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Introductory lecture

*Workshop on
RESEARCH ON CENTRAL BANKING HISTORY
AND ON ITALIAN ECONOMIC HISTORY:
WHERE DO WE STAND AND WHERE ARE WE HEADING?
(Banca d'Italia Roma 18 Ott 2022)*

جامعة نيويورك أبوظبي

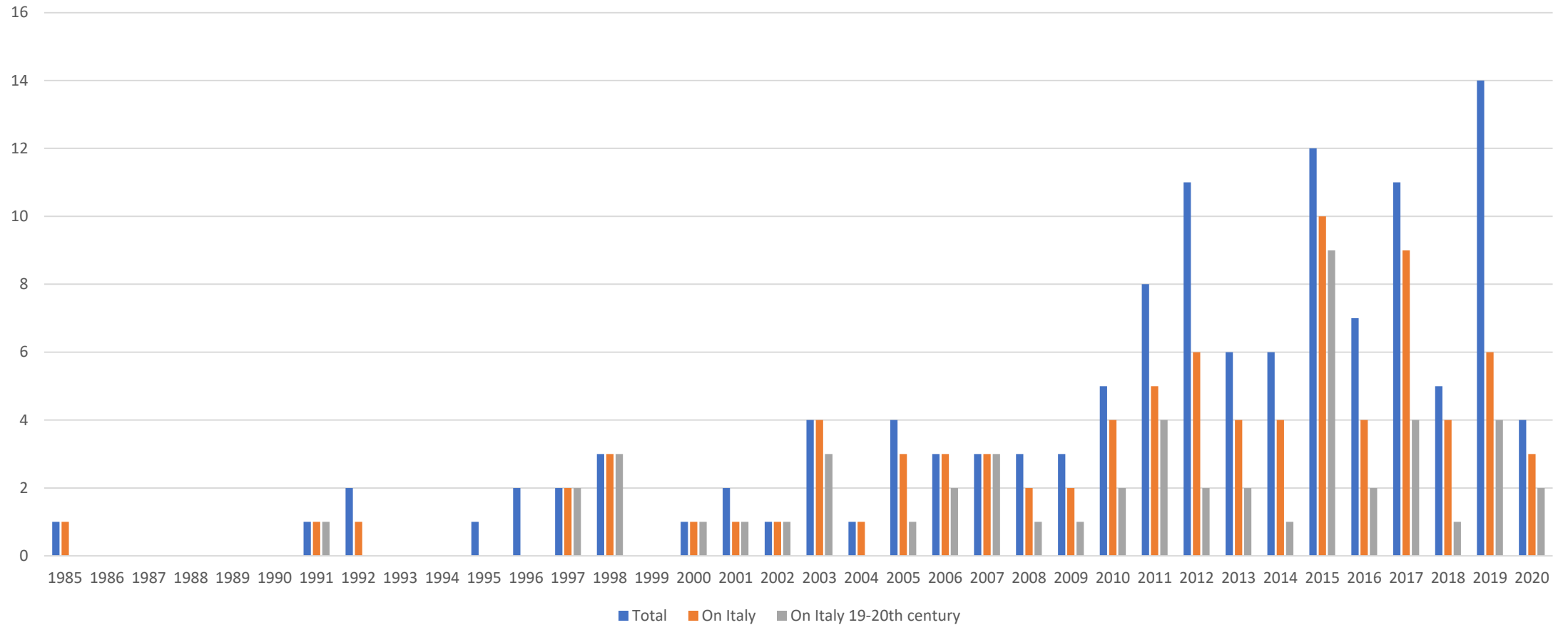


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Executive summary

- i) Italian economic history as a success story: some data**
- ii) The roots of the success: the RSE and the Handbook**
- iii) New debates: a long term failure, the North South gap, welfare, decline again**
- iv) A bright future?**

Articles in top five field journal (Cioni et al 2021)



Italy, Europe, world

The Italian success to be framed in a wide process of (re-) integration of Continental Europe in the Anglo-saxon scientific community as shaped by the Cliometric revolution. Few data

- i) The share of articles with one Italian affiliated author has risen from zero to 5% in top five EH and 3% top three Business history journals
- ii) The share of articles with at least one foreign-affiliated co-author up to one third of articles
- iii) Italian articles are quoted more than the average in the same journals, and the gap does NOT depend on topic, period or geographical area (Italy)

When it all began: the Rivista di Storia Economica

The journal resumed publication in 1984 – editors Pierluigi Ciocca and Gianni Toniolo

