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The Italian Administrative System:
Why a Source of Competitive Disadvantage?

by Magda Bianco and Giulio Napolitano

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The Italian Administrative System: Why a Source of Competitive Disadvantage?

Magda Bianco* and Giulio Napolitano**

Abstract

The Italian administrative system is currently perceived as one of the main obstacles to a higher growth of the productive system. We argue that some causes of this ineffectiveness are deeply rooted and date back at the unification: a missing strong administrative tradition; an (excessive) political influence over the administration; the relevance of the juridical culture. We discuss in detail one specific “product” of the administration, its civil justice system, its inefficiencies over time and the potential reasons behind it. We then detail how some “reactions” to these inefficiencies have been in some cases the sources of further problems: an excessive number of (often too complicated) laws and administrative acts; the growth of administrative corruption; the creation of “public” agencies formally external to the administration. It is possibly in some of these elements that the reasons for the difficulties met by the reform processes initiated since the 1990s should be searched.

JEL Classification: H11, K23, K42

Keywords: public administration, civil justice, administrative law

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1. Introduction¹

It is widely acknowledged that institutions play an essential role in ensuring the conditions for the development of any system. Even if it is extremely difficult to disentangle their role with respect to that of human capital, culture, and other factors, good economic institutions have a fundamental role in favouring economic growth.

Among the various institutions, a number of both theoretical and empirical contributions suggest that a “good government” (including a benign and not corrupt bureaucracy, a legal system protecting property rights and enforcing contracts, an efficient regulatory framework) is associated with higher growth (North 1990; Acemoglu, Johnson and Robinson 2005; Hall and Jones 1999; Knack and Keefer 1995; La Porta *et al.* 1999; St. Aubyn 2007). The role of a government is essential in that it affects the characteristics, quantity and quality of most other institutions in a country.

Here we consider one aspect of the government, the administrative system, which includes the bureaucracy, its organization, the discipline governing its behaviour (which in civil law countries is typically the administrative law). It is through its administrative system that a government performs its roles.

Our starting point is the evidence – mainly comparative but also internal – of the current relative inefficiency of the Italian administrative system, which is now perceived as one of the main obstacles to a higher growth of the productive system, due to the burden it imposes and its ineffectiveness in ensuring an efficient provision of public goods and reducing other market failures.

We will try to evaluate the reasons for the current performance of Italy’s administrative system by looking both at its establishment in 1861 and its evolution. Some of the shortcomings are deeply rooted and date back to the origin: the way it was created, the role of the juridical culture and the linkages with the political system; others are more recent and are partly due to responses to those original “sins” that, even if adequate when set in place, became sources of inefficiencies later on.

Since there is no single (or ideal) form of capitalism, nor an optimal form of administration within a capitalist system, the question is whether the Italian administration has been able to organize its resources sufficiently well within the existing constraints and whether it has allowed for a sufficient reorganization and adaptation over time to accommodate the evolution of the Italian capitalist system.² Overall we argue that the administrative system has been able to adapt and respond adequately – within constraints – for a significant share of the period we are

¹ We would like to thank Graziella Bertocchi, Sabino Cassese, Luigi Guiso, Katharina Pistor, Gianni Toniolo for extremely useful suggestions and interaction. Obviously the opinions expressed here do not involve them or Banca d’Italia in any way. We are particularly grateful to Mauro Di Giulio and Cristina Petrassi for the reconstruction of the number of laws issued since the Unification and for the excellent editorial assistance.

² See Milhaupt and Pistor (2008).

considering. But over the last decades some of the unsolved problems have rendered the system unable to further satisfy the needs of a changing context.

In what follows we first “define” what should conceptually be the role of the administrative system (par. 2). We then provide some indicators of how the Italian administrative apparatus is currently “perceived” and some measures of how it performed over time in producing some essential services (par. 3). After a synthesis of its evolution since 1861 (par. 4), we identify the reasons for the current perceived inefficiency, which has become a source of competitive disadvantage for the Italian economy. In paragraph 5, we consider initial causes of difficulties: starting conditions, the link with politics, the role of the legal culture. In paragraph 6 we discuss in more detail one specific “product” of the administration, civil justice, to better understand when and how inefficiencies in this area emerged. In paragraph 7 we detail how some “reactions” to these inefficiencies have been in some cases the sources of further problems (i.e., the creation of agencies external to the formal administration, at the beginning more flexible and efficient, then reproducing some of the defects of the administration itself). Finally, we discuss some recent reform processes (and their difficulties) and conclude with some caveats with respect to our interpretations.

We do not aim here at providing a unifying and general interpretation of the administrative system evolution, successes and failures (such as those provided in Melis 1996, or Cassese 1983), but simply offer some quantitative – even if only descriptive – support to some of the theses concerning those successes and failures.

2. The role of the administration

2.1. The role of the administrative system

The roles which in principle a government should perform vary over time, depending, e.g., on the phase of development and on the characteristics of the economy.

In a (capitalist) market economy the government’s role is essentially related firstly to ensuring the provision of some public (or semi-public) goods: the law, public order, defence, justice, property rights; secondly to the management and regulation of the economy (and specifically of activities affected by market failures, e.g., infrastructures and public utilities) providing services to citizens; finally to redistributive roles and social welfare. Obviously the way these final aims are ensured may vary, depending on the legal system, the degree of development, the society’s social and political preferences.

Ideally, it is with reference to the provision of these goods that we would like to evaluate an administrative system. In practice, it is extremely difficult (and possibly not even correct) to simply use these parameters as a reference for judgement. The number of factors with respect to which the adequacy of the system should be evaluated is extremely large and varies over time. For example, an expansion of the roles of the administrative systems in most countries occurred gradually between the second half of

the 19th century and mid-20th century: as parliaments came to represent also lower classes, laws and regulations were introduced in the areas of welfare, education, labour, health.³

Even more difficult is to evaluate the “efficiency” of an administrative system. In general it is less easy to ensure a “good performance” of government agencies (and public enterprises) as compared to private entities because managers and workers in that case lack high-powered incentives. Government agencies’ outputs are harder to quantify and measure; goods and services they supply in many cases do not have close substitutes (Dixit 1977). Moreover they are “large” organizations performing a number of different tasks and hence have weaker incentives (Holmstrom and Milgrom 1991); they answer to multiple principals, again reducing the power of incentives. In Italy only recently with the “spending review” programs, formal initiatives for developing measures of the efficiency of public expenditures have been introduced.

2.2. *The definition of the administrative system*

We define the administrative system in a very broad way, as the central administration and its local branches, agencies and state-owned corporations, that are the instruments through which the State performs its roles in the system.

Formally, administrative systems – and administrative laws regulating them – have developed in the context of “nation-states” (Cassese 2010) in 19th century in Europe. Typically, a two-way link has been established between the state and the administration. Administrative systems (and administrative laws) have been shaped according to the needs of the different State models: as different national States developed along divergent lines, so did administrative systems.

In modern industrialized countries, public administration is often the largest industry in terms of employment and value added (even if the latter is difficult to precisely measure) and the production of public goods and services is performed by a number of decentralized structures.⁴

2.3. *The relevance of the quality of the administration*

Recent empirical analyses seem to confirm that the “quality of government” is essential for the growth of the economic system.

Olson, Sarna and Swamy (2000) claim that differences in “governance” explain why some developing countries grow rapidly, taking advantage of catching up opportunities, while others lag behind. They consider as proxy of good governance the risk of expropriation, the risk of repudiation of contracts, administrative effectiveness

³ See Cassese (2010).

⁴ In Italy in 2003 the system included 9.976 “institutional units” (ministries, regions, ASLs, universities, municipal and provincial administrations) and 3.541.000 employees, 16% of total employment (ISTAT 2007).

(including the quality of bureaucracy, the level of corruption, the degree to which citizens are willing to accept the authority of established institutions) and the rule of law.

Similar results are found by Kaufmann and Kraay (2002) using the governance indicators built by the World Bank. They identify a causal relationship from good governance to per capita income without evidence of a reverse causation, from higher income to better governance: higher incomes per se do not guarantee improved governance. Improvements in institutional quality or governance are unlikely to occur merely as a consequence of economic development.

Causal effects from better governance to higher per capita income are identified also by Acemoglu, Johnson and Robinson (2001), Hall and Jones (1999), Easterly and Levine (2002).

As for reasons explaining differences, La Porta *et al.* (1999) suggest that some measures of government performance (which they define as “interference with the private sector”, “efficiency”, “output of public goods”, “size of public sector”) are affected by some very general political and cultural attributes such as the ethno-linguistic fractionalization, the legal origin, the religious affiliation.

3. Measures of outcome

3.1. Recent international comparisons

It is extremely difficult to compare administrative systems and their capacity to provide an adequate framework to a market-oriented system.

Here we discuss some commonly cited indicators. They are based on simplifying assumptions and have (sometimes significant) methodological limitations. Hence we should not use any single indicator to provide evidence of a specific weakness. However reading them all together we have an indication of the general perception of investors and analysts of the degree of inefficiency of the Italian administrative system. This has obviously to be confirmed by some “harder” evidence, which we provide in the following paragraph.

Data from La Porta *et al.* (1999), those produced within the *Doing Business* reports, the *Governance Matters Indicators* produced by the World Bank, all suggest that under a number of respects the “quality of government” might be one of the current burdens for the Italian economy. La Porta *et al.* (1999) build indicators of “government efficiency” (including proxies of bureaucratic delays, corruption, tax evasion), as averages over a period varying between 1972-1982 until 1995-1996. Italy performs rather poorly in all three (Figure 1). They also produce measures of the capacity of providing public goods, in terms of quality of infrastructure, school attainment and infant mortality (again averaged over the same period): Italy performs well only with respect to low infant mortality. Measures of “interference with the private sector” (including property rights, business regulation, top tax rate, all measured in 1994 or 1997) show in the Italian case a value similar to that of a number of developed countries (even if not in the top rankings).

The World Bank produces a number of indicators on Governance. The measure “government effectiveness” (Figure 2) includes the perception of the quality of public service provision, the quality of bureaucracy, the competence of civil servants, the independence of the civil service from political pressure, the government’s commitment to policies. It is a measure of the inputs required for a government to be able to produce and implement good policies and deliver public goods. In 2008 Italy scored very badly in comparison with other developed countries, after a worsening of the indicator over the last few years. The index “regulatory quality” focuses on policies and includes measures of the incidence of market-unfriendly policies as well as perceptions of the burdens imposed by excessive regulation. In 2008 Italy performed better only than Greece and Poland, even after a slight improvement. Similar indications are provided by the rankings in the *Doing Business* World Bank reports, where the Italian position has worsened in the last few years. Also the OECD data on product market regulation and service regulation show an excessively anti-competitive regulation in some areas (and excessive state ownership). The World Bank “Rule of law” indicator measures the extent to which agents have confidence and abide by the rules of society. Also under this respect in 2008 Italy shows the worst performance. Finally, with reference to the “Control of corruption” indicator, which measures the perception of corruption, conventionally defined as the exercise of public power for private gains, in 2008 Italy was the second worst performer, after Greece. The general evaluation emerging from all these indicators is therefore extremely negative in the current period.

Given the methodological weaknesses of some of these measures it is useful to have also some more direct “output” measure.

3.2. *Some “representative” performance measures*

It is obviously complex to evaluate somehow the “output” of a good government; even more so when we consider specifically the administrative system, due to the difficulty of measuring the quality of the output and of keeping into account the role of various inputs. Ideally we would like to have on the one hand measures of the efficiency of the administrative apparatus (how well inputs are used); on the other end measures of the results in terms of public goods and services produced for the system and on the quality of regulation. These outputs in fact are very likely to impinge on the productivity and growth of the entire system. This is the case for infrastructure, education, research and development, the legal system. Since available measures of aggregate productivity⁵ are by construction based on the costs of inputs (mainly employment) and hence cannot be used to evaluate how efficiently inputs are used, in what follows we show the evolution of some indirect measures regarding the provision of one public good (civil justice) and the provision of some public services (infrastructures).

⁵ Data have been provided by Broadberry, Giordano and Zollino (2011).

The provision of infrastructures. Data on investments in public works and on public capital stock shows 4 major phases of intense growth of public investments (Cannari and Chiri 2002): the 1880s; before WWI, the 1930s and the 1950s and 1960s (Figure 3). If we compare investments to GDP, the first period appears to be characterized by the most intense accumulation process whereas the most recent years show a rapid slowdown (Figure 4). Distinguishing also by asset type (roads, railroads, electricity networks) as indicators of public administration capacity in performing its main role, we observe problems mainly in the most recent periods (Figure 5). This suggests a decreasing capacity to act in support of the economy, intervening as provider of public or quasi-public goods. The main problems recently appear to be not so much in the amount of expenditures, as in their quality.⁶

The provision of a public good: civil justice. One of the main “public good” produced by a government is the enforcement of justice. A measure of “performance” of the judiciary (the length of proceedings, both in first instance and appeal, Figure 6) shows how until WWII the judicial system has slightly but not dramatically worsened, significantly deteriorated after the war. As will be discussed in paragraph 6, this is true also for other measures of judicial efficiency.

Other indicators (such as those related to health or schooling) show a better performance, even after WWII, but in international comparisons still suggest a relative weakness of Italy.

Even if all these measures depend on a number of other factors not necessarily related to the efficiency of the public administration, taken together they proxy how well the administrative system has worked over time in ensuring the provision of public goods and good regulation. Combined with the previous qualitative indicators they suggest that – at least in recent decades – the quality of some public goods provided by the administrative system (infrastructures, civil justice..) has been poor.

4. The Italian administrative system since 1861: an overview

We describe here the evolution of the administrative system in terms of various roles it is expected to perform, identifying instances of “degeneration” as compared to what should have been a physiological reaction to the needs of the economy.

The relevant questions are whether the administrative system has performed its role of providing basic public goods and regulate the economy in an efficient way, at least over some periods, and whether current problems were already present since the beginning.

The historical analysis suggests that some weaknesses were present from the origin but that in some periods the administrative system has accompanied the rapid growth of the productive system and the needs of an evolving society.

⁶ See Balassone and Casadio (2011).

We identify six different phases in the evolution of the system.⁷

1861-1898. The administrative delay. As compared to other European countries, Italy was a rather anomalous case: whereas in France, United Kingdom and Germany bureaucracies and administrative apparatuses accompanied and sustained the national unification and the construction of a State, this was not the case in Italy, due to the absence of a strong administrative tradition (Cassese and Melis 1990). Italy started with ‘small size’ public administration (in 1861 there were 50.000 public servants at large, 3.000 in a stricter definition of government; public expenditure was 10% of GDP mainly devoted to debt payment and defense), whereas in other European countries its weight was much larger. France had inherited from the Napoleonic period a large bureaucracy well distributed over the country and representative of the middle “bourgeoisie”. Germany inherited from Prussia a “military” organization model and a civil servant ideology. The UK administration had a long-standing tradition. On the contrary Italy had no unitary and compact organization of the judiciary, a legislation which still had a relevant regional component; no structured hiring system for the administration (Melis 2010). After unification, however, the number of civil servants grew rapidly (in 1882 reaching approximately 98.000 units).

A fragmented “institutional” landscape and a limited role played by the administration in the unification of the country implied that in 1861 the legislative unification of the country was not associated to an administrative one. Only in 1865 a set of “administrative unification” laws was enacted.⁸ But this was not sufficient to create a homogeneous bureaucratic structure throughout the country. In the 1880s the relationship between the state and society was defined by the legislation: for the first time, a leading role of the State in regulating both economic and social activities was clearly recognised, through planning, regulatory and control powers. Administrative procedures addressed and disciplined economic interests; they were already based on administrative “orders”, with extremely detailed procedures.

The highest ranking officials of the administration belonged to the Northern elite, mainly Piedmontese: in 1897, 25% of the top administration was from Piedmont only, 53% from Northern regions and only 15% from the South (Cassese 1977).

1898-1913. The big spurt. Over this period the increasing demand for public goods and services induced the growth of the administration. Through a “big spurt”, the administration was able to satisfy the growing needs of the economic system and of emerging social groups (workers and their unions).

The boundaries of national and local governments were extended. Municipalities were allowed to run local services for the benefit of their citizens (1903); railways were nationalised (1905); a powerful public agency was established to provide life insurance

⁷ See Melis (1996); Cassese (1983).

⁸ Law on municipalities and provinces; law on public security; law on public health; law on the State Council; law on administrative litigation; law on public works.

(1911). In 15 years public employees greatly increased: in 1914 there were 286.670 public servants, three times as many as at the beginning of the century. The percentage of those coming from the south increased substantially; legal skills became dominant, with a reduction in the weight of technical competencies and a 'bureaucratization' of the administration. This is partially associated to a rapidly growing legislation, more and more detailed in shaping the activities of both public and private actors.

A reaction to the "bureaucratization" of the public administration was the creation of public bodies and entities outside the formal administration, the so-called 'parallel' administrations. A number of special duties were attributed to special bodies different from the traditional "ministerial" public administration: *commissariati civili*, *uffici speciali*, *amministrazioni decentralizzate*, *aziende municipalizzate*, later on *enti pubblici autonomi*.

The establishment of special bodies became also a way to escape from the financial constraints imposed by the *ragionerie* and the strict regulation of bureaucratic behaviour within the traditional structure of public administration. *Enti pubblici* were also outside the scope of application of the two laws approved in 1908 (n. 290 and n. 693) defining the status, duties and rights of public employees (also as a response to the early unions). This allowed these agencies to freely recruit and manage workers and employees with managerial and technical skills.

1920-1939. From the administrative 'normalization' to the governmental reaction to the Great Depression. During the fascism, the administrative system was subject to two different and opposed trends. On the one hand, especially after the end of WWI, there was a retreat of the state and a sensible reduction in the number of the employees in the public sector (from 540.847 in 1923 to 520.979 in 1928); on the other hand, after the consolidation of the fascist regime and following the Great depression, the role and the dimensions of the State greatly increased (public employees grew from 634.328 in 1933, to 787.862 in 1938, to 1.380.904 in 1943). In the 1930s, half of top civil servants came from the South, 30% from Central Italy, and only 20% from the North. This tendency towards "Southernization" became even more noticeable after the 1930s (Cassese 1977).

In this period, several important pieces of legislation were enacted. In many strategic fields (water resources, energy infrastructures, industrial facilities, urban planning), significant discretionary (planning and regulatory) powers were given to the public administration.

A key feature was the intense growth of public law bodies and entities: between 1919 and 1943, 352 new entities and 32 new groups were created, partly to ensure the representation of every social group within the State, but also to create a new area of political patronage, outside the traditional body of older bureaucrats operating in central government.

The "Great Depression" was another source of administrative development and change. To face the crisis of the financial and the industrial sector, the government established a special public law entity, Istituto per la ricostruzione industriale (IRI). Created in 1933 as a temporary agency, it became a stable institution in 1937, allowing a wide program of bailout of banks and industrial companies. At the same time, the

banking law reform required the separation of banks from industrial companies and the establishment of an administrative control system (1936). IRI became the holder of 44% of the Italian stock market and as well as other State-owned enterprises, it allowed the development of a technocratic elite independent from any political influence (Amatori, Bugamelli and Colli 2011).

1950-1973. The public sector contribution to high growth. After the end of WWII and the establishment of the new democratic order (with the Constitution enacted in 1947), the number of public servants increased again (from a little more than one million in 1948 to more than 1 million and hundred thousands in 1963), both as a consequence of the enlargement of the State machinery and for reasons of political consent.

A key role in the reconstruction of the country was played by State-owned enterprises, which greatly developed after WWII, with employees increasing from 250.000 in 1951 to 700.000 in 1977. They were active in new strategic fields such as energy, chemicals, plastics, oil distribution (Crafts and Magnani 2011). A controversial issue was represented by the establishment of a special Agency for the development of the South (Cassa per il Mezzogiorno, 1950) (Iuzzolino, Pellegrini and Viesti 2011), aiming at the development of energy, transport and water infrastructure and to the renewal of tourist services. But the Agency was not able to ensure a strong coordination with other central and local administrations.

The development of private industries and markets and the success of export strategies (discussed in Crafts and Magnani 2011) was sustained by the realization of fundamental energy and transport infrastructures and the provision of essential goods and services citizens by State owned enterprises.

During the Sixties, the welfare system became stronger and wider. A new public education system was established, offering free education to young people until the age of thirteen (1962) (Brandolini and Vecchi 2011; Bertola and Sestito 2011). A new pension scheme granted to old-age pensions even to those who had not contributed to the scheme, so long as their income fell below an established minimum (1969). Modernisation took place outside the central administration system, especially through the use of private law instruments. No substantial attempt to reform the administrative law system was made in this period, but the Parliament tried to strengthen its control over the administration through laws regarding the regulation of administrative powers and tasks.

1973-1990. Still growing notwithstanding administrative inertia. Notwithstanding the economic crisis of 1973-1974 and the difficult macro-economic conditions of the country, the expansion of the public production of goods and services proceeded. In 1978, a comprehensive NHS was established, providing for universal free medical assistance; special and extremely favourable public pension schemes were greatly extended; the number of public servants constantly increased.

But while the Italian economy was growing, the administrative system lagged behind. Poorly paid personnel, complicated procedures and prolonged delays became

more and more its distinctive features. Even the model of *amministrazioni parallele* was put under question and some laws (70/1975) were enacted to limit their growth.

In the following years institutional and administrative reforms proved to be complicated and difficult to implement. The establishment of regional governments and the devolution of administrative tasks to local administrations were slow and ineffective (1970-1977). The reform of the administrative elite (1972) and of public employment didn't ensure the introduction of managerial criteria. More ambitious attempts for an organic reform of the public administration were blocked (1979-1980). The law on administrative procedure enacted in 1990 had a limited impact at the beginning.

