, expressed this orientation as follows: "Therefore, they need a guide, because they are incapable of achieving by themselves a productive labor and discipline. Therefore, they must be helped. But the help must not consist in assigning them tasks beyond their capacity. It is necessary just to educate them, instruct them, launch them toward the formation of a less immature personality . . . it is not by replacing one owner with another owner or with an employee of the state that one resolves the problem (of creating a rural democracy) . . . The problem is put on the way to solution by transforming, step by step, the primitive psychology of the people, giving them modern technical and social knowledge, provoking in them a fervid aspiration to achieve a better human condition."^{31/}

The high aims of human redemption evoked by Medici were approached by ample provision of social and educational services, technical assistance in farm management, and the formation of cooperative organizations. Particular reliance was placed on cooperatives, both as organization structure for the provision of services and as a training ground for their members. As indicated previously, membership in the cooperatives was obligatory on the part of all assignees of land.

Following are some indicators of the land reform effort in this field:^{32/}

Courses of general and technical education given to 1962, number,	11,614
Agricultural technicians employed with duties of technical assistance, number (1957)	1,139

Farms per technician	93
Expenditure for education, social and technical assistance, 1952-1961	
Millions of lire	28,335
U.S. \$ equivalent (million)	45.4
per assignee family, U.S. \$	401
Cooperatives established, number	865
Cooperative processing plants established	114
Rural service centers established	180

Mobilization of the peasantry

As previously described, the categories of peasants to which the land reform was directed were mobilized for political action largely by the Communist Party. The reform agencies did not engage directly in political organization. Their orientation toward the peasants was essentially technical and concerned with conferring benefits and giving paternalistic guidance. The only form of peasant organization which they wished to promote was that of cooperatives for specific purposes. It may be noted that in Italy cooperatives have traditionally had political significance. Cooperative movements have functioned under Socialist auspices and under Catholic patronage. But the cooperatives of the land reform, probably because they were closely supervised by the Agencies, have not involved themselves in politics.^{33/}

The Politics of Implementation

Political controversy in the process of formulating and adopting the land reform was intense. But the geographic limits of the reform, the mechanical formulae of expropriation, and the method of administration tended to contain controversy in the period of implementation. Land reform went forward along a rigid track laid down at the beginning. The Communists kept the Agencies under continuous attack and mobilized the peasants to demand land. Communist pressure was undoubtedly an important factor in

augmenting the number of assignees and hence reducing the sizes of farms. It probably served to increase the liberality of the Agencies toward the assignees in matters of prices, credit, and the like. Otherwise, Communist opposition did not affect major policy.

Despite the lack of significant, open controversy, it is obvious that the land reform steadily lost political support. This resulted not from the failure of the reform to accomplish the tasks assigned to it but from changes in the economic situation of Italy which brought other problems to the center of the stage. The economists and other intellectuals and publicists shifted their attention to other issues. Most important, unquestionably, was the population exodus from agriculture which reduced the economically active population in agriculture by 2.4 million, or nearly one-third, between 1951 and 1961 (see Table 10, below). Pressures from the peasantry for land redistribution shrank drastically.

As the land reform moved into its later stages, there was virtually no significant support for doing more than completing the program initially authorized.

IV. EFFECTS OF THE LAND REFORM

On Land Tenure Structure

Within the areas of its operation, comprising about one-fifth of the territory of Italy, the land reform effectively eliminated the large, under-utilized property and established a substantial number (113,000) landless peasant families on land of their own. The system of peasant-proprietorship was significantly extended at the expense of properties worked by wage laborers, share-croppers, and renters.

The subdivision of large properties did not always signify a reduction in the scale of operation. Frequently the reverse was true, where

large properties were not operated as unified enterprises but were divided in numerous parcels rented to peasants. In such cases, the new family farms often represented larger and more unified operating units than had existed before. For example, one study of a single large property (1,325 hectares) expropriated in the land reform area of Puglia-Lucania-Molise, reports the following results:^{34/}

	<u>At expropriation</u>	<u>After assignment</u>
Number of users	208	154
Number of parcels	570	177
Hectares per user, avg.	5.5	8.4

It is also reported that in the area of Fucino, the expropriated properties, divided into some 29,000 parcels worked by more than 11,000 renters, were redivided in approximately 9,000 "quotas", nearly all consisting of a single parcel:^{35/}

On production and productivity

In accordance with plans, the land reform achieved major intensification of the use of lands coming under its authority. The new family farms manifested significant shifts in types of cultivation and increases in live-stock production as shown in the following tables:^{36/}

Table 7

<u>Animals</u>	<u>Number of head</u>	
	<u>1953</u>	<u>1963</u>
Cattle	12,000	123,000
Swine	13,000	84,000
Sheep and goats	42,000	194,000
Poultry	218,000	1,700,000