By then, Italian economic history very traditional and very provincial, with fresh ideas and modern methodology put forward by a small group of outsiders (Fenoaltea, Tattara, Zamagni)

The Rivista gathered these outsiders with a group of distinguished economists (Spaventa, Lunghini, De Cecco)

Thus a very important training ground for a generation before the upwards jump to the world market of the 1990s and 2000s

But issues still largely influenced by the great debates on growth of the 1960s (Sereni, Gerschenkron, Romeo etc), with extension time frame to Fascist economy

The end of the 'heroic' stage: the Handbook

- i) A multi-authored enterprise, with wide co-authorship including several foreign stars
- ii) Long-run analysis until about 2010
- iii) Extensive analysis of 'traditional' topics (including new set of national accounting) but also business history and new issues, such as education social capital
- iv) A clear interpretation in the Introduction (Toniolo 2013): Italy has been a success story, but performance strictly related to its openness and to trends in world economy. No Italian Sonderweg

Recent developments: data and techniques

All over the world, trend in economics and economic history towards big data and sophisticated econometrics

(Young) Italian fairly econometric-savvy and skilled at collecting available big data (foreign trade, patents, firms),

But, alas, Italy data scarce relatively to United States (IPUMS) and advanced European countries.

- i) The pre-Unification states were not much committed to statistical data gathering.
- ii) Italian statistics developed slowly, with substantial quality issues, and experienced a major cut in the 1890s.
- iii) European-level official statistics available only on the eve of WWI

Recent debates: Italy's failure?

Italy had been a world economic superpower in the Middle Ages and was a poor country in 1861. Why?

Historical debates since the Renaissance: political fragmentation/foreign domination (from Machiavelli to Risorgimento), wrong (Mediterranean) location vs Atlantic (Borlandi 1964), institutional sclerosis guilds (Cipolla 1952)

Revived by new evidence from estimates GDP Centre-North (Malanima 2005, 2013) and Chiosi Ciccarelli (2022) economic structure.

At best long run stagnation with crisis 18th century. Two (not mutually exclusive) hypotheses

- i) The collapse of human capital caused the 1630 plague (Alfani 2013, Alfani and Percoco 2019)
- ii) The second stage of a long-run Malthusian cycle, with population boom fueled by maize (Malanima 2010 and 2022)

Recent debates: the North-South divide

Until few years ago historical debate echoed the contemporary discussion with anecdotal evidence (enquiries etc.)

The leap forward when measures gap – estimates of regional GDP (Felice 2011), provincial industrial productivity (Ciccarelli and Fenoaltea 2013) and provincial wages (Federico et al 2019).

Thus possible a quantitative turn (Basile and Ciccarelli 2018, Cappelli 2017, Ciccarelli and Fachin 2017 Daniele et al 2018, Federico et al 2019, Felice 2012, Missiaia 2016).

Gap explained, for liberal period or long-run, by (combinations of)

- i) Market access
- ii) Human capital (literacy)
- iii) Social capital
- iv) Resource endowment (water)

Results somewhat mixed but human capital emerges as the most consistent factor

Recent debates: inequality and welfare

Earlier pioneering work on inequality Rossi-Toniolo-Vecchi (2001)
Research inequality continued for pre-industrial period (Alfani 2016,
Alfani and di Tullio 2019)

But watershed publication of Vecchi (2011,2017) – on top of
'traditional' and 'new' economic issues (GDP, inequality, regional price
levels) systematic analysis of long-term welfare (nutrition, heights,
health, child labour, education, poverty and vulnerability)

Recent debates: primary education

Three lines of research

- i) estimates of literacy before the unification – huge NW-South gap (Ciccarelli Weisdorf 2019)
- ii) the political economy of low investment in primary education by Southern municipalities: bad landlords or scarce resources? (Cappelli 2016)
- iii) the role of the state intervention (Daneo-Credaro reform, 1911) in closing the gap (Cappelli 2015, Cappelli and Vasta 2020)

Recent debates: decline again?

The Handbook model does not seem to work in the 21st century: stagnation during heyday of second globalization.