1992-2010. Administrative inefficiency as a source of slow growth. The 1992 foreign exchange crisis and the reaction against corruption pushed towards a reduction of the boundaries of the State. A wide privatization program was pursued with the highest revenues from sales in Europe, after U.K. Liberalisations of utilities, especially telecoms and electricity, were wider than in other European countries. Regulatory functions over markets in order to promote competition and protect consumers were established and conferred to newly created independent authorities. Many pieces of legislation were enacted in order to foster administrative simplification (1990, 1993, 1997) and decentralisation (1997, 2001) policies, the latter also through constitutional amendments.

For the first time in the Republican period, the central structure of the administration was deeply reformed. Tasks and internal organization of ministries were completely redesigned (1999). A distinction between politics and administration was introduced (1993-2001), even if balanced through an extended application of the spoil system (1999-2002). The public employment discipline was almost fully privatized (1993, 2001). Also the machinery of administrative controls was changed, in order to reduce ex ante bureaucratic checks and to promote performance evaluations (1994, 1999). A coherent apparatus to measure the performance of government, both of administrative units and individual employees, was introduced (2009).

Notwithstanding all these efforts, the bureaucratic quality remains low and “doing business” in Italy is still difficult.

5. The (potential) sources of inefficiency: the initial conditions

5.1. Path-dependence: the initial weaknesses

The first sources of weaknesses, compared to other countries, were a missing strong administrative tradition on the one hand; and the commitment of the newly formed state directed mainly a building a single market on the other.

Both administrative systems and administrative laws developed in most – even extremely different – countries in the specific context of the “nation-state”, a national

government run by a political body called the State.⁹ Hence, public administrations, with a sort of monopoly of executive power, have been conceived of as belonging to a national community, structurally depending on national governments. The Italian administrative system belongs to a second generation administrative systems and this may explain the limited role played in Italy by administrative institutions both in enforcing the unification of the country and in enhancing economic growth.

The first generation administrative systems were established during the Renaissance in England, France, and Spain. Germany and Italy, on the contrary, established a second generation administrative system, as they were unified only in the second half of the 19th century. But their administrative traditions were deeply different. Prussia had both a strong bureaucracy and a well-established administrative culture, whereas Piedmont had a weak administrative structure and adopted the French-Napoleonic model. But the transplants of French institutions were neither immediate, nor comprehensive, and the Italian administrative system was incapable of either imitating the models of other countries or developing an autonomous efficient set of rules and institutions. The attempt to follow the French model induced the new Italian State to abandon its decentralized tradition in a context where central institutions hadn't developed sufficient administrative capacity. A number of reasons can be found for this weakness.

First, the concept of “*droit administratif*” as a special body of law, different from private law, was not immediately adopted by the Italian administrative system. For at least twenty years following the political-administrative unification of Italy, private law and especially contractual rules prevailed, with public law elements remaining fragmented and secondary. This prevented the State from ruling the society and delivering the public goods necessary to the development of the new state. Only two decades after unification, and especially towards the end of the century, state decisions became imperative; administrative law developed as a separate branch of law, to enhance the enforcement powers of the state.

Secondly, following the unification, Piedmont's laws were extended throughout the realm, to replace those of individual states. But the main effort was devoted to market unification rather than administrations and institutions. The judiciary was fragmented, even at the top (four Supreme Courts ruled in different areas of the country). Different economic conditions of the North and the South were not corrected by regulatory harmonization. Formally identical rules for the administrative bodies throughout the country received a very different interpretation at the local level.

Thirdly, the Italian administrative organization was only rudimentary, for at least twenty years following the unification (fifty thousand public servants for more than twenty-five million people). There were nine ministries employing three thousand people. There was no entity charged with general coordination and, at least initially,

⁹ See Cassese (2010).

there was no procedure for recruiting and selecting an administrative élite. Access to top positions, which was granted to Piedmont functionaries on a somewhat privileged basis, gradually became a simple matter of seniority, an almost mechanical process.

Fourthly, the government performed a limited role in promoting the economic development. Only some infrastructural investments were pursued (e.g., postal services) at the beginning. The limited financial involvement of the State was also due to the high level of public debt inherited from the pre-unitary states.

The big spurt of the Italian public administration began only twenty years after the unification, and intensified at the beginning of the 20th century. The industrial development and the related increasing demand for public goods and services induced a substantial growth in the administration.

5.2. *Excessive political influence over bureaucracy*

A second weakness was associated to the fact that an (excessive) political influence over the administration did not allow the creation of an autonomous and competent bureaucracy, as was the case in other continental countries.

A major component of a modern administration is a professional civil service, recruited on the basis of a merit system rather than political patronage. This principle of neutrality of the administration has many different versions, from the “faceless figure” of the British civil servant – entirely removed from politics – to the French hybrid of career “haut fonctionnaires” and the German combination of “Beamte” and “Politische Beamte”.

In Italy, after the unification, politicians and top-level administrators were closely associated, being both parts of an elite aiming at ensuring the effectiveness of the unification and at building an Italian identity. For at least twenty years, bureaucratic, political and judicial careers were interchangeable.

Only in 1908 a law on the legal status of public servants was introduced, with a formal separation between political and administrative careers. At that point bureaucrats started looking for protection against political interference. During the fascist period, the bureaucracy was formally at the service of the new regime, but their legal status was not substantially affected.

In 1948 the Constitution provided that the administration is “subject” to the political body: each member of the Council of Ministers is responsible for the activity of his ministry but the recruitment of public officials is carried out primarily by means of open competition; politicization is present only at the top due to the power granted to the government to appoint top-level administrators (even if this power is often only apparent, as far as rules and practices related to seniority greatly reduce the selection capacity).

On the other hand, there was no exchange between top level administrators and political leadership since civil servants elected in parliament were always a small percentage (on average 4%), much lower than in France (between 15 and 20%).

Top-level administrators tended to give importance to their post and career, trying to avoid any political interference with their work: they somehow traded power for

security, whereas politicians traded independence of action for loyalty. This *modus vivendi*, based on the fact that each of the two sides adopted a policy of self restraint, produced inefficiency and immobility, setting off a vicious circle.

Firstly, ministers surrounded themselves with an ever growing number of staff working directly for them. Minister's cabinet became inflated (in some cases with more than one hundred employees). The cabinet played the role of ensuring the transmission of the political views from the minister to the administrative structure.

Secondly, while ministers could not influence the selection and careers of the ministerial bureaucracy, they had the power to appoint chairmen and board members of public agencies.

As a whole, the relationship between top-level bureaucracy and the political class was different both from the French elitist model or the U.S. spoils system. At first glance, the neutral attitude of the Italian bureaucracy might appear similar to the British model. But three main features distinguish the Italian experience. Firstly, the Italian bureaucracy had neither the salaries nor the social status that permitted British higher civil servants to be neutral vis-à-vis the political system. Secondly, the Italian political class resorted much more than their British counterpart to political patronage. Thirdly, the Italian top-level bureaucracy tended to adopt prudent and conservative stances by resorting to excessive legalism, enforcing laws to the letter, playing a restraining role to institutional innovation, contrary to the British one, much more ready to follow the new public management spirit.

In the last decade of the 20th century, the executive extended its power to appoint top officials: those appointed with a term-limit from outside reached 30% in 2007; a spoil system was applied extensively (in 1999, top management faced a huge turn-over); recent attempts, due also to Constitutional court rulings, to reduce the discretionary power of the executive and to submit any decision to prior evaluation of individual performance, were only partially successful.

Politicians tried to maintain their influence through the manipulation of the spoil system. Top level administrators didn't take up the challenges of performance, reward and flexibility. The attempt to build a more professional body of public servants, guided by the objective of reaching higher level performances and delivering high quality goods and services to citizens largely failed.

5.3. *The role of lawyers and the juridical culture*

A third source of weakness is the relevance of the legal culture and the role played by law graduates in the public administration, which over time somehow constrained the development of a managerial approach.

In the early period after unification most bureaucrats were Piedmontese; only among judges a significant share had graduated in Naples and had worked in the Southern courts.¹⁰

In the first decades technicians and engineers had an important role in the administration and could access managerial positions: specific laws for the development of Southern regions favoured new motorways and road construction; the restructuring of the railways after its nationalization in 1905 and the enlargements of ports created a strong demand for engineers.

But already at the end of the first decade of the 20th century the public administration became less attractive for these professionals,¹¹ due to the low salary levels, not sufficiently compensated by the advantage of job stability; a progressively higher dependence of technical roles from administrative roles; the presence at the highest levels of the public administration of law graduates, legal training rapidly becoming a pre-condition for a managerial role.

This induced engineers and technicians to find jobs mainly in the private sector. The evolution corresponded to an increasing role of administrative law which, supported by academic scholarship, came to have an extremely relevant influence over the administration.

A similar evolution could be observed in the society as large with an increasing share of enrolments in law schools among university students and a growing importance of lawyers and notaries in the society; the two professions were recognized and disciplined as early as 1874 and 1875, whereas for example health professions were only recognized in 1910 and engineers and architects in 1923. Among students who graduated after 1913 the largest percentage has been in law disciplines; only in 1960s and 1970s engineers became the largest group.¹²

Evidence referred to year 1954¹³ shows that a large number of top positions in the public administration were held by employees holding a law degree (Table 1).¹⁴

It is moreover relevant to note that a large number of members of Parliament were lawyers (Table 2). A law degree was almost a pre-condition to enter Parliament:¹⁵ the percentage of law-degree holders increased from 37% in the 1860s to 58% in the 1920s.

¹⁰ See Melis (2010).

¹¹ See Minesso (1996).

¹² See Cammelli and Di Francia (1996).

¹³ See Cassese (1977).

¹⁴ According to one interpretation (Melis 1996; Cassese 1977; Alesina, Danninger and Ristagno 1999) this juridical presence was associated to the use of public employment as a redistributive instrument to reallocate resources from the richer North to the less industrialized South in a way that the South has been trapped in an equilibrium of dependency “where public jobs are a critical source of disposable income in which private opportunities do not materialize” (Alesina, Danninger and Ristagno 1999).

¹⁵ See Cammarano and Piretti (1996).

Until the early 1880s they were mainly from the North; later on the share became more homogeneous but much more favourable to the South if compared to the number of citizens represented (Table 3). This situation somehow affected the law-making process.

Lawyers (or anyway representatives with a law degree) were the majority in Parliament also during the fascist period, with a larger share coming from the South; their share slightly reduced over time, from 45% in 1921 to 31% in 1929, to 24 in 1934.¹⁶ After that lawyers remained the profession most represented in the “Costituente” (32%), even if slowly decreasing subsequently.

These three characteristics (the initial weaknesses, the political influence, the role of lawyers) produced inefficiencies, already recognized at the time – e.g. an excessively regulated public administration (both in terms of employment discipline and financial discipline) – inducing already in the early decades of the 1900s the establishment of “simplification commissions”. In turn these inefficiencies generated responses which in some cases were only temporary and produced even worse performances of the public administration. One example of these inefficiencies is the performance of the judicial system (with specific regard for civil justice).

6. The case of civil justice: output and input of the administrative system

We might consider a number of different “outputs” of an administrative system: from the production of public goods and services, to the provision of infrastructures and networks, health services and merit goods, like culture and education, typical of the Welfare State. With respect to some of these services, it might be argued that the achievement of the Italian system was as a whole satisfactory, at least until the end of the 1960s.

Here we consider civil justice, which represents an essential condition for enforcing contracts and hence development.

Being one of the fundamental “outputs” of an administrative system and an essential input for the productive system, its performance over time is useful in evaluating the basic capacity of the administration and understanding the reasons of its inefficiency. But, as we will discuss in the following paragraph, the enforcement system can be taken also as an “input” to the entire system. When inadequate, it might induce even more inefficient responses of the entire system.¹⁷

6.1. Measures of output of a civil justice system

We use a simple measure of the efficiency of a civil justice system, i.e. the average time it takes to obtain a decision. Obviously this is not the only dimension we

¹⁶ See Cammarano and Piretti (1996).

¹⁷ Similar to what is proposed in Bianco *et al.* (2007) for the most recent years.

are interested in, the others being the “quality” of these sentences and the costs incurred in obtaining them.

We will consider the three main first instance courts: *Uffici di conciliazione*, *Preture* and *Tribunali*¹⁸ and the four appeal courts: *Preture* (appeal over *Uffici di conciliazione* cases), *Tribunali* (appeal over *Preture* cases), Courts of appeal (appeal over cases decided in *Tribunali*), *Cassazione* deciding only over Courts of appeals’ appeal cases.

We use as a measure of length of proceedings the “estimated time in the procedure” of a case, since the actual length of proceedings is not available, given by the following approximation, where the days needed to obtain a judgement in year t are:

$$Days_t = \frac{Pendingcases_{t-1} + Pendingcases_t}{IncomCases_t + ConcludCases_t} * 365$$

The formula is a reasonable approximation for the length of proceedings when flows are stable (so that pending cases are stable as well). Using this formula we computed the length of the procedures in the various courts over the period 1880-1970 (with some more recent data for a subset of indicators).

Both in first instance and appeal we observe that procedures took quite a short time until the first decade of the 20th century (less than 50 days). Afterwards, trials' length slowly increased to approximately 100 days, without further growth until WWII. After that, procedures became longer and longer: from approximately 300 (estimated) days in the 1960s-1970s to nearly 900 in the 1990s (Figure 6), with a slight decline afterwards.

Specifically, in *Uffici di conciliazione* the length increased from less than 100 days before the war to more than 300 in the 1960s (Figure 8); in *Preture* the length was relatively stable until the first decade of the century; then after a slow increase, it decreased during the 1930s to grow again after WWII (Figure 9); in *Tribunali* a substantial increase occurred after WWII, after which the trend was persistently upward (Figure 10). With reference to appeals the evolution is less defined, at least in lower courts (*Preture* and *Tribunali*, Figures 11-12), where a more limited number of cases are decided. In these courts, after the increase of the length of proceedings in the 1950s, a substantial reduction occurred after 1966, whereas in courts of appeal proceedings become ever longer after WWII. In the highest courts we observe a long term upward trend, with a lot of variation (Figures 13-14).

Some further detail is available for the period 1956-1963 on the “actual” length of proceedings, or better on the percentages of procedures decided within a certain time

¹⁸ The competences of the different judges changed over time. At the end of the period we consider (1975) *Uffici di conciliazione* decided on small claims (less than 50.000 liras, excluding labour and pension judgements), *Preture* on larger claims (less than 750.000 liras) and on individual labour issues, *Tribunali* decided on larger claims. Courts of appeal decided only in a very limited number of first instance cases (e.g., electoral claims), hence we do not consider them here.

span¹⁹. In Figure 15 we report these percentages, confirming the rapid worsening also in “actual” length after the war.

After WWII (and specifically after the 1950s) it is in the South and in the Islands that the increase in length of proceedings is more substantial.

After the war a ranking emerges at *Uffici di conciliazione*, with procedures being shortest in the North East slowest in the Islands (Figure 16). The gap increases in the 1960s with procedure length remaining stable in the North and growing steadily in the rest of the country. A broadly similar pattern is found with *Preture* (Figure 17). Between 1884 and 1912 the geographic efficiency gap had not been as deep as after WWII (Figures 18-20). In *Tribunali*, a substantial difference in the length of civil litigation only emerges at the end of the 1950s (Figure 21).

As a whole, it seems that the worsening in the efficiency of civil justice emerges only after the war and can be partly attributed to the increasingly poorer performance of Southern courts. In order to explain this evolution, we consider: the evolution of litigation (is excessive length due to an increase in the demand for justice?) and the possible role played by lawyers; the costs of access to justice (possibly too low?); the quality of judgements (inducing too many appeals?); the resources available, specifically judges and courts assistants (were they insufficient?); finally the procedure (too cumbersome?).

We won’t be able to attribute empirically the inefficiency to one specific reason but offer some suggestions of what might have been at the root of this evolution.

6.2. Litigation

Litigation was extremely high at the end of the 19th century (Figure 22). It was mainly associated to small claims, decided at *Uffici di conciliazione*: relative to the population, it increased substantially until the mid 1890s; from then onward the long term trend shows a reduction, with an interruption only in the 1920s, partly associated to an increase in the threshold for cases judged by *Preture* (Figure 23). In *Preture* – where the value of claims is larger – the overall trend is similar (larger litigation at the end of the 19th century, then reduction with an interruption in the 1920s) but after the beginning of WWII the number of proceedings grew again (Figure 24). This trend is even more pronounced for *Tribunali*: in these courts the reduction before the war (in the 1930s) is more than compensated by the increase in the following years. This growth is not offset by a sufficient increase in decided cases (Figures 25-26). The growing distance between the two is responsible for the accumulation of pending cases (in both *Preture* and *Tribunali*) which did not stop until very recently (Figure 27). As a whole the evolution of litigation shows a reduction in small claims cases but an increase of larger value claims over time.

¹⁹ See Castellano (1968).

Again it is useful to distinguish across geographical area in order to look for possible explanations of the differential inefficiencies emerging after 1950.

First instance cases small claim litigation was initially much higher in the South (4 times as in the North) and the Islands (6 times as much), then over time it increased in the North and decreased substantially in the South, where however a heavy backlog was accumulating. In *Preture* the evolution was similar (Figures 28-32). In *Tribunali* the already high litigation in the South (and Center) increased substantially in the post-war years (especially in the courts of Rome, Naples, Reggio Calabria) with a growing amount of pending cases (Figures 33-37).

For what concerns appeals, whereas in *Preture* and *Tribunali* incoming cases diminished after the war, Courts of appeals experienced an increase everywhere and especially in the South and the Islands, with a positive correlation between 1st instance cases and appeals (higher where the value of claims was larger).

As a whole litigation after the war remained relatively low in the North (especially in the North East, where also the length of proceedings was low) and increased steadily in the South and the Islands, suggesting different determinants of litigation in the various areas. This is confirmed by looking at the different subjects of litigation. Considering an example referred to the period 1966-1970,²⁰ whereas in the North litigation was relatively high for contractual issues in the South labour and social security issues were also extremely relevant (see Table 4). Litigation referred to contractual issues was especially high in Milano, Brescia, Bologna, Torino; labour litigation in Lecce, Palermo, Napoli, Cagliari. It is interesting to notice that only 14% of contractual issues were appealed as compared to 20% of labour ones.

Hence the substantial growth in litigation seems to be attributable in the North also to the economic development, whereas in the South it appears to be driven by other factors (e.g. as a source of compensation for insufficient growth or unemployment but possibly also by a lower amount of social capital). We turn now to the analysis of some possible determinants of litigation: the role of lawyers; the costs of litigation; the quality of judgements.

Lawyers – While it is difficult to establish the effect of the number of lawyers on litigation,²¹ already in 1921 P. Calamandrei – a famous lawyer and law professor – claimed that there were “too many lawyers”, that they were inducing litigation artificially, and made the proceedings as long as possible.

The number of lawyers (per 10.000 inhabitants) did not grow excessively between 1881 and 1981 (Cammelli and Di Francia 1996), remaining approximately between 7 and 8 (Table 5) mainly due to barriers to entry and the high degree of protection that the profession enjoyed since 1884, when it obtained a formal juridical recognition (but since the beginning their number was much higher than in France or Germany).

²⁰ See Cecchi (1975).

²¹ But for some recent evidence see Carmignani and Giacomelli (2010).

However we observe a stable difference between the North and the South, (in 1880, 25% of all Italian law degrees were obtained in Naples University, see Cammelli and Di Francia 1996).

Even if not causally established, this suggests a possible role of lawyers and of the juridical culture in enhancing litigation mainly in the South.

Costs – A second variable possibly affecting litigation is the cost of disputes. The role of this component is even more difficult to establish since very limited evidence is available.

A survey based on 270 judgements in 1961-1965 in three large courts (Torino, Milano, Palermo²²) suggests that costs were high (as a percentage of the value of the claim) for smaller claims, whereas for larger claims (both in first instance and appeal) they were relatively low (Table 6). This might contribute to explain the reduction in small claims litigation and the stable growth for larger claims and even appeals, Costs (with those for lawyers accounting for slightly less than half) were not a deterrent to litigation.

Quality – It is extremely difficult to judge the quality of the decisions. One (if imperfect) proxy that may be the amount of decisions appealed that are successively reversed. This obviously relies on the hypothesis that judges in higher courts are more competent, being selected on their merit, than those in lower courts.

The quality of judgement under this respect may affect litigation as well since it influences agents' expectations: if the quality is low and decisions are uncertain, this discourages out of court agreements and may create incentives for those that are on the wrong side to go to court. It also induces excessive litigation in appeal courts.

Appeal rates increased substantially over time, from less than 5% at the end of the 19th century to more than 20% after WWII (Figure 38). The increase was especially relevant for *Preture* and *Tribunali*.

Data on reversal rates in *Preture* (appeal on *Uffici di conciliazione*'s judgements), *Tribunali* (appeal on *Preture*'s judgements), Courts of appeal (appeals on *Tribunali*), *Cassazione* (appeals on Courts of appeal), show relatively high reversal rates after the war (Figure 39): totalling around 40%.

Given the very high probability of reversal, litigation in appeal is most likely high: given that the chances the judgement is reversed are almost 50%, why not appealing even if on the wrong side? Moreover a high reversal rate suggests a relatively "poor" quality of the first instance judgement.

Obviously it remains to be explained "why" what we defined as quality of judgement was (and has remained) "poor". It might have to do either with the willingness of judges to produce "original" judgements rather than ensure uniformity of

²² See Castellano (1968).

interpretation (given the absence of a rule similar to the “*stare decisis*” of the common law), or with a legislation becoming excessive and difficult to interpret.