Table 8 . Percent Composition of Gross Saleable production

Products	Lands of Reform		Reform areas		Italy	
	1953	1963	1953	1963	1953	1963
Cereals and other herbaceous	63.6	26.7	26.9	16.8	28.2	17.7
Vegetables, tree, and industrial crops	25.3	46.9	42.8	53.3	38.8	48.1
Livestock products	11.1	26.4	30.3	29.9	33.0	34.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Gross saleable production per hectare increased rapidly on the lands of the reform and by 1963 was not far short of the national average, as shown in Table 9.^{37/}

Table 9. Gross saleable production per hectare (in 000 lire, current prices)

Year	Lands of the Reform	Reform areas	Italy
1953	71.3	122.8	133.9
1958	115.4	145.8	153.7
1963	187.6	202.1	198.1

Wide variations in productivity are reported among the several land reform areas and among individual farms. The average gross saleable production per hectare varied in 1963 from 68.8 thousand lire in Sardinia to 680.8 thousand lire in the Campania land reform area (near Naples). It has been estimated that about a third of the new farms have achieved levels of productivity apparently satisfactory to their occupants while another third have remained at a low level.^{38/}

The fertility of the land is a major factor in these variable outcomes. It will be recalled that the expropriation formula tended to select land of inferior quality. In areas where the factors of low quality were susceptible to being overcome through capital investment, especially by irrigation, satisfying results have been achieved. But other lands, in the mountainous or hilly areas, have offered little possibility for improvement. The fact that, on the whole, through capital investment, production per hectare was raised nearly to the national average, seems a remarkable achievement. Whether it was worth what it cost is open to doubt.

Considering returns to labor, the expansion of non-agricultural employment opportunities and the rising trend of wages and income in Italy since 1955 have created a genuine crisis for a great part of the land reform farms. The family income standards by which the sizes of farms were determined have become much less adequate, relative to existing wage levels, alternatives available to the assignees, and their rising income expectations. This is also true, of course, of the general agricultural population of Italy. The Ministry of Agriculture reported in September, 1960, that more than 5,000 assignees of farms had given up their contracts.^{39/} Many more have continued to hold their contracts and to cultivate the land while the principal breadwinner or other working members of the family have departed for employment elsewhere. When families are divided by migration, the family members remaining on the farm (wife and children, typically) often cease to live on the farm and return to the village. An inspection of several land reform areas in the South (Calabria, Lucania, Puglia) in 1968 found two-thirds or more of the houses uninhabited although much of the land was

still cultivated. Inquiry in nearby villages revealed that many adult male members of the land reform families had gone north for work. Family members remaining considered living in the farm houses too lonely or unsafe and returned to the village from which they continued to cultivate the land as best they could, often reverting to a single-crop cultivation.^{40/} The aim of the land reform to create a new pattern of settlement appears, therefore, to have been defeated, in some areas, by the rural exodus.

To achieve higher labor incomes will require, in many situations, the consolidation of existing farm units. But the decisions of the land reform authorities with respect to size and layout of the farm units were incorporated into a general pattern very difficult to change. To transfer a holding from one settler to another requires a cumbersome process of dissolving the contract, reverting the property to the agency, and then preparing a new contract with the successor. Moreover, since each farm unit is equipped with a house, units when recovered by the agency cannot be combined without leaving some houses surplus, with considerable capital loss.

On Rural Employment and Underemployment

The expenditures of the land reform for land development and construction added a major source of employment temporarily in the land reform areas at a time when these areas were suffering severely from unemployment. On a permanent basis, the more intensive systems of farming and the establishment of more than a hundred farm product processing plants augmented substantially the volume of employment in these areas.

During the period of the land reform, and especially after 1955, rural unemployment was being largely reduced by out-migration. The total working force in agriculture was reduced by nearly one-third between 1951 and 1961, and then by another one-fourth up to 1966. The reductions fell most heavily

on family members of peasant proprietors and marginal or casual workers.

Table 10 presents the official estimates.

Table 10. Estimated Employment in Agriculture in Italy, 1951, 1961, and 1966 (annual averages, in thousands)

Category	1951	1961	1966
Total	8,640	6,207	4,660
Heads of enterprises and working family members	4,404	3,443	2,733
Permanent employees	1,289	1,180	1,107
Marginal workers*	2,947	1,594	820

*Working 32 hours or less weekly through the year.

Source: Istituto Centrale di Statistica, reported in Rassegna di Statistiche del Lavoro, Roma, vol. XIX, Nos. 4/5, Luglio-Ottobre, 1967, p. 297.

All considered, the land reform may be credited with strengthening the economic base and augmenting the opportunities for all-year employment in its areas of operation. As a means of combatting unemployment, it became wholly overshadowed by the expansion of non-agricultural employment.

V. CRITIQUE AND EVALUATION

At this point, only a few concluding observations will be ventured to underline those features of the Italian experience significant for the comparative study of national land reforms.