A lot of work by economists on current situation. What about historical roots? Three interpretations

- i) Long term institutional failure – above all in education and thus national innovation system, with limited exceptions Giolittian period and golden age (Di Martino and Vasta 2017)
- ii) The 1970s: botched reforms buying consensus (Felice 2015) supported by egalitarian ideologies (Codogno and Galli 2022)
- iii) The policies of the early 2000s, squandering the opportunities from the euro after the 1992 trauma (Bastasin and Toniolo 2020)

The post-war trends

(Codogno and Galli 2022)

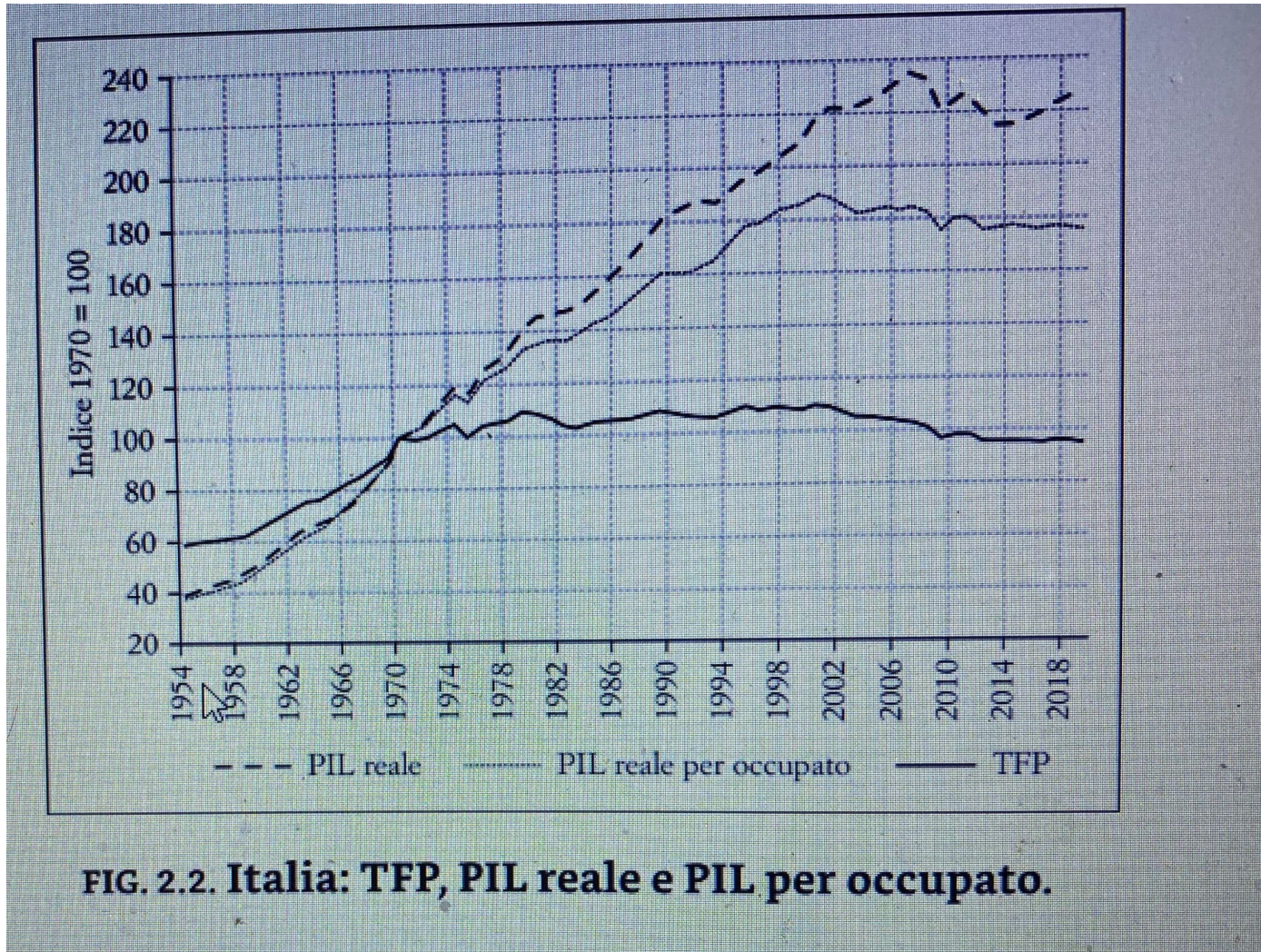


FIG. 2.2. Italia: TFP, PIL reale e PIL per occupato.

A bright future?

- i) Issues in Italian economic history are widely covered in the world literature (even if overall European history is losing its erstwhile supremacy)**
- ii) The average quality of teaching and research in economic and business history in Italy has hugely improved, with a number of internationally well-known scholars**
- iii) quite a few promising young scholars and PhD students in the best world universities**

But, on the other hand, the general perspectives for economic history in the world are not good – either marginalized or, more recently, used as repository of facts for fancy spurious correlations

Thank You

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