Based on this evidence it is not possible to attribute to one of the three components a prevailing role. It is likely that a combination of “demand” side (lawyers together with low costs) and “supply” side (quality of judgements) factors played a role, possibly with significant differences across the country, especially with reference to the demand side.

6.3. Resources

The other side of the problem is the supply side aspect. It might be that resources are (or have become) insufficient to deal with the amount of litigation in the country. Human resources involved are basically judges and clerks working in courts.

After unification, judges were heavily controlled and constrained by the government, through nomination, promotion, transfer powers. Their professional quality was not considered very high (Taruffo 1980). During the fascist period, dependence on political power was strengthened. It was only with the 1946 reform and even more through Articles 101-110 of the new Constitution, that independence and autonomy of judges were recognized and a Judges’ Council was established as the self regulating body.

Again availability of data limits the possibility to evaluate correctly the role of supply side factors in explaining the poor performance of the judicial system.

Data on the evolution of employees of the Ministry of Justice (including judges and clerks) between 1923 and 1978 show a slow growth in the number of judges over time and a very steep growth of the clerks’ number after WWII (Figure 40).²³ According to some interpretation²⁴ this means that at least in the 1960s the number of judges was sufficiently high (also given that over time small claims litigation had actually decreased) and, as compared to other – similar – countries, such as France, actually larger.

Some more detailed data on their geographical distribution are available for the year 1974.²⁵ The distribution shows a greater (effective) presence of judges (compared to inhabitants) in the South, for *Preture*, *Tribunali* and Courts of appeal (Figure 41): in *Preture* they are approximately 2,5 in the North and 3,3 in the South, in *Tribunali* 3,8 in the North vs 5,7 in the South. Even if we consider the number of judges per incoming cases this is lower in the North; the same is true if we consider judges per total cases (incoming and pending). If we take into account also clerks, we actually see that the number of clerks per judge is higher in the South in courts of appeal and *Preture*, but not in *Tribunali*.

²³ See Ministero del Tesoro, Ragioneria Generale dello Stato (1993).

²⁴ See Castellano (1968).

²⁵ See Cecchi (1975).

As a whole this suggests a limited relevance of the issue of resources: they are actually in greater number in the areas where inefficiency is higher, even taking into account a greater litigation and accumulation of pending cases.

It is possible that the problem is then one of productivity of the resources, its evolution and its distribution across the country. According to a report by the Judges' Council (Consiglio Superiore della Magistratura)²⁶ a (rough) measure of productivity, the number of cases decided per judge, decreased between 1930-1934 and 1960: in *Preture* from 122 to 57; in *Tribunali* from 75 to 37, in Courts of appeal from 36 to 29, in *Cassazione* from 48 to 27. The Council suggests that the distribution of judges across functions and across courts was partly responsible of this increased inefficiency. In the 1974 data, where only a cross section comparison is possible, decided cases per judge are on average higher in the North and are positively correlated with the sum of incoming and pending cases (the correlation is 0,6 in *Preture*; 0,5 in *Tribunali*; 0,6 in courts of appeal): where judges had more cases to deal with, they appeared to be more productive.

As a whole decreasing productivity rather than lack of resources seem to be the supply side explanation of the increasing inefficiency of civil justice.

6.4. Procedure

Finally in the courts' production function, a relevant role is played by procedural rules, their formalism and rigidity. This has certainly always been another source of inefficiency in the solution of litigation in Italy.

The code of 1865 was based on the old (1806) French code, and had the following characteristics: a substantial role for private parties (and their lawyers) as compared to that of the judge; a greater attention to formalism than to simplicity; partly as a result of this, length and complexity of procedures with limited attention to speed and efficiency; a greater role for written procedures as compared to fast and/or special procedures.²⁷

The jurisprudence that followed adopted and strengthened the formalistic approach with an interpretation of the laws rarely oriented towards efficiency. In this context the *Uffici di conciliazione*, with an oral and informal procedure, worked relatively well, solving – as mentioned above – a large amount of small claims.

In the 1920s a number of reform projects were proposed, the most innovative by Giuseppe Chiovenda, a famous law professor, which aimed at introducing an oral discussion of the case; at granting the same judge for the whole trial; at ensuring that the trial would be concentrated in a limited number of meetings; at providing judges with greater powers in the trial management. Neither Chiovenda's project nor other reforms proposals were introduced.

²⁶ Cited in Esposito (1968).

²⁷ See Taruffo (1980).

The Civil Code was finally reformed only in 1940 (and then adopted in 1942). The reform was the result of a compromise and did not innovate excessively: it reduced somehow the degree of formalism without concentrating sufficiently the length of the trial. However in the following years lawyers strongly opposed its introduction, formally because it was a “fascist” product; in fact because it was perceived to innovate on lawyers’ practices. The adjustments in 1950 partly accepted these critiques reintroducing formalism and excessive length. Only procedures regarding labour disputes were finally reformed in 1973 in an efficient way – following the introduction of the “workers’ statute”.

The provision of civil justice is one essential function of the State. We showed how in the first decades after Unity the solution of controversies was relatively efficient, but then progressively deteriorated especially after WWII. It is difficult to identify a single source or a structural break. As for the administrative system, some weaknesses were present from the beginning (high number of lawyers, an excessively formal procedure), and shared a similar nature to those found for the administration at large. Never corrected, they produced over time greater inefficiencies with an increasing gap between North and South. As a whole the (excessive) formalism in the juridical culture, the role of lawyers, the role of incentives and an insufficient attention to the organization of courts appear at the root of the increasing inefficiency. In the South civil justice (especially with reference to labour and other social provisions litigation) might have represented a substitute for other more explicit welfare measures (as was the case for the administration as a whole).

7. Effects of the initial conditions and the reactions of the system

7.1. *Excessive regulation*

As a reaction to the original inefficiencies and at the same time to the insufficient enforcement, a great number of (excessively complicated) laws and administrative acts were introduced shifting the focus from final outputs to the formal respect for procedures.

The Italian system is currently perceived as being burdened by too many laws (as compared to other countries). Moreover, they are perceived as unstable and opaque. As a whole economic activities are too heavily regulated.²⁸

It might be that inefficiencies partly stemmed from a reaction to some “previous” weaknesses of the system, specifically an inefficient enforcement of laws (see section 6).

²⁸ See Mattarella (2011).

With respect to the first issue, a response to a limited enforcement capacity might be to regulate excessively and in a detailed way many areas of economic activity:²⁹ the fact that most activities are regulated much more heavily than simply by requiring mandatory disclosure would suggest that regulation is not dictated only by market failures or information asymmetries. Rather the case for (efficient) regulation might rest on the “failures” of courts: when litigation is expensive, unpredictable or biased, contracts accomplish less and regulation is needed. Under this respect the growth of regulation might be an efficient institutional adaptation.

In order to test this thesis, we analyse the specific regulation of economic activities. As a rough measure of “regulation” we take the number of all types of laws issued yearly (Figures 42-43) and the average number of pages per law (Figure 44) as a proxy of their complexity. Concerning the first we do not observe a clear correlation between law production and enforcement inefficiency. However, if we considered the total number of laws (i.e., its stock), given the very limited repeal of previous legislation, we observe a legal “explosion”, one of the problems of the legal system. The second measure suggests that in the last decades the reduction in the number of laws approved has been accompanied by an increase in their complexity.

A second interpretation is associated to the reaction of the administration to external pressures: rather than ensuring more efficient services, it might have aimed at protecting itself with more detailed provisions which are not only easily formally enforced but also more difficult to be fully understood and hence reduce demands and pressure for the administration.

According to Cassese (1992), Melis (1996) and Mattarella (2011) one long standing issue has been also the “quality” of the legislative process, partly due to the juridical culture, partly to the way the process works, through the operation of legislative units of different Ministries (since 1923 when the legislative unit of the Ministry of Justice has been created), which make the different administrations heavily involved in the process of legal production.

7.2. *Administrative corruption*

Both the links with politics and excessive regulation favoured administrative corruption.

It is extremely difficult to establish the degree of diffusion of corruption in a system. Underreporting of the phenomenon, the difficulty of proving wrongdoings make the available statistics hard to interpret (Figures 45-46).

The limited data available over the long term do not allow a detailed analysis of its evolution. According to some interpretation however only after the 1970s corruption

²⁹ See Shleifer (2010).

became a significant issue in the Italian administration,³⁰ exploding at the beginning of the 1990s, and might be attributed to:

a) the weakness of the administrative structures (less and less capable of technical evaluations), their reduced prestige and reputation, their inefficiency, an inadequate discipline of administrative procedures (or their inefficient enforcement). With respect to these inefficiencies it might even appear³¹ that corruption has in some case favoured growth by reducing the negative effects of excessive administrative burdens;³²

b) the decentralization process, with the strengthening of local powers, due to their lower capabilities and more limited responsibilities;

c) the excess of laws and administrative burdens which created a great discretionary powers for (especially local) public administration (administrative burdens indicators are positively correlated with corruption indicators);

d) in some areas of the country, the relevance of organized crime which might have facilitated the corruptive relationships between entrepreneurs, administrators and politicians.

Italy, based on international indicators, is now perceived as a country with a high corruption level. This in turn has produced severe inefficiencies for the system: higher costs for firms; barriers to entry; distortions in the allocation of resources which is not based on efficient selection; wrong incentives for agents who invest in corruptive activities; reduction in public expenditure efficiency.

7.3. *Growth of the system outside the formal public administration*

The rise of public bodies and ‘parallel’ administrations represented a corrective device to the growing dysfunctions of the formal administration and its rigidities. During the “Giolitti age”, a number of special duties were attributed to “agencies” different from the traditional ministerial public administration. It was the first response to the bureaucratization of the public administration, to financial constraints, to the stricter regulation of public officials.³³

A large number of *enti pubblici autonomi* and *aziende pubbliche* reached, at least at the beginning of their existence, a high level of expertise and efficiency. This is why

³⁰ See Melis (1996); Cazzola (1988).

³¹ It is an evidence which is referred to developing countries but which could be applied to the Italian case.

³² Leff (1964) and Huntington (1968) suggest that speed money and other “greasing wheel” practices raise investment and growth by relieving the economy from burdensome regulation.

³³ All these increasing failures in the design of the Italian administrative system were also the consequence of the “juridification” of public employees and of their culture (a further result of Orlando’s influence from end of 1880s, according to whom the study and the practice of administrative law must be based only on legal categories).

– according to a number of authors³⁴ Italy has been able to ensure infrastructures, improvements in health conditions, in agriculture, in urban conditions, in education. But the “degeneration” of these agencies was afterwards a source of weakness and inefficiency, with an excessive growth in the number of “parallel” administrations (Figures 47-48).

The period until the 1920s. Already in the first decades of the 20th century there was a wide use of the so called “legislazione in deroga”, creating exceptions in the regular legislation (regarding Southern regions, the 1909 earthquake..) and a number of local independent agencies were created, independent from the formal public administration even if under state control (and hence with the flexibility of private institutions). The same occurred with insurance and financial state agencies (INA, Opera Nazionale Combattenti, Crediop, Icipu, Credito Navale) that had to be flexible and fast in their reaction capacity. But this did not challenge the general public administration structure where the Agriculture, Industry and Commerce Ministry remained central for the economic system.

The second period (until 1950s). This period was characterized by innovations with respect to both legislation and administrative structures, with the traditional apparatus (which already saw a substantial presence of lawyers) reacting in a conservative way, by reinforcing the jurisprudential tradition and adding more formal structure to the decision making process. From 1930 to 1950 a large number of public institutions totally separated from the formal public administration was created. This somehow avoided that these activities were fully absorbed by the State itself and generated a new different line of thought within the administrative law (of which M.S. Giannini was one of the major interpreters).

The final period (after 1950s). Here the capacities of the system transformed into bureaucratic obstacles, due to the limits of the original ministerial structure and the legislative uniformity.

In the end, “success stories” outside the central administration reduced the incentives to reform and strengthen the latter. That is why the effects of the original administrative delay were paid for a long time and deeply influenced the relationships between the state, the society, and the economic system.

8. Tentative reforms in the last decades: why so difficult?

In the third quarter of the 20th century administrative reforms became a public policy goal in most European countries, even assigned to members of governments entrusted solely with this task.³⁵ They became a permanent public function and were put at the top of the political agenda. They were presented in emphatic terms everywhere: “neue Steuerungs Modell” in Germany since 1978; “New Public Management” in UK

³⁴ See, e.g., D’Antone (1997) and Melis (1996).

³⁵ See Cassese (2010).

since 1979; “Renouveau du Service Public” in France since 1989; “Modernization” since 1992 in Spain; “Re-inventing Government” in the US in 1992.

Also in Italy a number of reform proposals were put forward.

8.1. *The Giannini Plan*

In 1979 Massimo S. Giannini, Ministry of the Public Function and renowned administrative law professor, submitted to the Parliament a “Report on the main problems of State Administration” with proposals for a reorganization of the Public Administration based on a greater attention for efficiency and productivity: on a simplification and rationalization of procedures; on a wider use of information technology; suggesting a privatization of the employment contracts; proposing a more intense decentralization of functions. Approximately 15 sub-commissions were established which provided in a very short span analyses and proposals.

In 1980 and 1983 a new discipline of the public sector employment was introduced which aimed at providing a more efficient organization but ended up by granting more protection to state employees and less meritocratic career prospects.

8.2. *The early Nineties period*

In 1990 three major laws were introduced. Law 142/1990 on local administrations introduced new local forms of governments, granted local administrations a greater autonomy, formally defined the relationship between political and administrative functions law 241/1990 disciplined the administrative procedures, imposing a number of (much opposed by the bureaucracy) rules that the administration was due to follow concerning the communication to the citizen, the transparency of the procedure, the responsibility of public officials in charge of the procedure. Law 29/1993 applied some private employment rules to public employees.

In 1993 Sabino Cassese, Minister for the Public Function, introduced a “Charter for public services” to substantially increase substantially transparency and citizens’ access to information. A major effort was devoted to increase the enforcement of the law for self-certification (law 4/1968), the law on local autonomy (law 142/1990), the law on administrative procedure (law 241/1990).

The objective of cost reduction was pursued by suppressing some ministries, committees, agencies. A survey on the procedures used by the administrations (5.000 were counted) allowed a rationalization and simplification. The introduction of codes of behaviour for the public administration and strengthened monitoring functions aimed at reducing length and costs of procedures.

These measures met with substantial resistance within the administration so that the Ministry himself in 1994 claimed that his reform remained partly unfinished.

8.3. *The reforms of the late Nineties (1996-2000)*

In the second half of the 1990s a number of laws were passed (law 59/1997; law 127/1997; law 191/1998; law 50/1999) within another major reform effort made by Minister Bassanini. They touched a number of different areas.

Administrative “decentralization” and strengthening of local powers and independence were pursued according to the “subsidiarity principle” (administrative power to the subject who is closer to the citizen, provided it has adequate capacity); some restructuring of central administration and public agencies (with a reduction and reorganization) and some liberalizations were initiated; simplification of laws and procedures (through self-certification; yearly simplification law; the creation of a simplification unit; the introduction of regulatory impact analysis) was pursued; the reform of public administration structures was associated to a digitalization plan (introducing incentives, transparency, separation of politics from administration).

Results were significant at the beginning but in the longer term remained mainly formal. The most important results were a reduction in the number of state employees; some partial liberalizations; the reduction in some agencies.

But digitalization remained limited; simplification of procedures and laws stopped after some years; decentralization was only partial (with duplications of functions across State and local administrations and litigation among different levels); the restructuring of the organization ended also with the introduction of the spoil system. Various reasons account for these partial failures.³⁶ Firstly, the way the constitutional reform in a federal direction was realized implied that the allocation of powers between different authorities has weaknesses, and specifically that no safeguard clause was introduced. Secondly, financial resources were insufficient (since the mid 1990s) to ensure the provision of adequate incentives, modernization (and digitalization), formation. Moreover, the state balance sheet reform did not go through at the time and the allocation of power between politics and high level bureaucracy with responsibility of each and transparency on performances was not implemented by administrations due to the resistance by politicians and bureaucracy.

A new round of reforms was initiated by the Ministry of Public Administration Brunetta in 2009. It is still too early to evaluate the results but also in this instance a substantial resistance has slowed the process.

As a whole the difficulties of the reform processes suggest that past weaknesses still affect the administration. Addressing them is essential but extremely complex.

9. Conclusions and caveats

The development of the Italian administrative system showed some initial weaknesses: Italy was a late comer, not having a strong administrative tradition; a substantial role of lawyers and legal administrative formalism strongly affected the evolution of the administration; the interaction between administration and politics was not always virtuous. These had an impact on some of the expected outputs of the administration: we show as an example the evolution of the length – and quality – of civil justice decisions. Some reactions to these weaknesses – such as the development of “parallel” administrations, external to the public administration and less subject to

³⁶ See Bassanini (2010).

formal constraints – accompanied and sustained the country industrial growth in the 1950s. But then again the inefficiencies and inadequacy of the responses prevailed. Parallel administrations slowly became similar to the formal public administration; overregulation, partly a reaction to inefficient law enforcement, followed; corruption strongly increased. Reforming the system proved more and more difficult.

In conclusion we offer some caveat with respect to our analysis and interpretation.

First, there is a number of factors which we were not able to consider: one of them, possibly contributing to explain both some inefficiencies and their different relevance across the country, is the role of social capital. A second very relevant component is the role played by organized crime and the capacity of the state to ensure a sufficient control of crime.

Secondly, in our analysis we have considered only some aspects and output of the administration, somehow “forcing” the inefficiency interpretation. There are however a number of areas where the administration has been over time capable of producing satisfactory results, providing a source for substantial development (e.g., the improvement in health conditions³⁷ or in education³⁸).

Third, as a whole, the performance of the system is better than what we would expect given the quality of institutions and the provision of public goods. Hence the question remains of why the bad quality of institutions has had a relatively limited impact. One possible answer is the development of alternative – less formal – institutions based on informal networks substituting the legal system, such as families, other reciprocal ties, even the organized crime. On the one hand these have allowed some development, representing a substitute for bad quality public goods; on the other, they might have reduced the demand and hence the pressure for higher institutional quality.

Finally the issue of the geographical differentiation of the country is here explored only to a limited extent (i.e., when analyzing civil justice). The original differences in development and characteristics of the areas have obviously played an extremely relevant role in affecting the evolution also of the administrative system. Initial conditions certainly matter.³⁹ Some development of the system might have been a distorted reaction to these different conditions.

If we take a Milhaupt and Pistor (2008) approach to “describe” legal systems and their capability to adapt over time to the needs of market economies, as a whole the Italian legal system (in terms of law making and enforcement) has been a substantially “centralized”⁴⁰ system rather than a “coordinating” one: a limited number of actors have

³⁷ Which might be summarized by the enormous reduction in infant mortality, as a summary indicator.

³⁸ Which again may be summarized by the reduction in the percentage of analphabetic, or by the increase in the percentage of young population attending secondary schools.

³⁹ See Nunn (2009).

⁴⁰ See Milhaupt and Pistor (2008).

been typically involved in the law-making process without an explicit inclusion – through consultation or other mechanisms – of affected parties (except for significant vested interests). The limited coordination of interests realized ex-ante has implied that litigation has been the main mode to coordinate conflicting interest ex-post. Similar to other “centralized” legal systems, this has limited the adaptability of the system; however, contrary to them, this has not necessarily ensured other typical advantages such as a greater organizational capacity.

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Tables and Figures

Table 1

Public Administration employees (1954)

	University degree	Law degree	High school	Secondary school	Primary school	No title	Total
Civil employees	13,51	5,47	25,07	44,18	17,10	0,14	100,00
Group A	87,71	36,26	8,97	3,05	0,28	0,00	100,00
Teachers	31,02	0,85	68,23	0,75	0,00	0,00	100,00
Military	6,48	2,08	20,62	30,01	42,69	0,19	100,00
Subalterni	0,06	0,00	0,80	12,77	84,34	2,03	100,00
Salariati	0,06	0,00	0,00	8,95	86,05	4,94	100,00

Source: Cassese (1977).

Table 2

Parliamentary representatives by degree (percentages)

Legislatures	Law degree	Medicine degree	Engineering degree	Total number
VIII	36.61	5.21	4.32	672
IX	41.92	4.79	3.79	501
X	40.85	3.92	4.25	612
XI	43.86	3.44	5.56	611
XII	44.67	5.42	4.52	553
XIII	46.51	4.63	5.83	583
XIV	47.58	4.85	5.21	557
XV	48.53	4.16	5.37	577
XVI	46.95	4.41	5.93	590
XVII	51.47	4.58	5.86	546
XVIII	53.21	4.95	5.87	545
XIX	51.88	4.51	6.77	532
XX	53.21	5.00	5.89	560
XXI	53.71	5.70	5.18	579
XXII	55.63	7.11	5.55	577
XXIII	55.11	6.59	6.76	577
XXIV	57.55	7.07	4.59	523

Source: Cammarano and Piretti (1996).

Table 3
Lawyers in Parliament by geographical area
(percentages)

Legislatures	From the North	From the Center	From the South
VIII	42.33	14.81	42.86
IX	50.31	13.50	36.20
X	50.27	14.97	34.76
XI	45.23	20.10	34.67
XII	40.78	17.32	41.90
XIII	43.59	16.92	39.49
XIV	41.05	17.37	41.58
XV	41.58	16.32	42.11
XVI	36.84	16.32	46.84
XVII	35.20	17.86	46.94
XVIII	42.93	16.23	40.84
XIX	40.98	16.94	42.08
XX	45.19	16.83	38.98
XXI	44.75	16.44	38.81
XXII	42.98	15.79	41.23
XXIII	42.36	17.90	39.74
XXIV	41.40	16.28	42.33

Source: Cammarano and Piretti (1996).