The Italian land reform was certainly, in many ways, unique. Yet it was a carefully conceived attack on a set of problems which, if they have ceased to exist in Italy, were nevertheless very similar to problems in the relation of people to land which remain very much alive in many countries.

The Italian land reform was conceived and initiated in a situation where it was taken for granted that a large population had to be supported on the land. From this fundamental postulate, and given a political climate of equalitarianism, two broad policy conclusions followed:

1. Land resources should be equitably shared (hence redistribution of land).
2. The land should be treated to make it capable of supporting more people.

In the Italian experience, the fundamental postulate was rendered invalid by expansion of the nonagricultural sectors only a few years after the land reform had begun. This unforeseen development, which rapidly transformed the Italian economy and opened to the Italian people a new outlook on the future, altered the terms of the land problem.

In the new economic situation, the thrust for equitable sharing of the land diminished. The new economic conditions did not alter the broad political demands for equality but transferred them to different areas. The direct beneficiaries of land redistribution found other ways of satisfying their aspirations. Similarly, the need to enlarge the cultivated area became attenuated.

The demand of the landless peasants for land was replaced by clamor from the entire agricultural population, owner-operators, tenants, and laborers alike, for higher incomes. A focus on income disparities within agriculture was superseded by preoccupation with the income gap between agriculture and other sectors of the economy. Among the economists and the policy makers, attention became centered on factors inhibiting labor productivity in agriculture such as the small size of farms, the fragmentation of operating units, the persistence of inefficient techniques,

and deficiencies in the institutional framework. "Structure" was the new password. The promotion of labor productivity and higher incomes became the new standard of government policy toward land and agriculture, partially formulated in the Five Year Plan for Agricultural Development which followed the land reform, then more rigorously applied in a second Five Year Plan in 1965.

It is notable that the land tenure ideal of Italian policy--the owner-operated and worked farm--persisted through the change. But the emphasis shifted from land to the enterprise, and the term "small," traditionally linked with references to peasant farms, dropped out of the official vocabulary. The "small peasant property" of Italian tradition became, in the legislation of the 1960s, the "viable family enterprise."

With reference to the operation of the land reform itself, three aspects deserve emphasis. First, the land reform was wholly financed from general revenues of the Italian government meaning, primarily by taxes on the nonagricultural sectors. Thus, it is accurate to say that the land reform expenditures were a form of subsidy of agriculture by industry, and a subsidy of the poor South by the wealthier North. Countries of lesser industrial development than Italy's could probably not afford a land reform of this kind. Indeed, in some well known cases, land reform has been used to channel agricultural resources into industrial development.

Second, the Italian land reform was a striking instance of direct government intervention to achieve a rapid improvement of the economic and social condition of a deprived group in the population. This intervention, notably, did not rely upon indirect measures or incentives, but operated by immediate provision of economic resources, organizational forms, and social services.

Finally, in the history of national land reforms, it would probably be difficult to find one more highly "administered" than Italy's. From beginning to end, the Italian land reform was carried through as an administrative operation. It was a very complex and elaborate operation involving in part, the minute, precise, application of a law, and in greater part, the making of a multitude of discretionary decisions about land development, laying out farms, equipping farms, building houses, organizing cooperatives, delivering services, constructing processing plants, selecting settlers, and the rest. The land reform agencies did everything and introduced the chosen beneficiaries into a world prepared for them.

In Italy, the land reform was frequently attacked for its "dirigismo", that is, for planning and managing everything by administrative authority. However, the Agencies had a legislatively prescribed mission to accomplish and they accomplished it. By administrative standards, the task was rationally and expertly performed. If the cost was great, it was not because of administrative inefficiency. The Italian experience stands as a model of rational administration in the field of land reform. It is not a model which can be copied by countries without a comparable administrative tradition or lacking the requisite resources of technical manpower.

Notes

1. Giovanni Enrico Marciani, L'Esperanza di Riforma Agraria in Italia (SVIMEZ, Giuffre Ed., Roma, 1966), Ch. IV. See also Giuseppe Barbero, Riforma Agraria Italiana (INEA and F.A.O., Feltrinelli Ed., Milano, 1960).
2. Marciani, op. cit., pp. 102-107
3. G. Medici, G. Orlando, Agricoltura e Disoccupazione (Bologne, Zanichelli, 1952), p. 32. Based on data of Colin Clark, The Conditions of Economic Progress and The Economics of 1960 (London, 1945 and 1950).
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18. Law of 21 October 1950, No. 841. A bill for a land reform law applying to the entire national territory was introduced in Parliament in April, 1950 but never brought to a vote. Marciani, op. cit., p. 31.
19. Marciani, op. cit., pp. 43-44
20. Law of 9 July 1957, No. 600
21. Marciani, op. cit., p. 86
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27. Article 17 of the Sila Law, Article 21 of the Fragment Law, amended by the Law of 9 July 1957, No. 600, Article 7.
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