Table 4
Litigation (per 10.000 inhabitants)
(1966-1970)

	Contractual reasons	Labor
North West	69.6	13.8
North East	67.5	2.8
Center	56.7	26.8
South	48.9	32.8
Islands	39.4	33.0

Source: Cecchi (1975).

Table 5

**Number of lawyers
(per 10.000 inhabitants)**

	Total	North	South
1871	7.15		
1881		5.5	10.0
1911	8.17	5.5	12.0
1921	7.81	5.5	11.5
1931	6.83	5.7	8.0
1936	6.75	5.8	7.8
1951	6.37	5.0	7.5
1961	7.44	5.5	8.8
1971	7.44	5.5	8.8
1981	7.98	6.0	8.0

Source: Cammelli and Di Francia (1996).

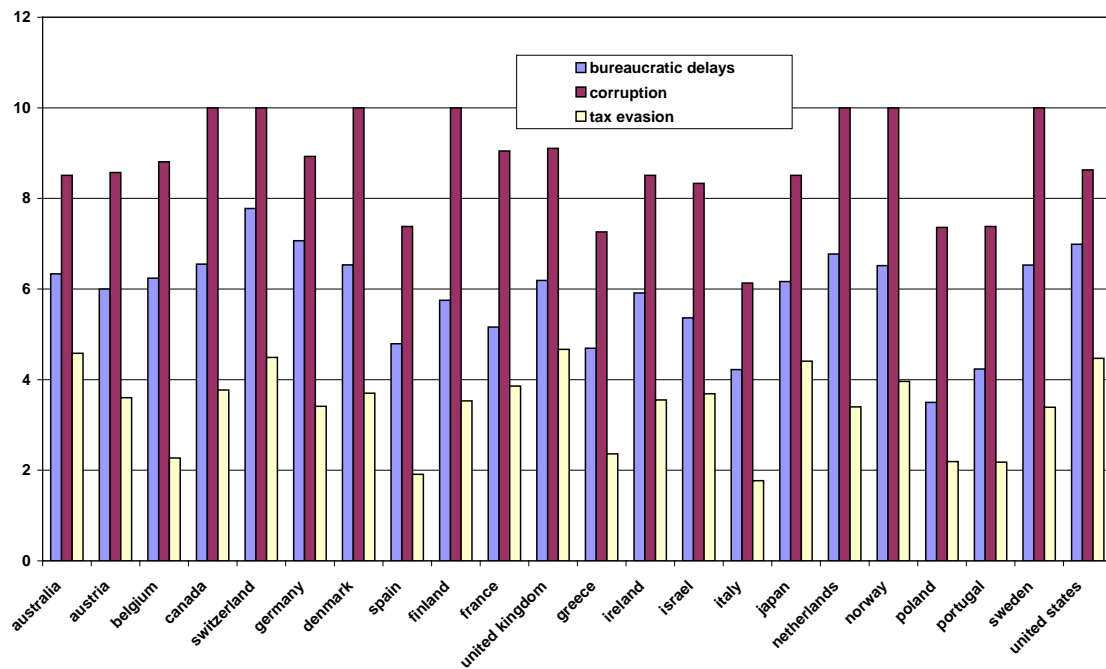
Table 6

**Costs of litigation
(in percentage of value of claim, years 1961-1965, 3 courts)**

	Total costs	Of which lawyers
<i>Preture</i>	170%	34%
(less than 100.000 lire)		
<i>Preture</i> (more than 100.000 lire)	76%	38%
<i>Tribunali</i>	70%	47%
(less than 1.000.000 lire)		
<i>Tribunali</i>	8%	39%
(more than 1.000.000 lire)		
Courts of appeal	60%	56%
(less than 1.000.000 lire)		
Courts of appeal	5.4%	45%
(more than 1.000.000 lire)		

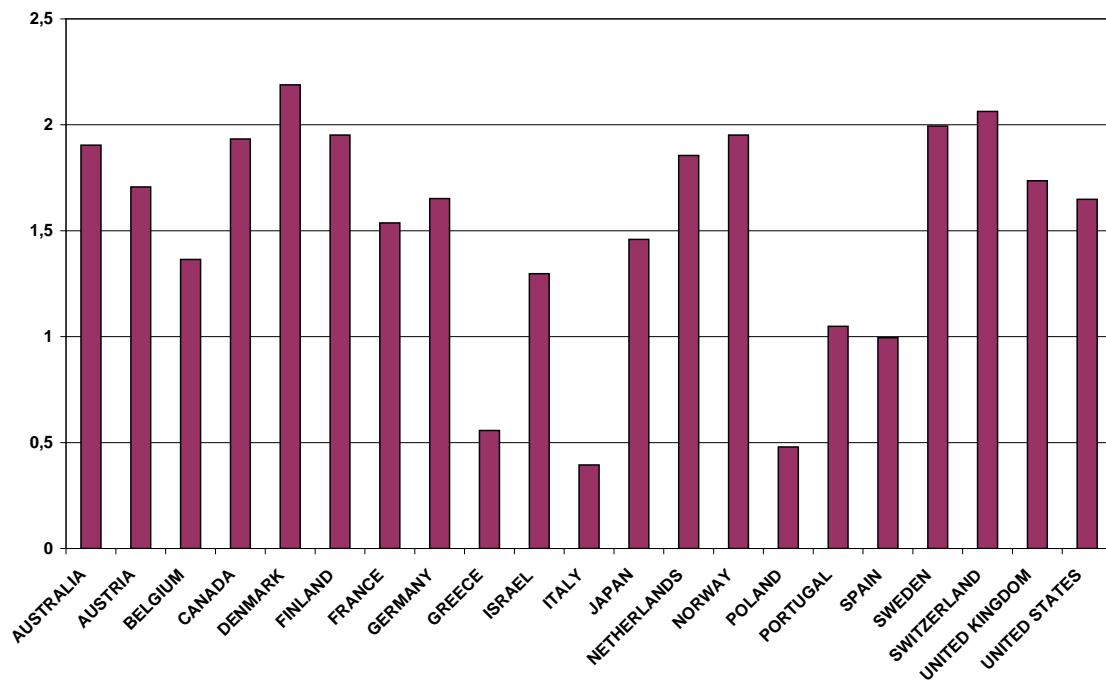
Source: Castellano (1968).

Figure 1
Measures of Government efficiency



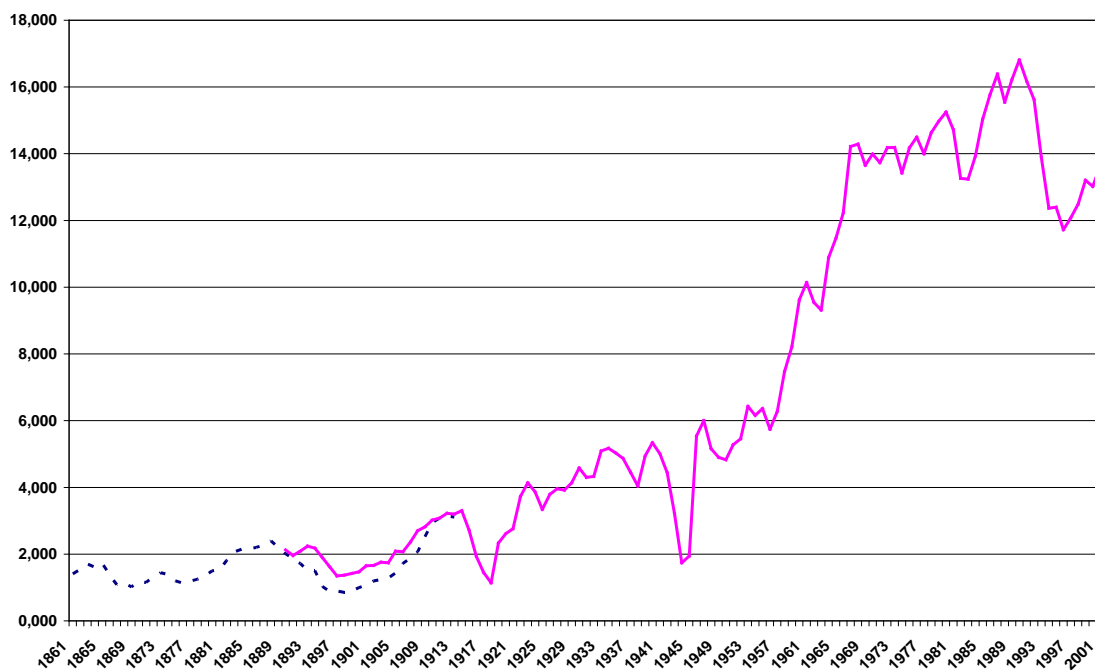
Source: La Porta *et al.* (1999).

Figure 2
Government effectiveness
(2008)



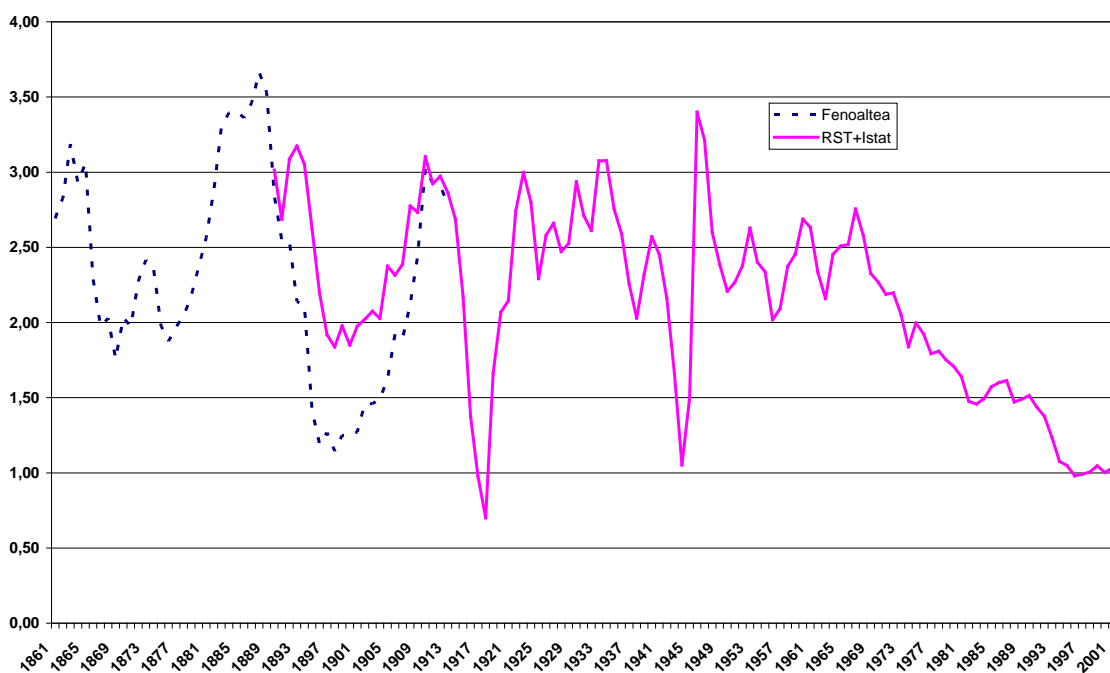
Source: World Bank, *Governance Matters Indicators*.

Figure 3
Investments in public works
 (mld 1938 lira)



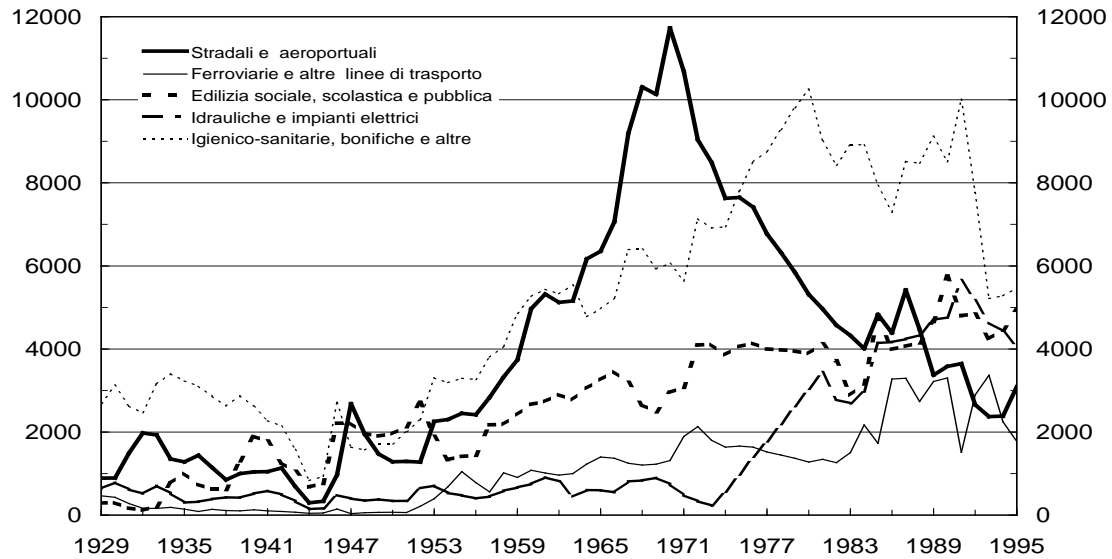
Source: Cannari and Chiri (2002), based on Fenoaltea (1985); Rossi, Sorgato and Toniolo (1993).

Figure 4
Investments in public works
 (percentage of GDP)



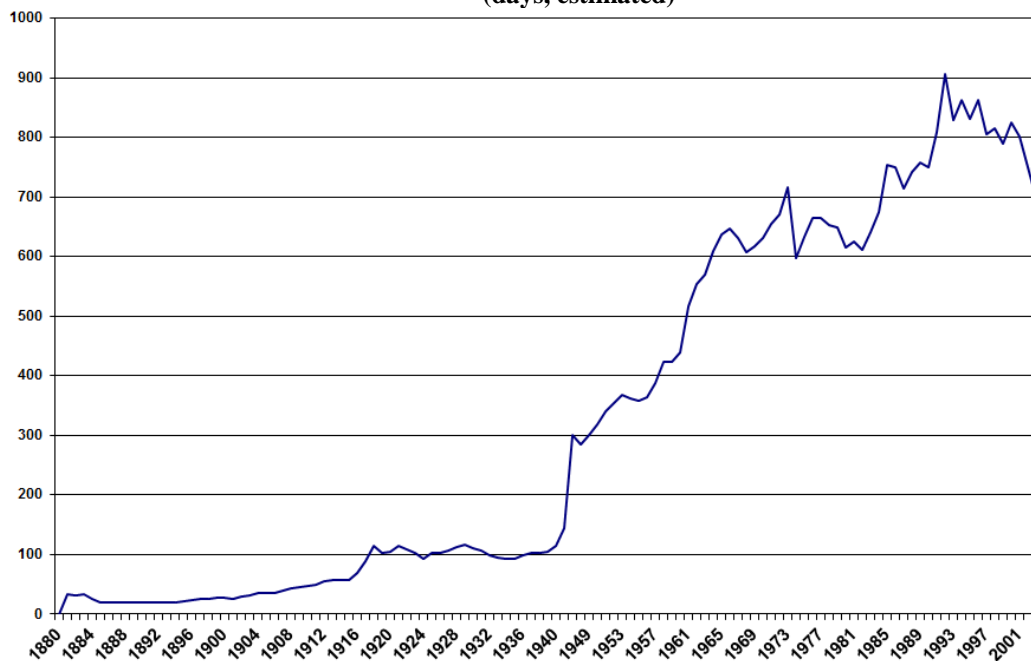
Source: Cannari and Chiri (2002).

Figure 5
Investments for capital asset type
(mld lire 1990)



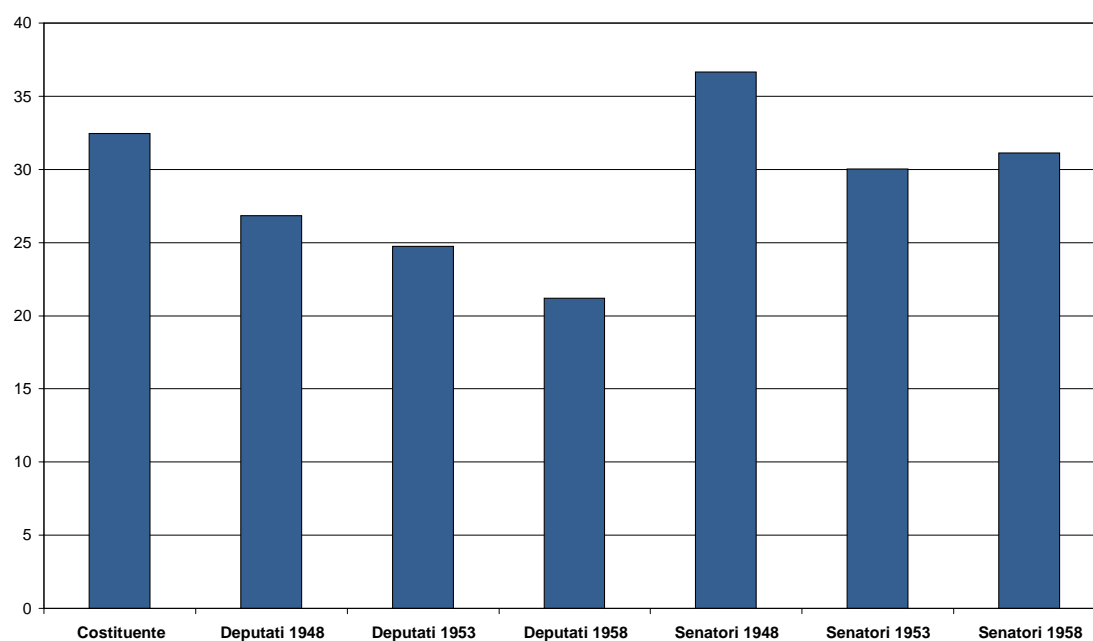
Source: Cannari and Chiri (2002).

Figure 6
Length of civil procedures, first instance
(days, estimated)



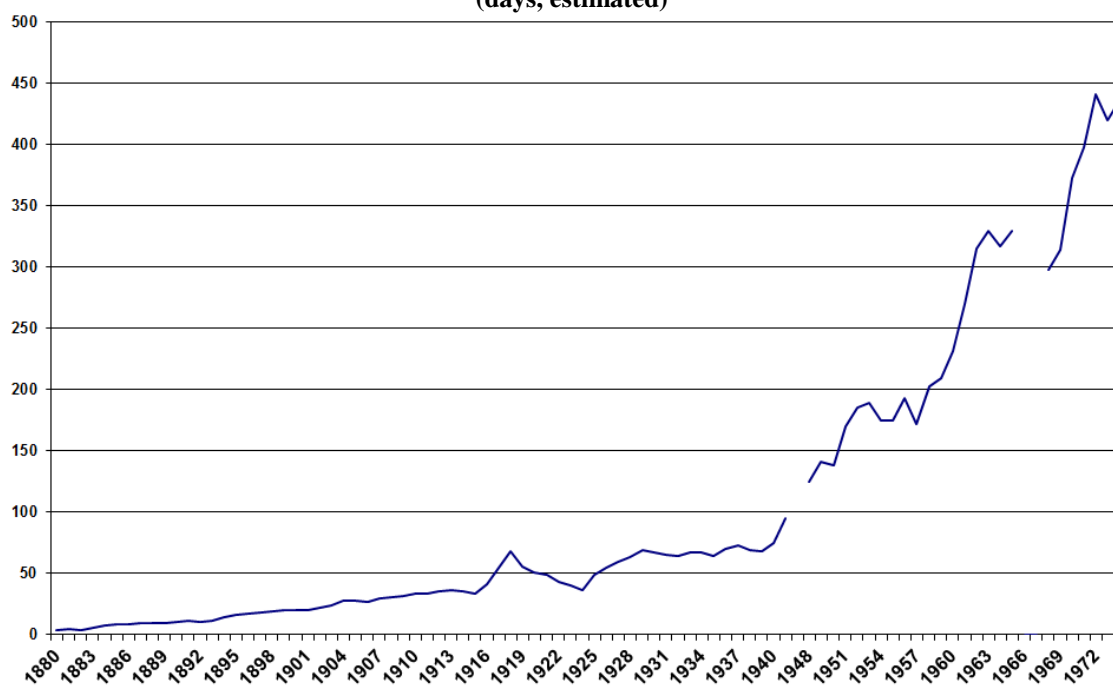
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 7
Percentage of lawyers in Parliament



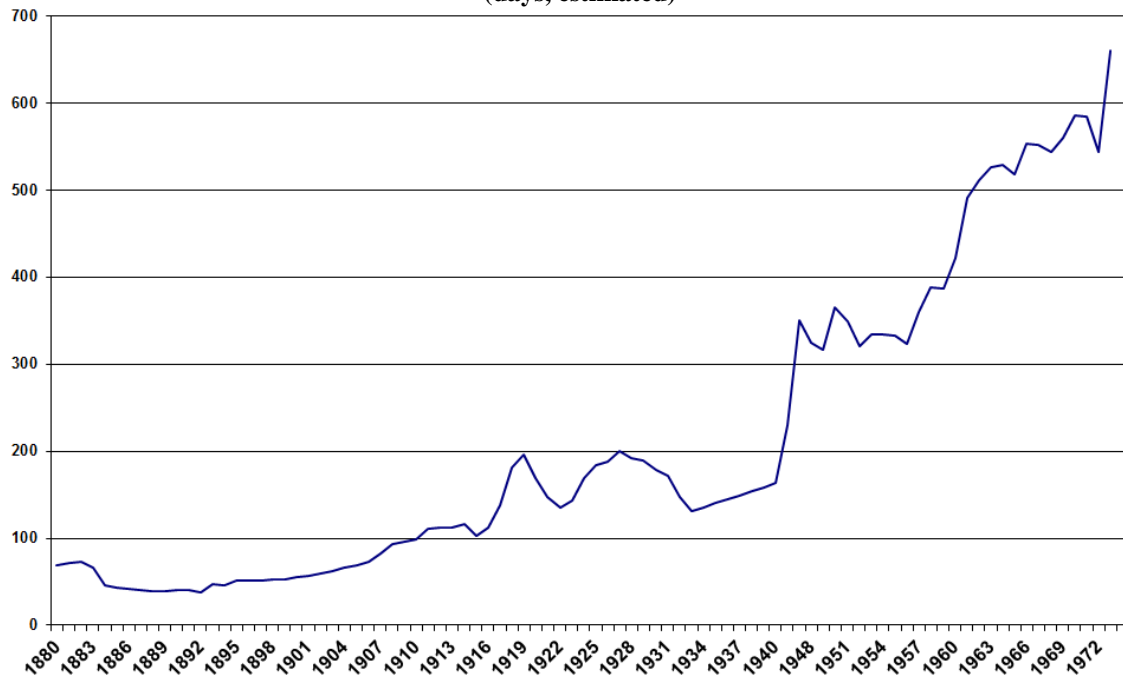
Source: Cammarano and Piretti (1996).

Figure 8
Length of civil procedures, first instance, *uffici di conciliazione*
(days, estimated)



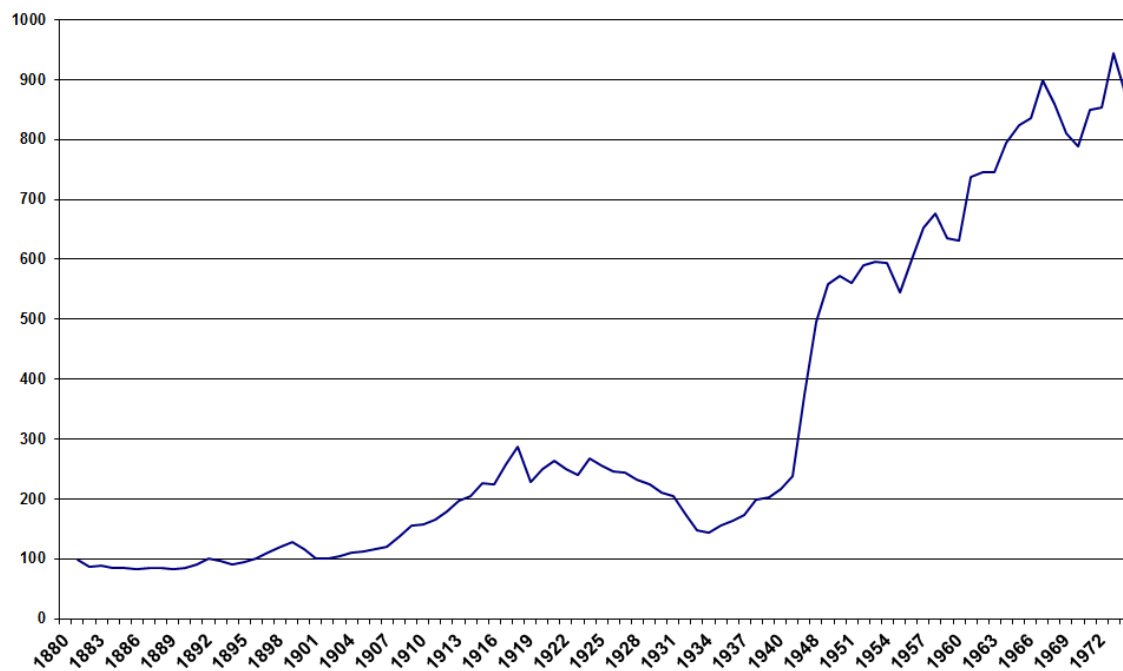
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 9
Lenght of civil procedures, first instance, *preture*
 (days, estimated)



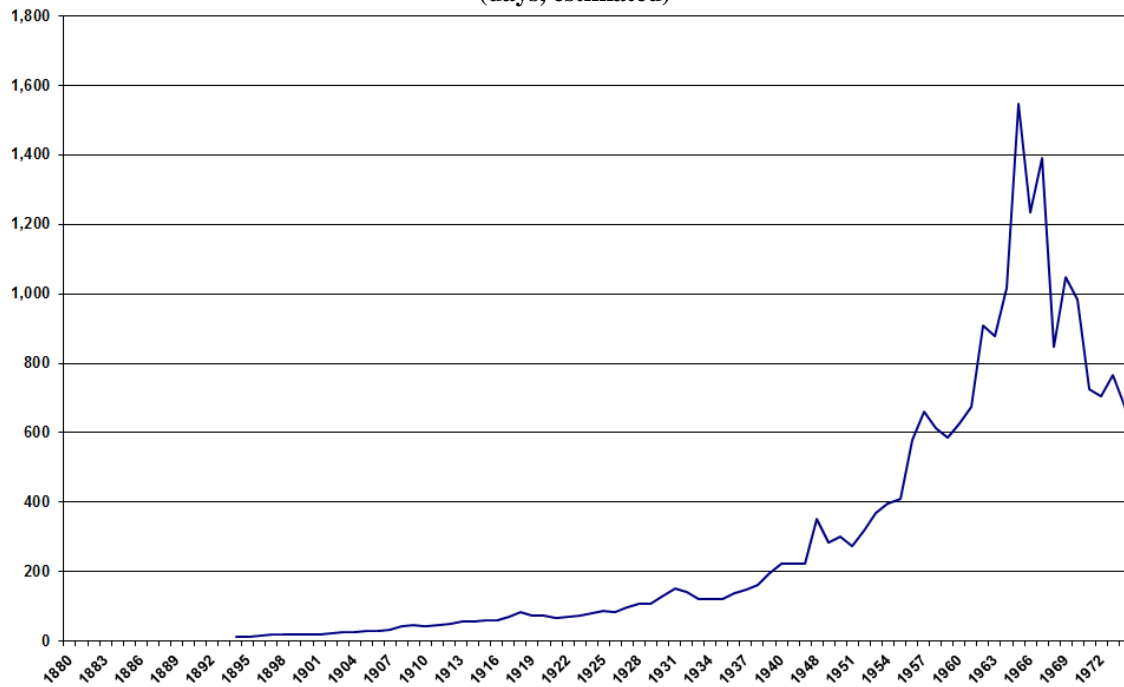
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 10
Lenght of civil procedures, first instance, *tribunali*
 (days, estimated)



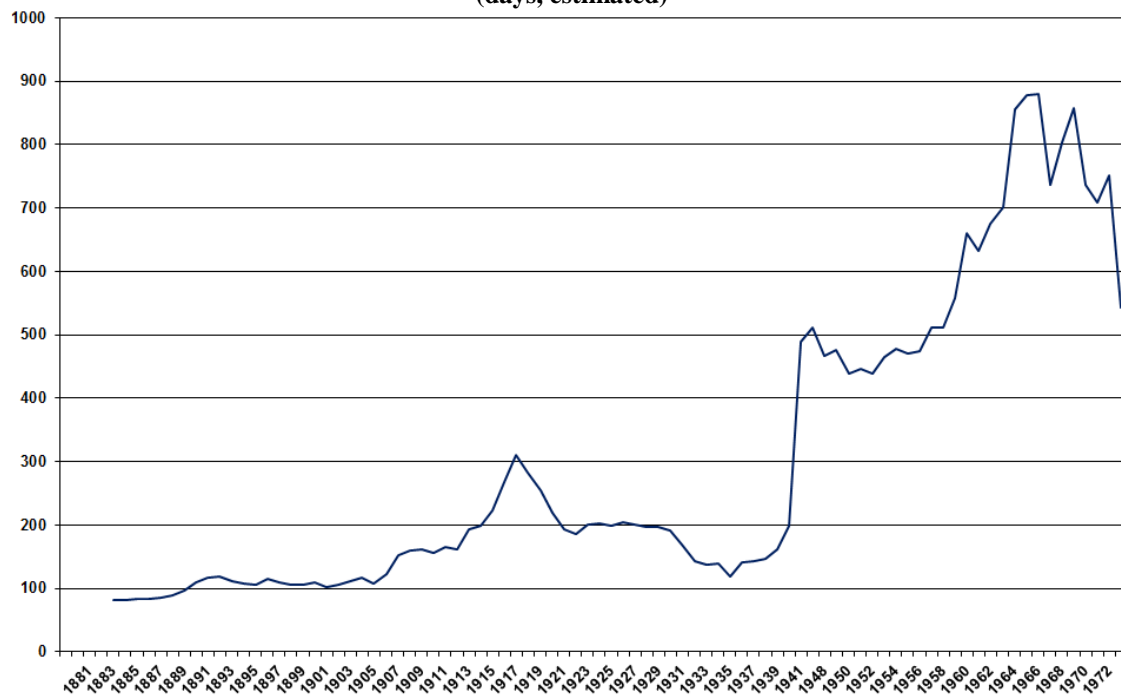
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 11
Lenght of civil procedures, appeal, *preture*
 (days, estimated)



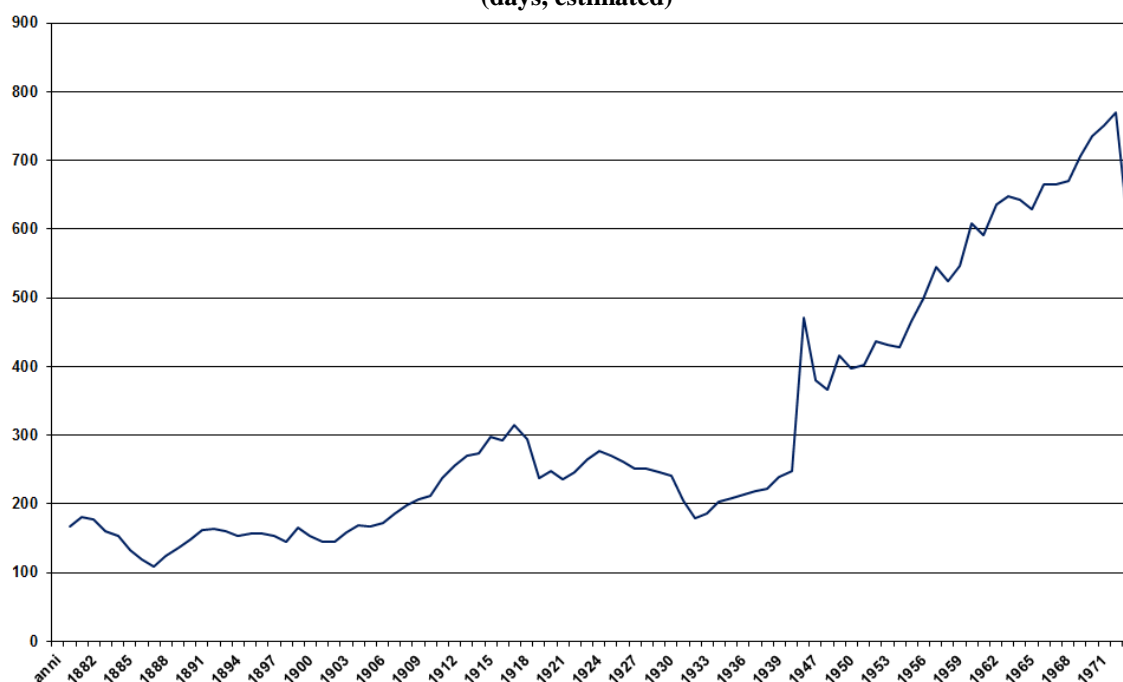
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 12
Lenght of civil procedures, appeal, *tribunali*
 (days, estimated)



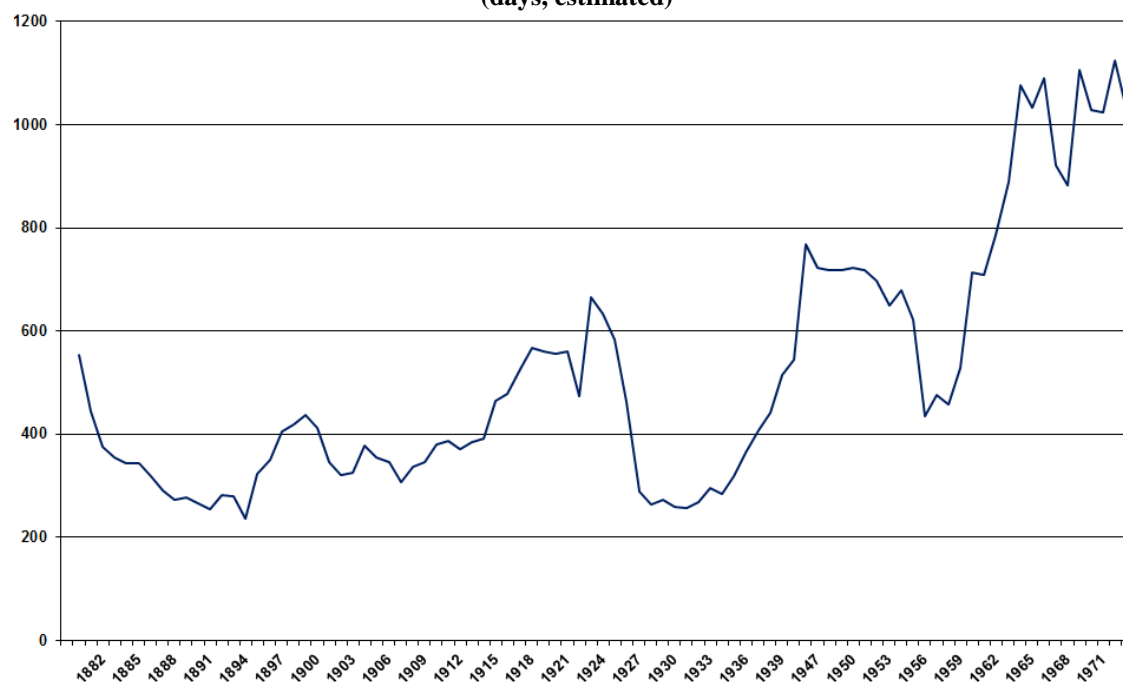
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 13
Lenght of civil procedures, appeal, *corti d'appello*
 (days, estimated)



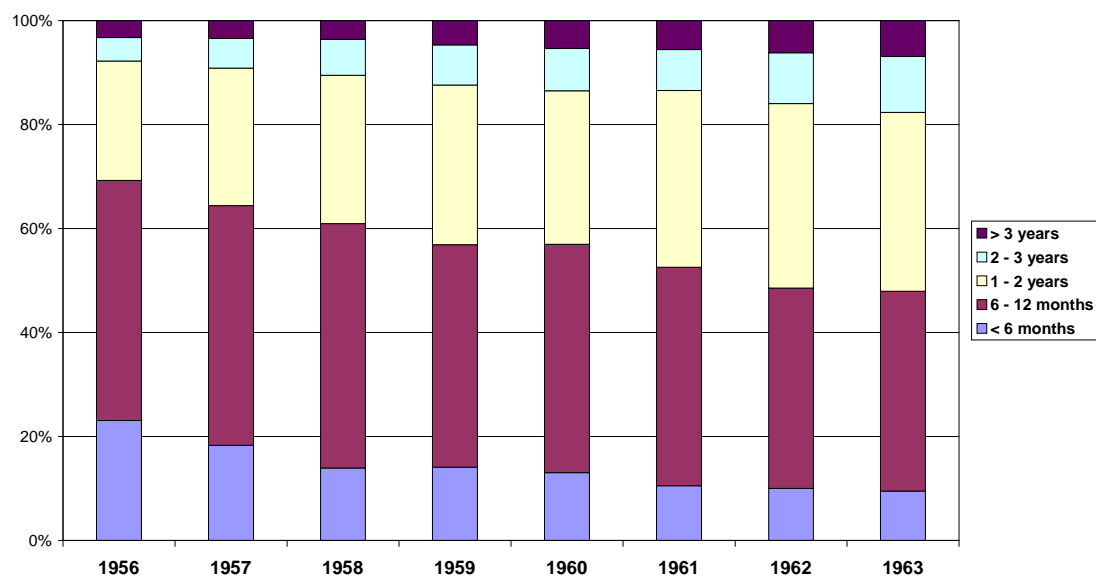
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 14
Lenght of civil procedures, appeal, *cassazione*
 (days, estimated)



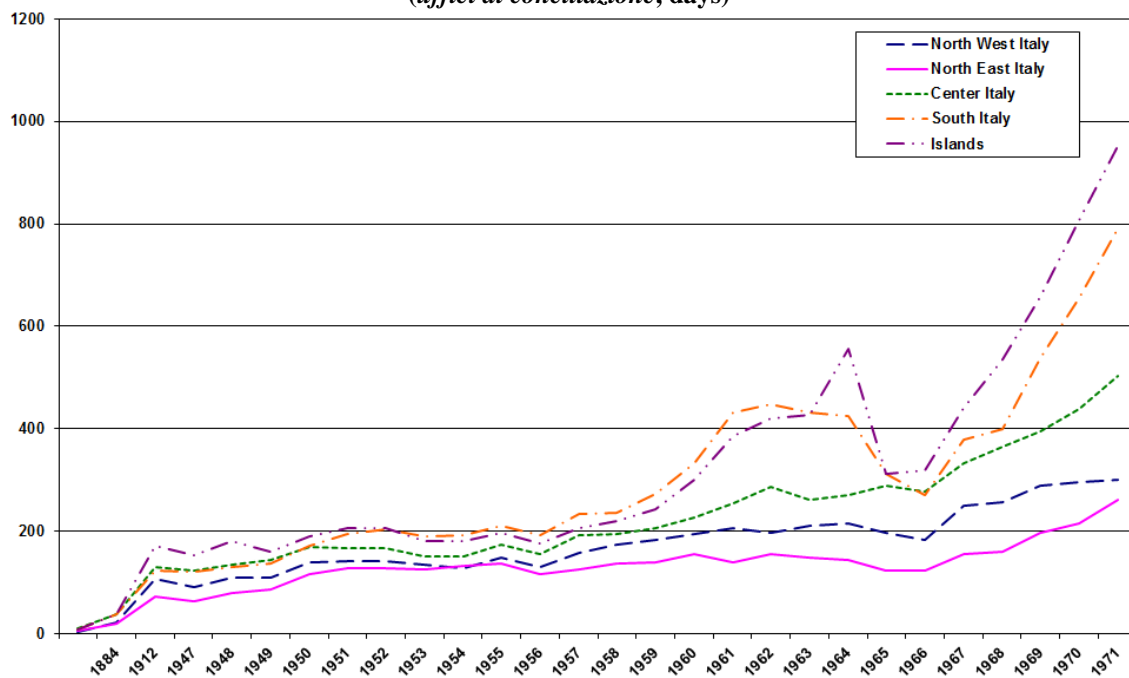
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 15
Actual length of civil procedure
 (percentage decided within a certain period)



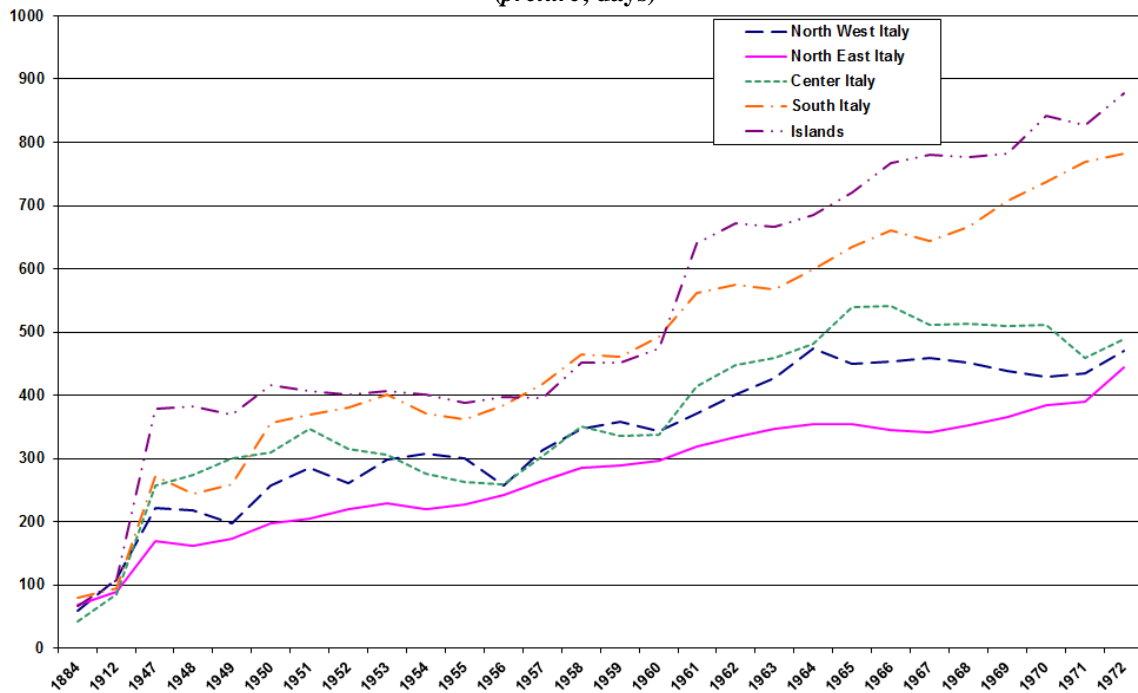
Source: Castellano (1968).

Figure 16
Length proceedings first instance
 (*uffici di conciliazione*, days)



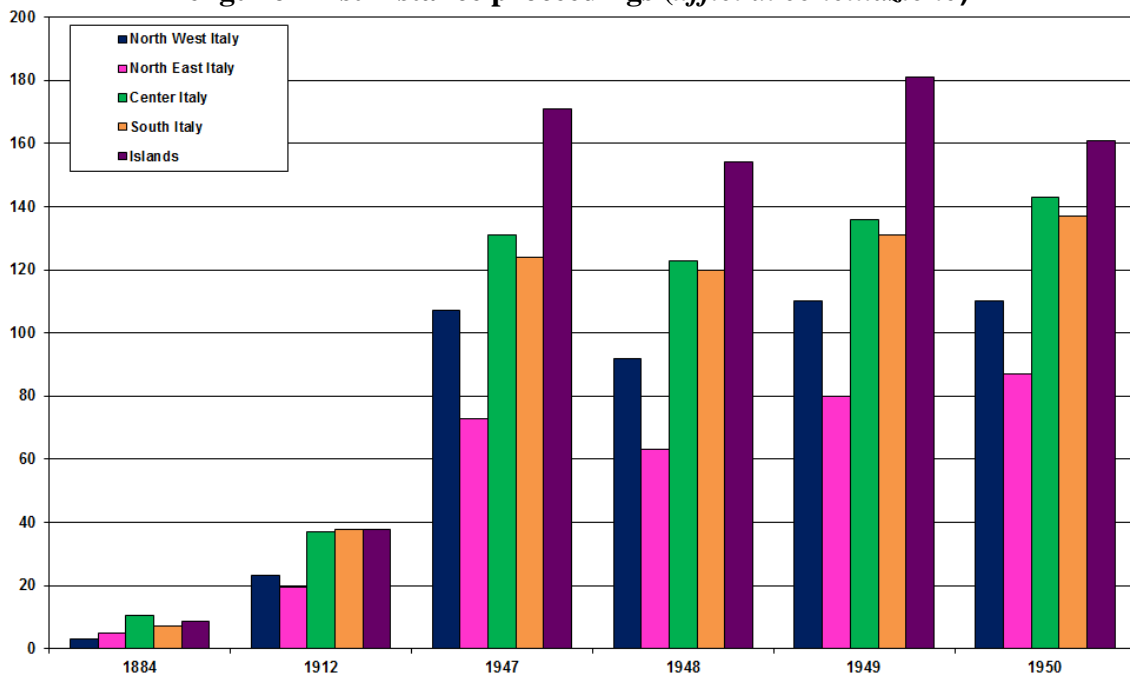
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 17
Length proceedings first instance
(preture, days)



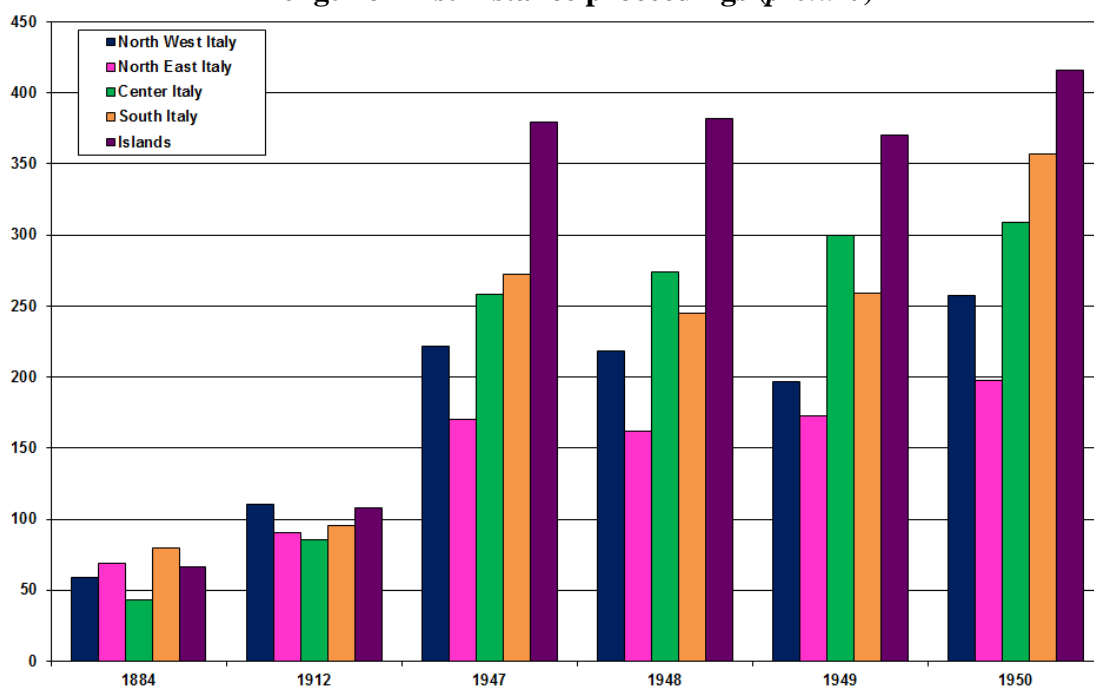
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 18
Length of first instance proceedings (*uffici di conciliazione*)



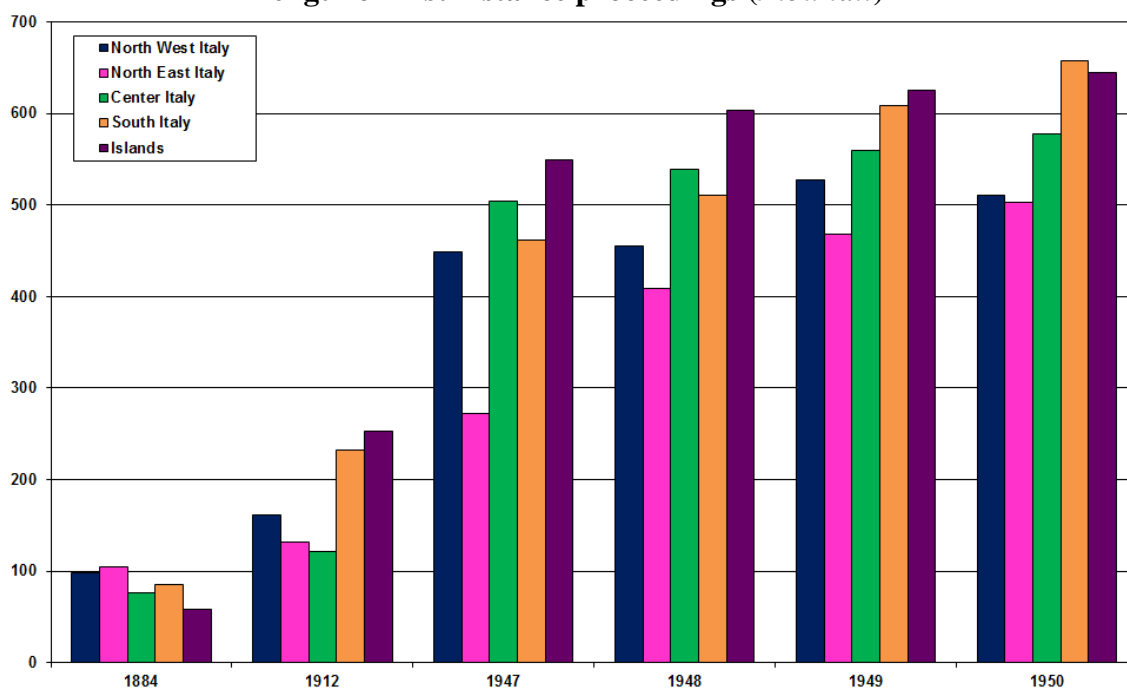
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 19
Length of first instance proceedings (*preture*)



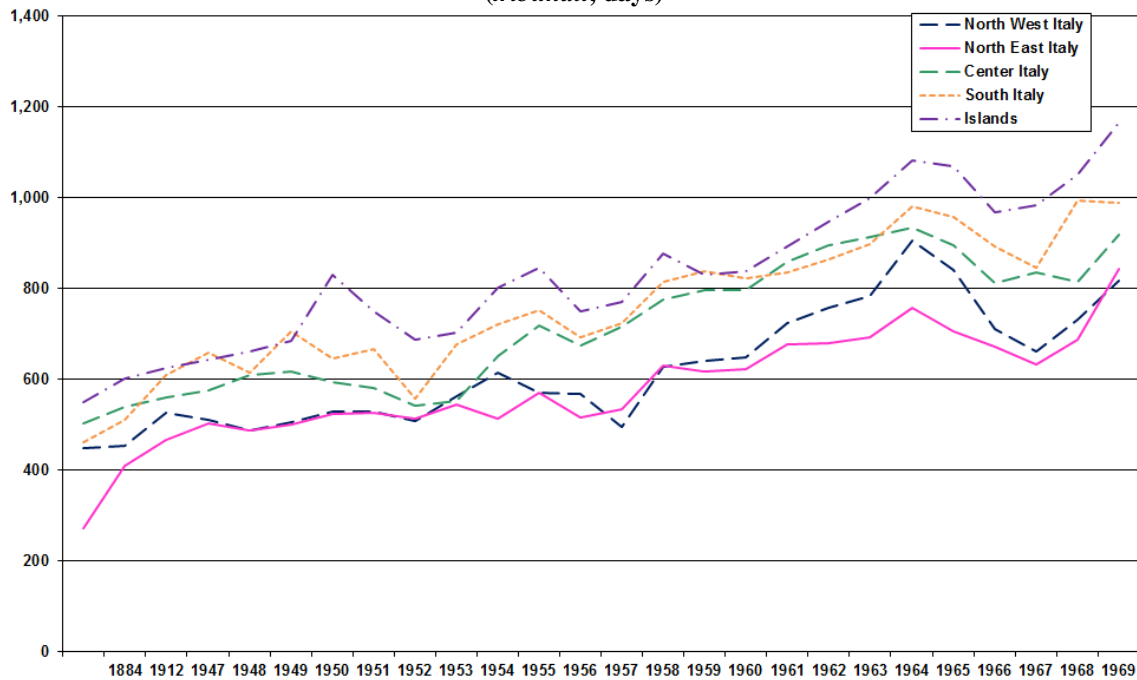
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 20
Length of first instance proceedings (*tribunali*)



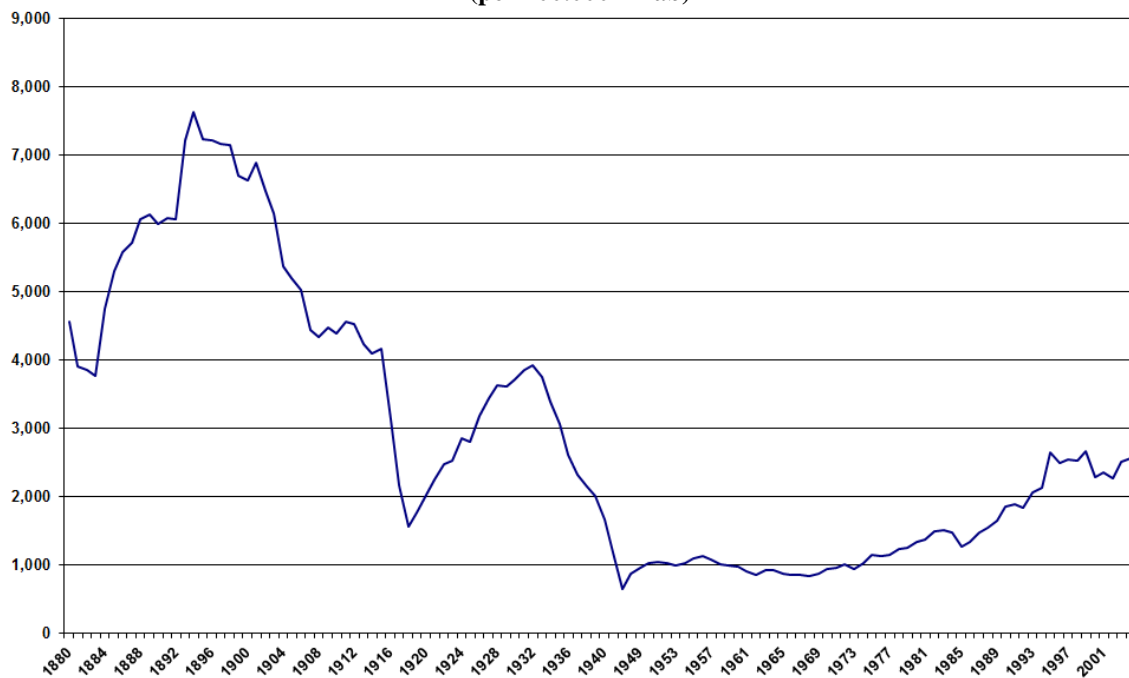
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 21
Lenght proceedings first instance
(tribunali, days)



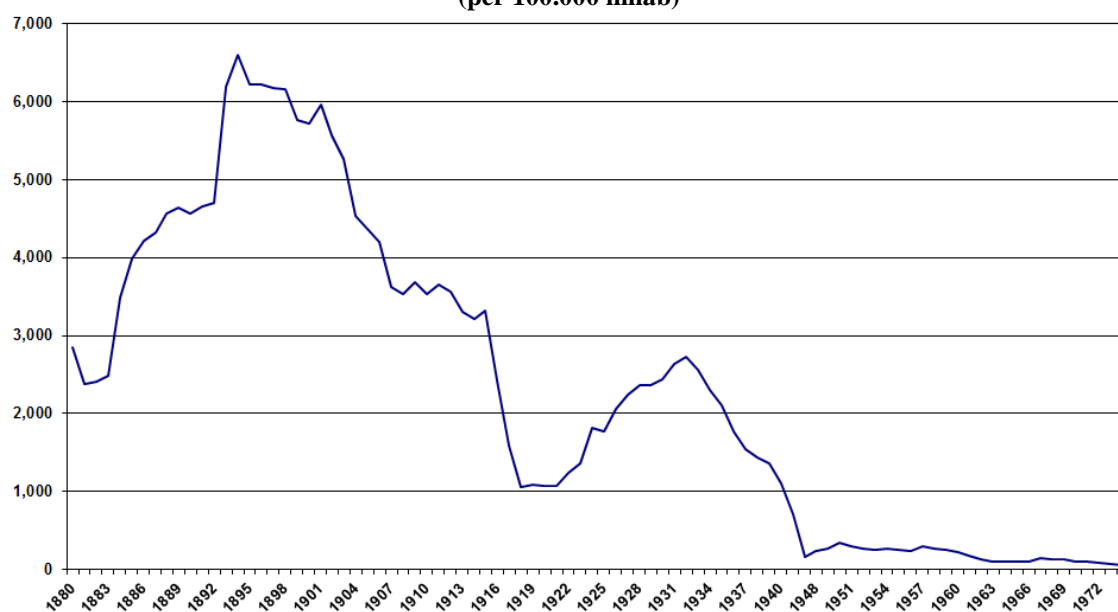
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 22
Total incoming cases
(per 100.000 inhab)



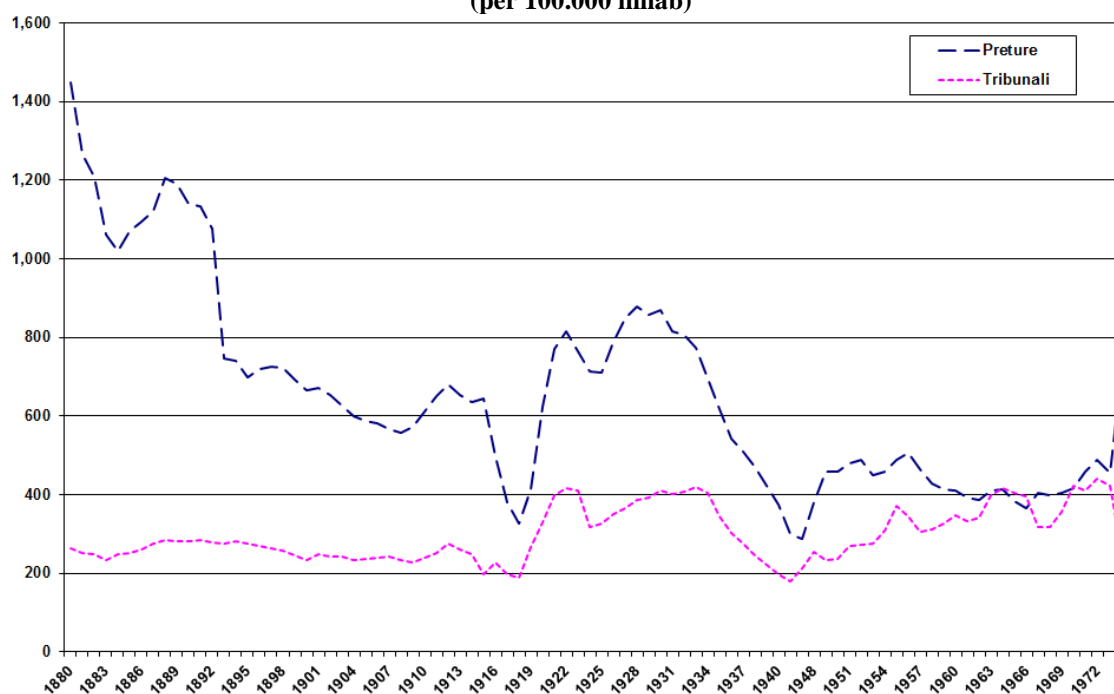
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 23
Uffici di conciliazione incoming cases
 (per 100.000 inhab)



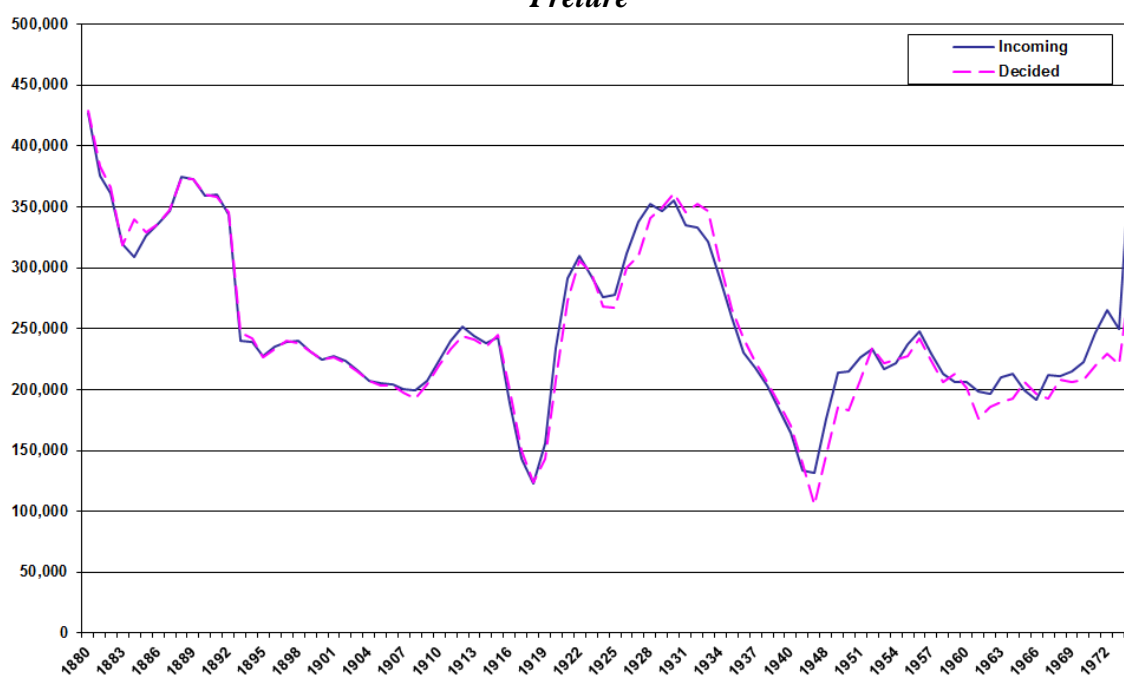
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 24
Preture and Tribunali incoming cases
 (per 100.000 inhab)



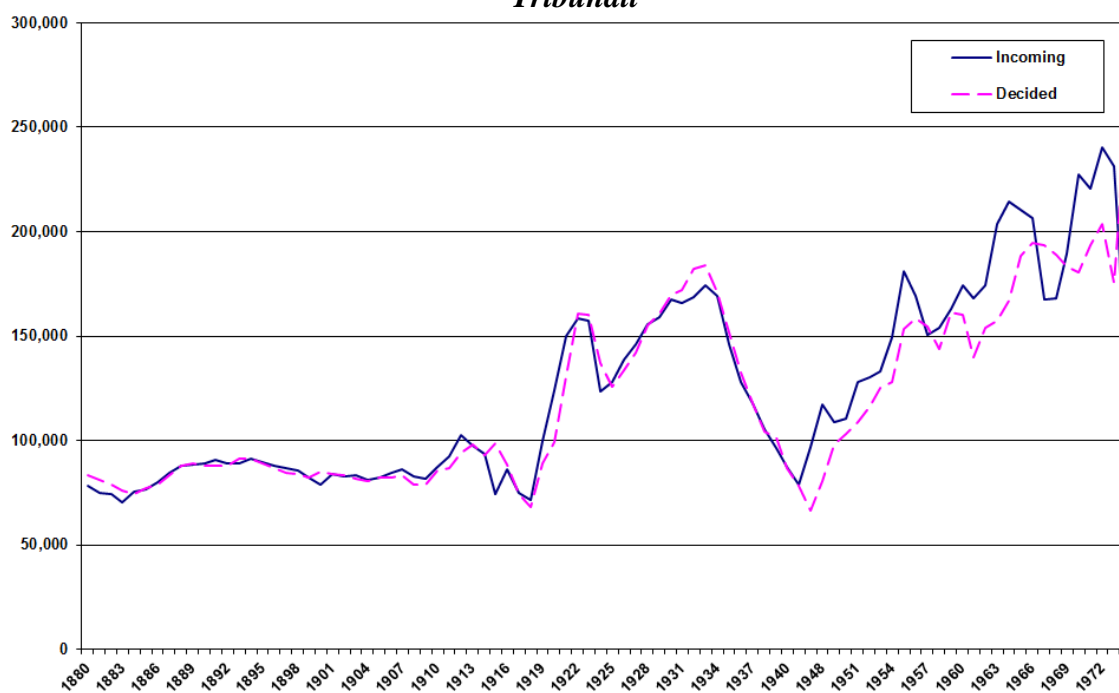
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 25
Preture



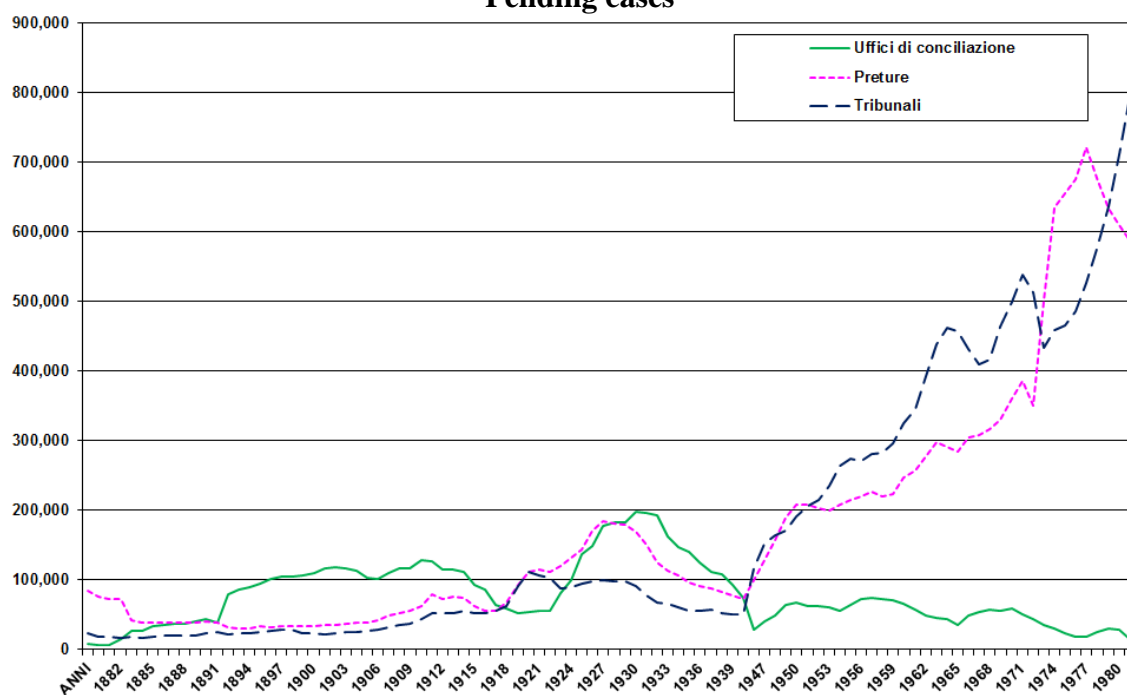
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 26
Tribunali



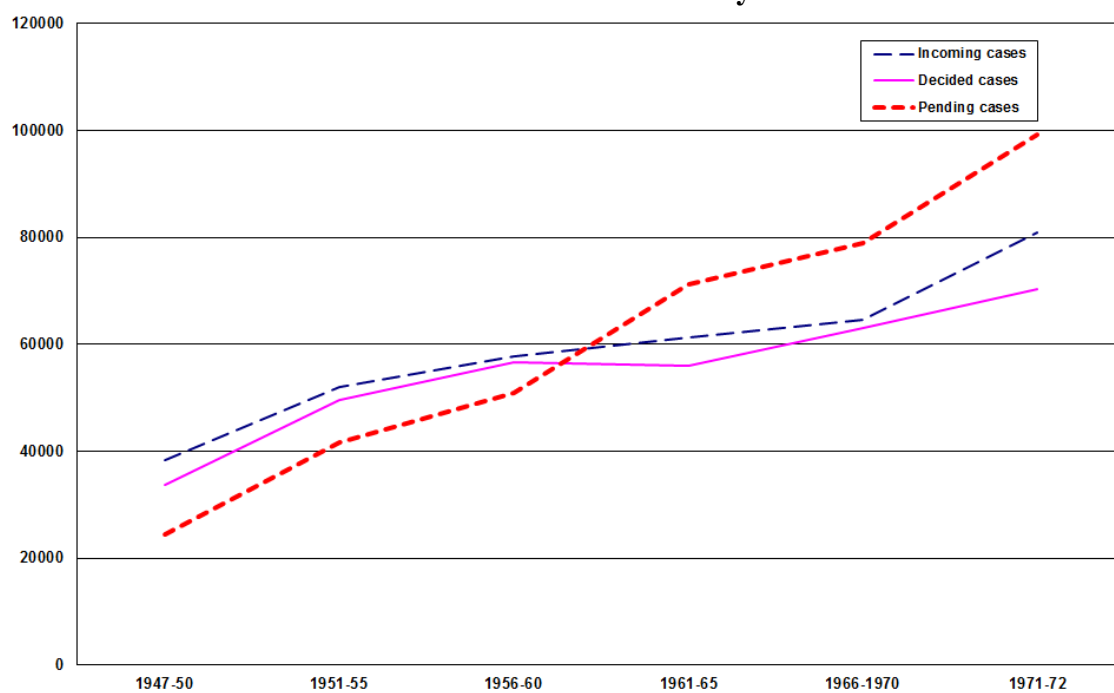
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 27
Pending cases



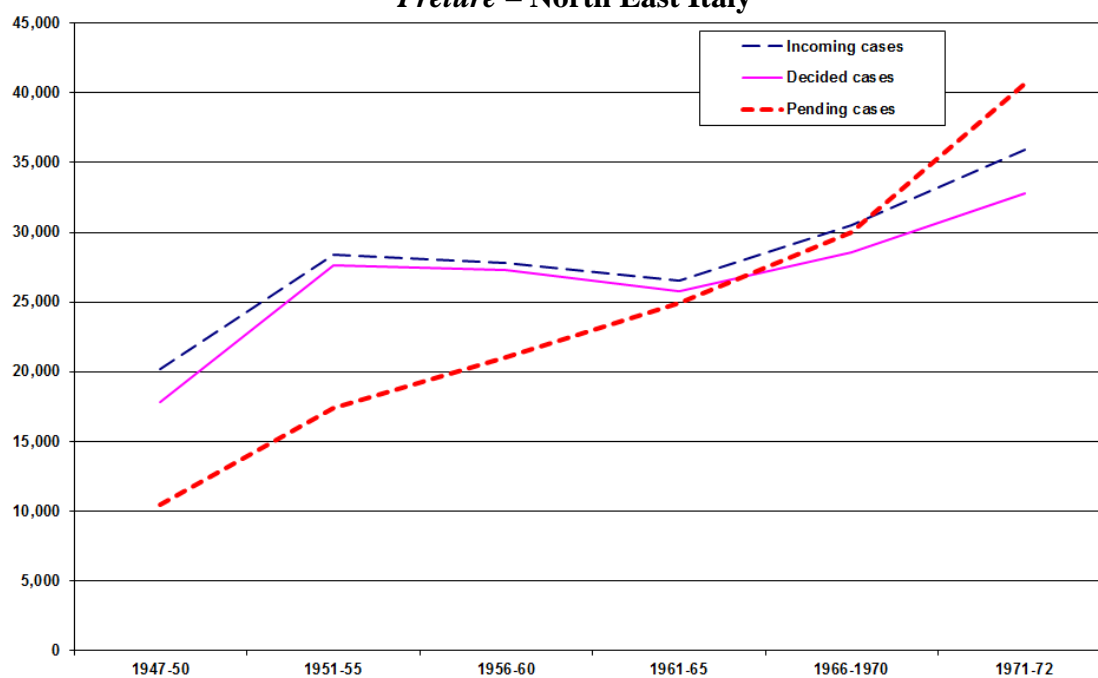
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 28
Preture – North West Italy



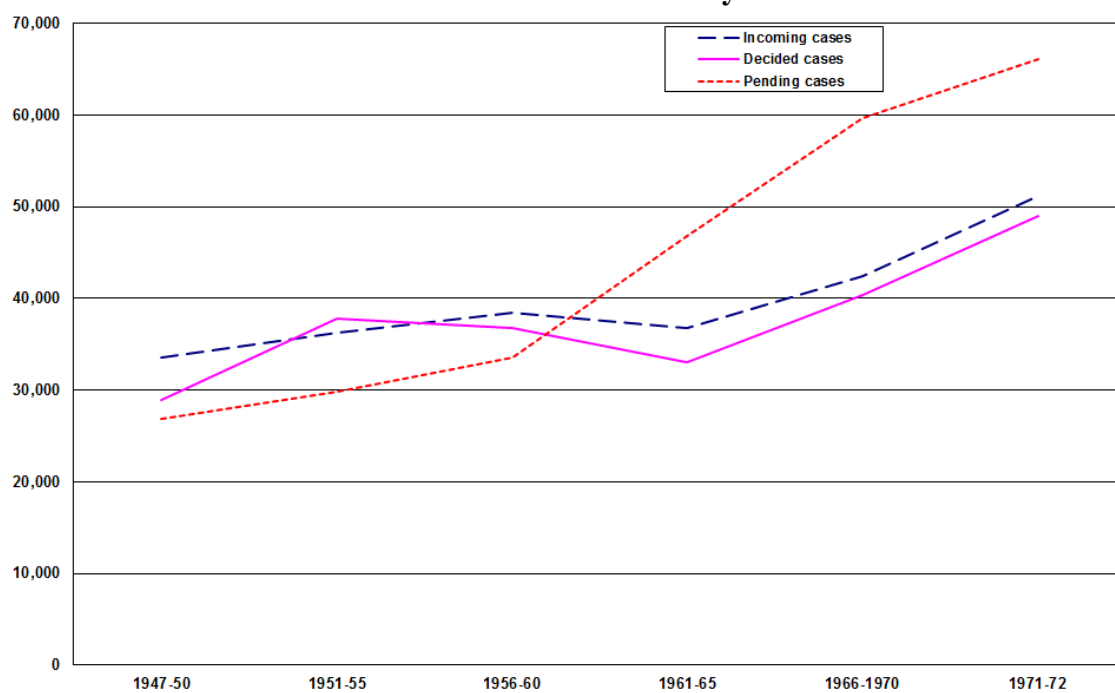
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 29
Preture – North East Italy



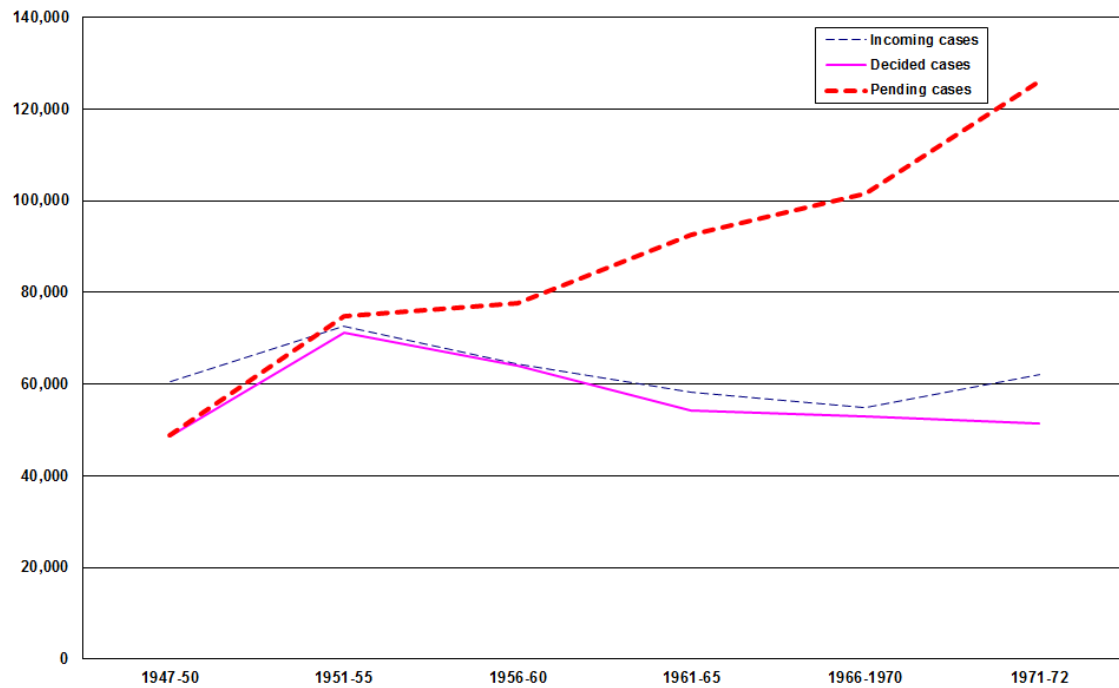
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 30
Preture – Central Italy



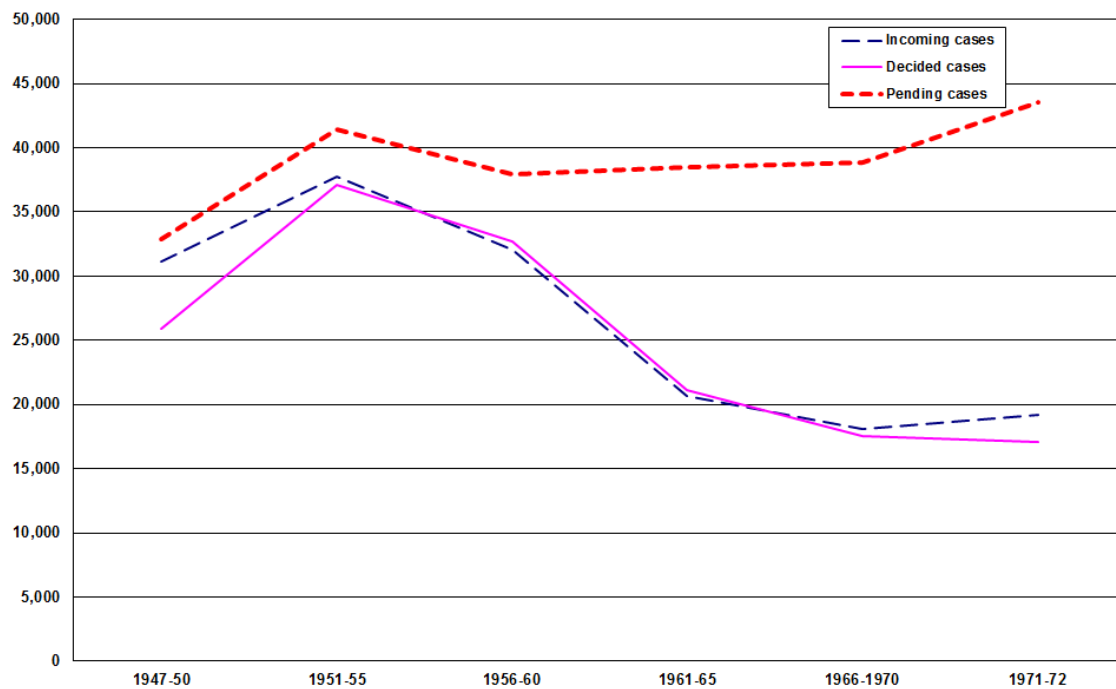
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 31
Preture – South Italy



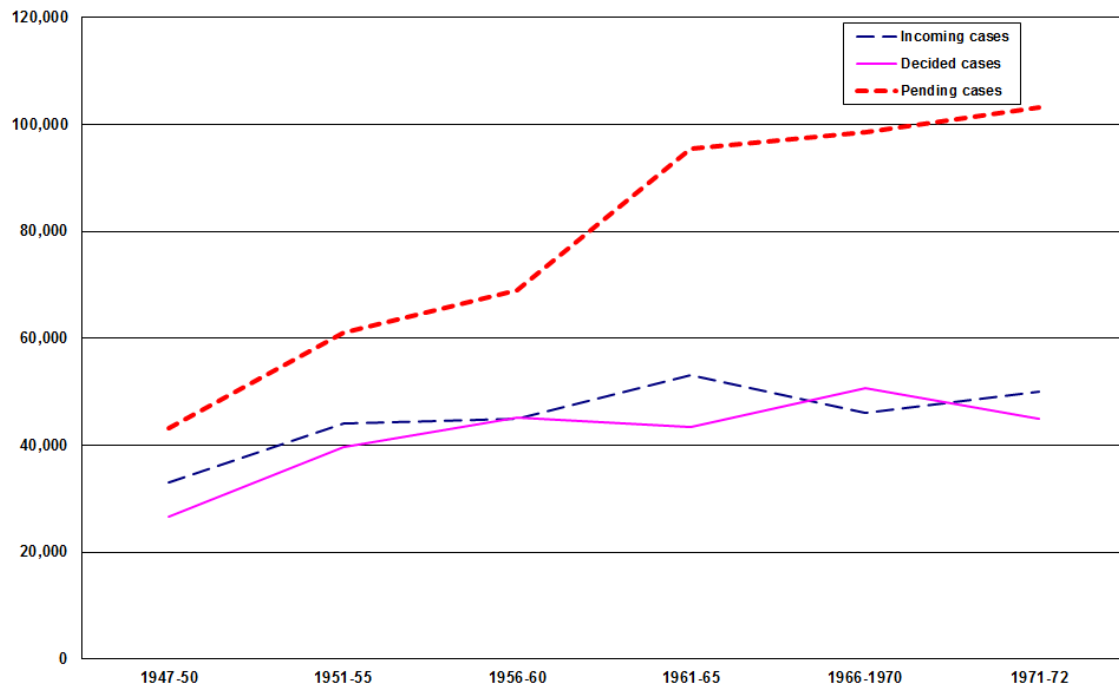
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 32
Preture – Islands



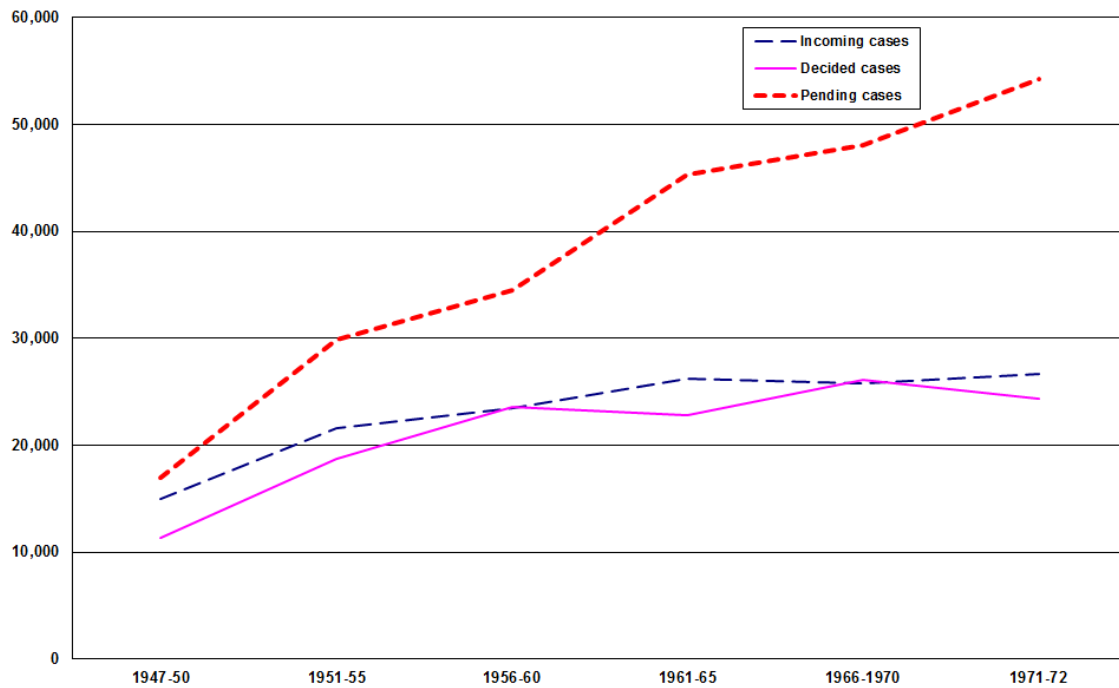
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 33
Tribunali – North West Italy



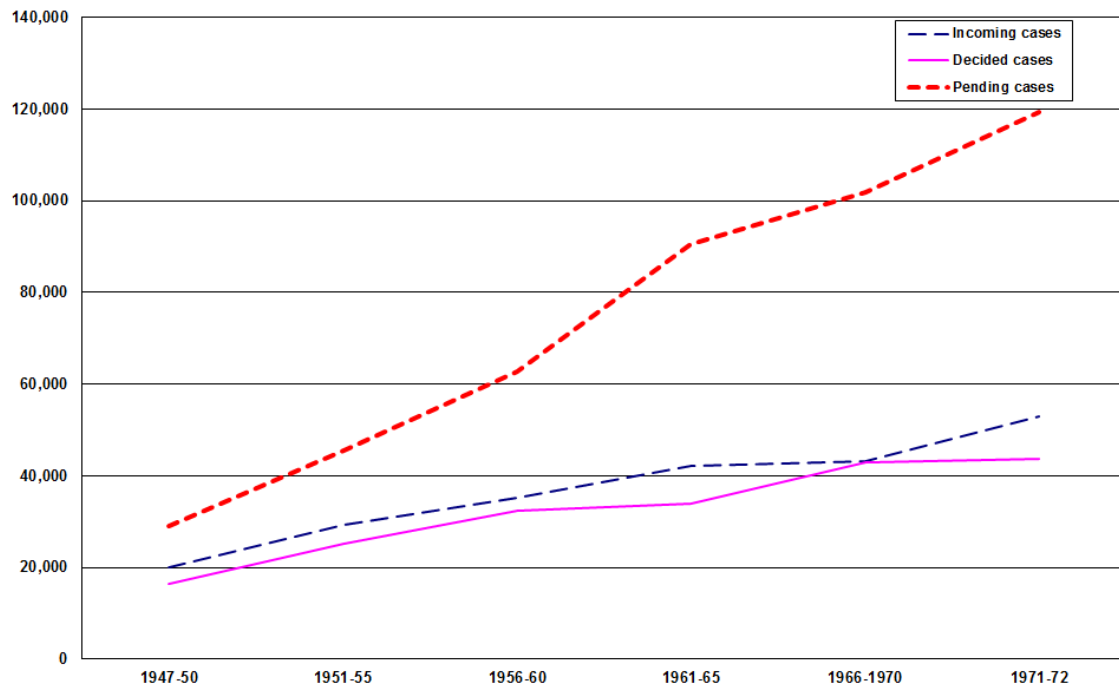
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 34
Tribunali – North East Italy



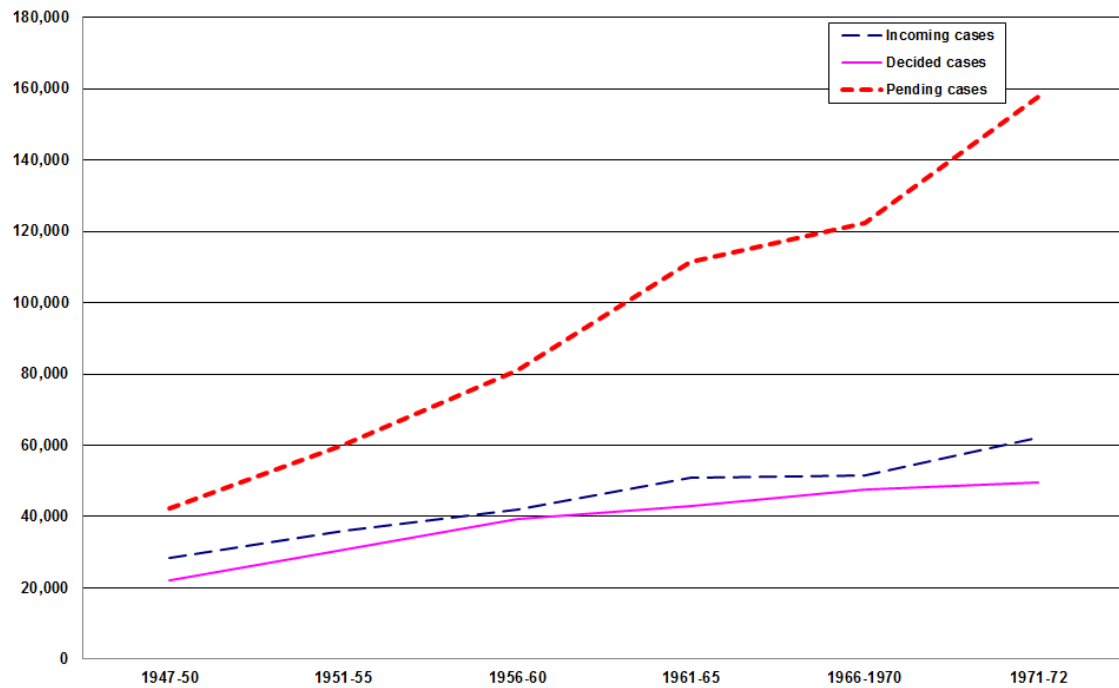
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 35
Tribunali – Central Italy



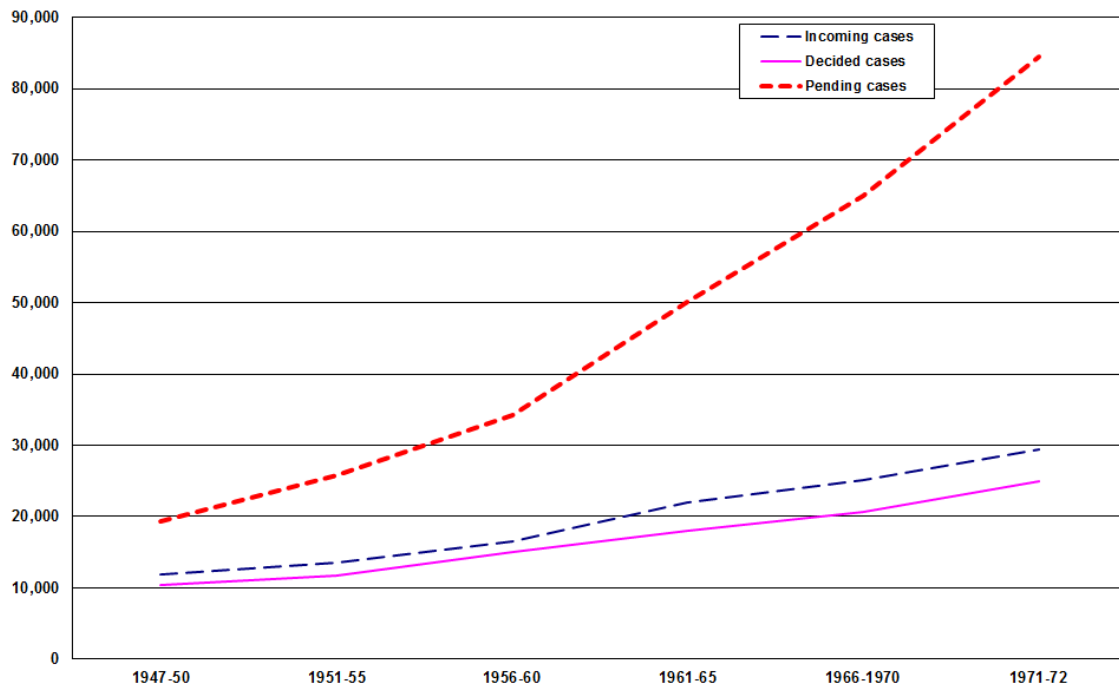
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 36
Tribunali – South Italy



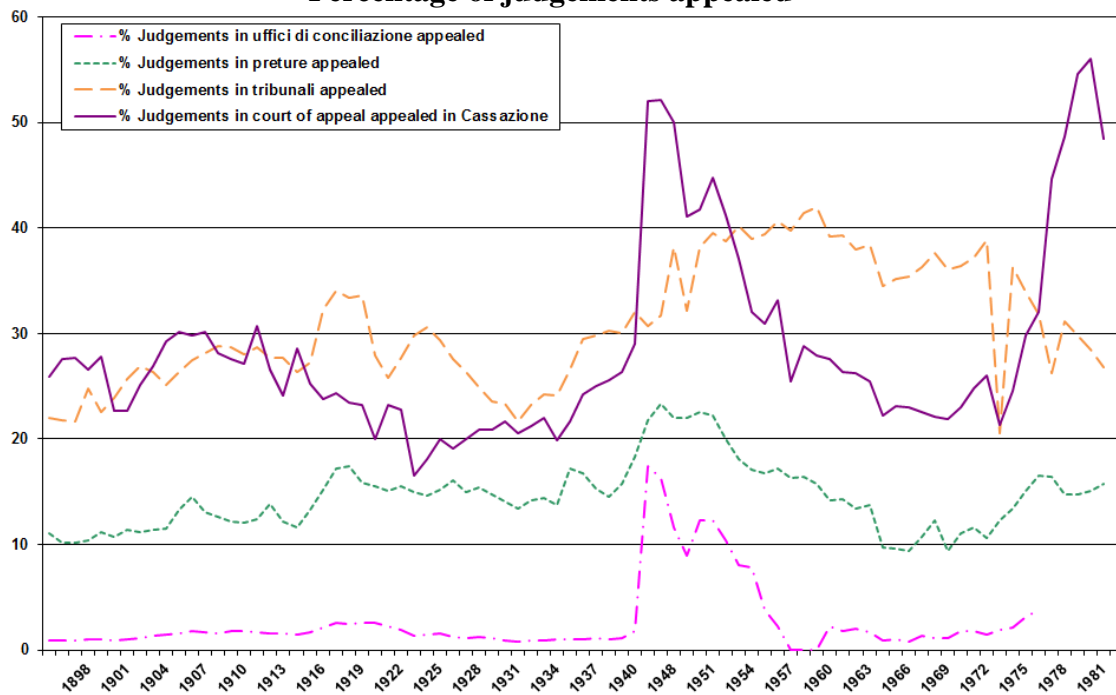
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 37
Tribunali – Islands



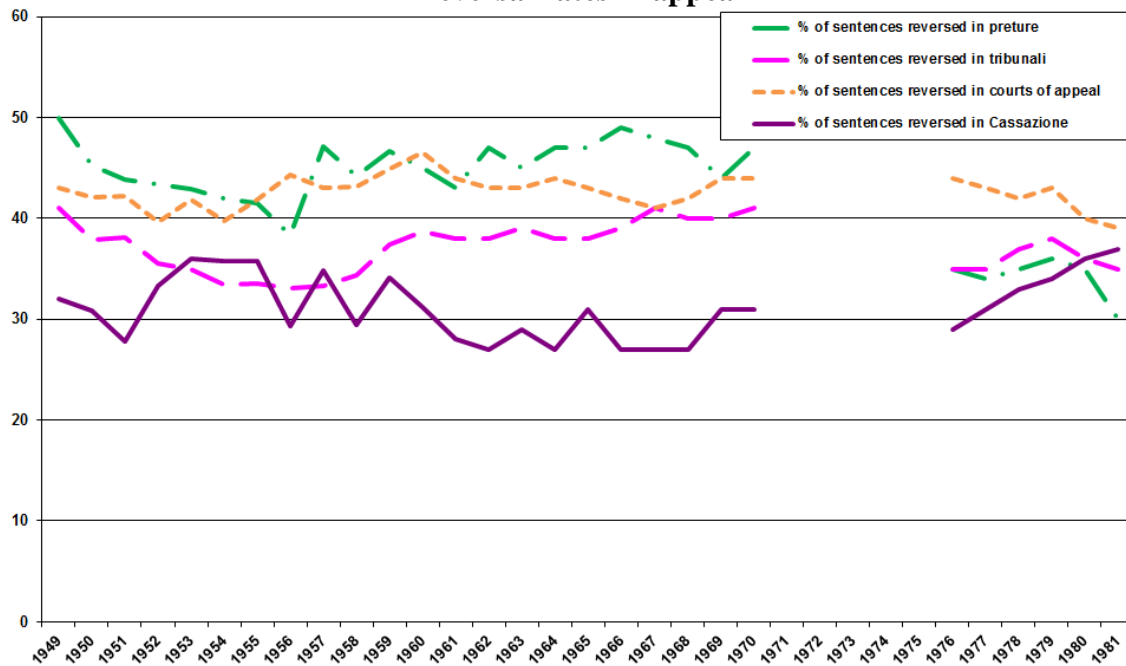
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 38
Percentage of judgements appealed



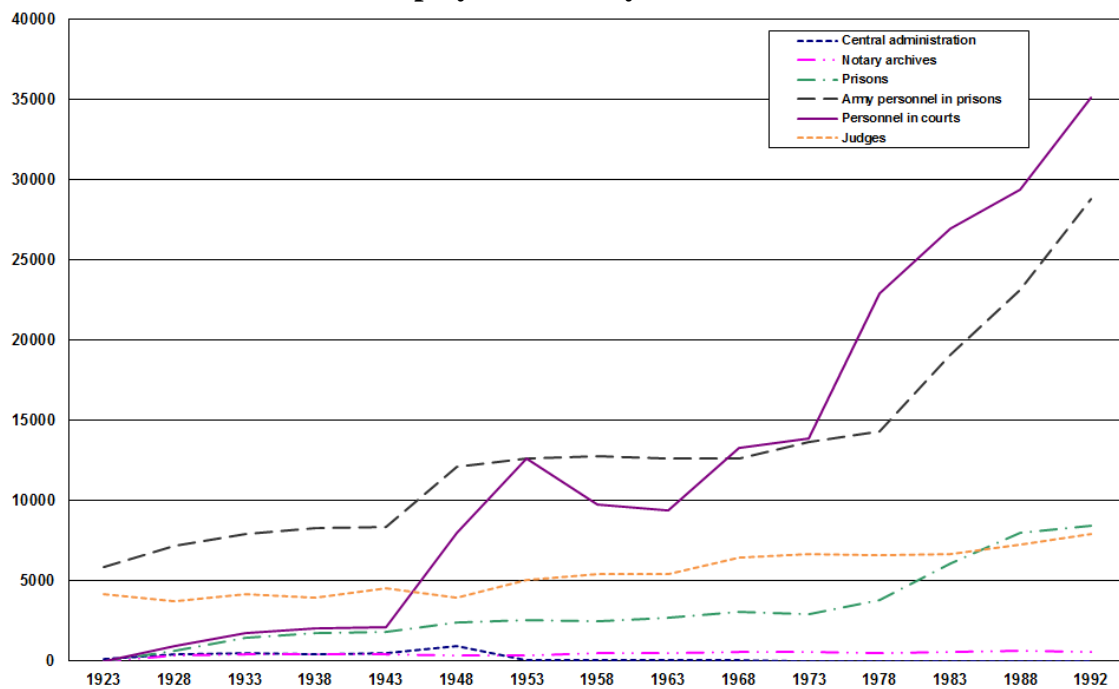
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 39
Reversal rates in appeal



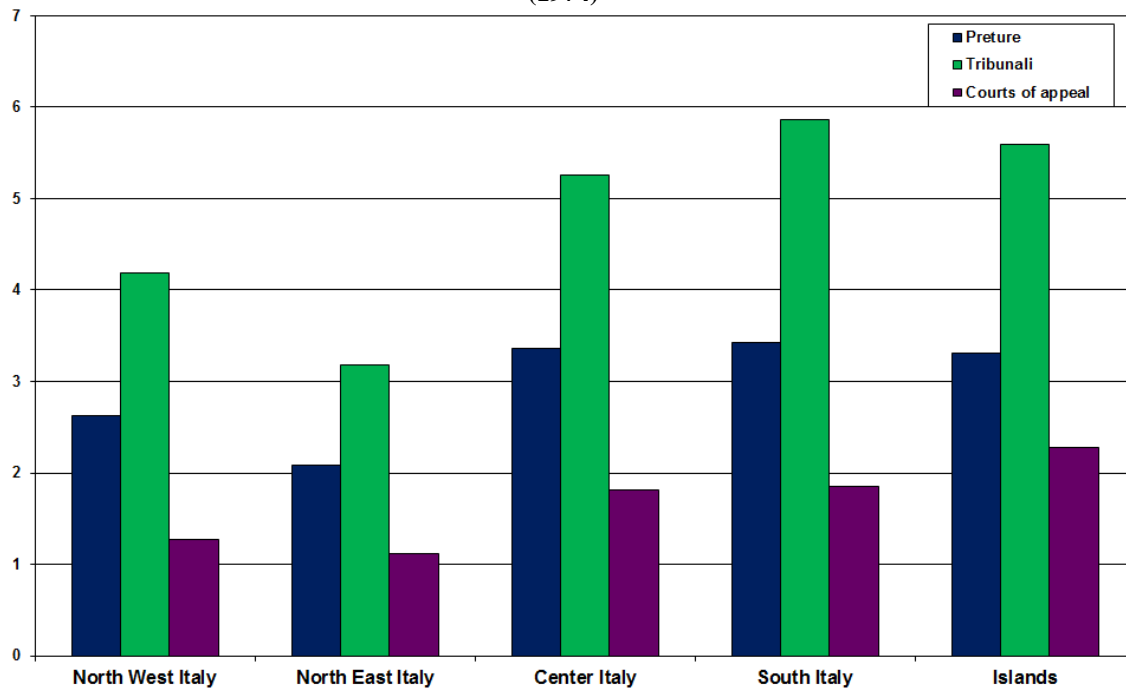
Source: Direzione Generale della Statistica (1880-1895); Id. (1896-1906); Ministero di Grazia e Giustizia e dei Culti (1907-1938); ISTAT (1942-1955); Id. (1949-1984).

Figure 40
Employees Ministry of Justice



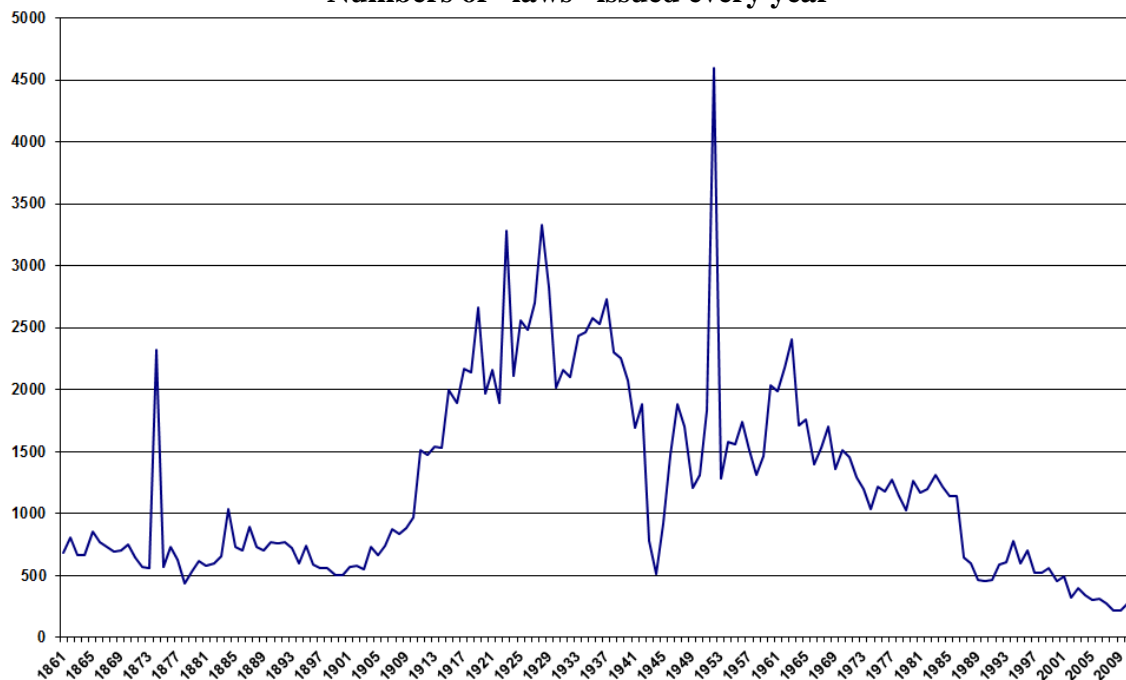
Source: Ministero del Tesoro, Ragioneria Generale dello Stato (1993).

Figure 41
Judges per (100.000) inhabitants
(1974)



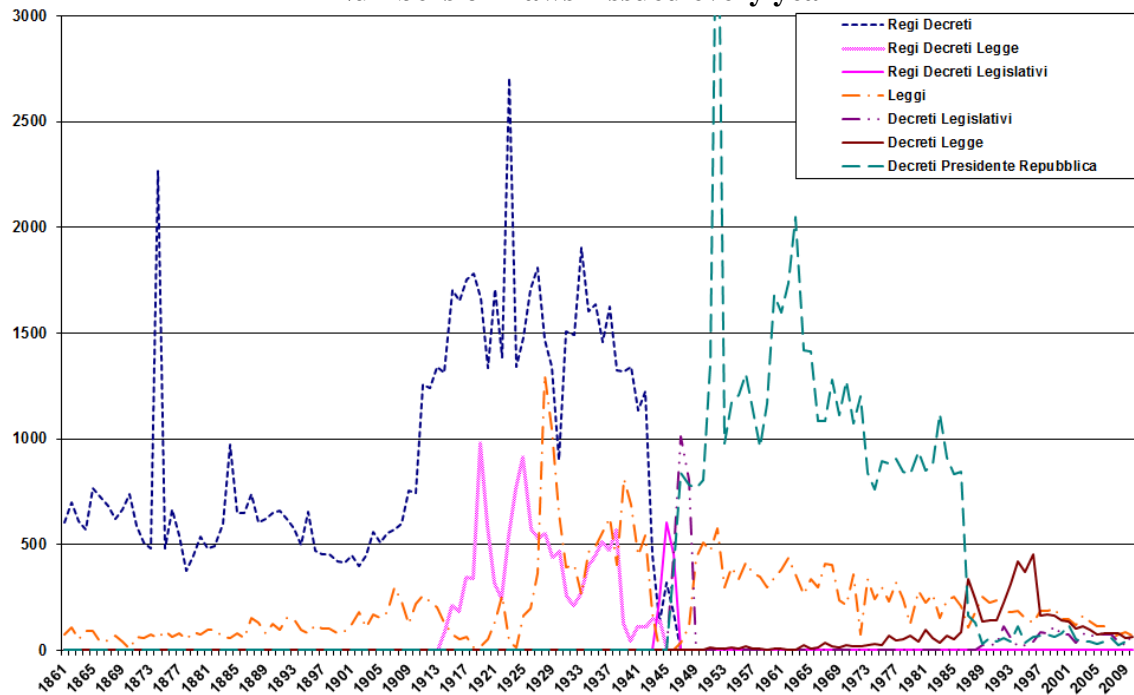
Source: Cecchi (1975).

Figure 42
Numbers of “laws” issued every year



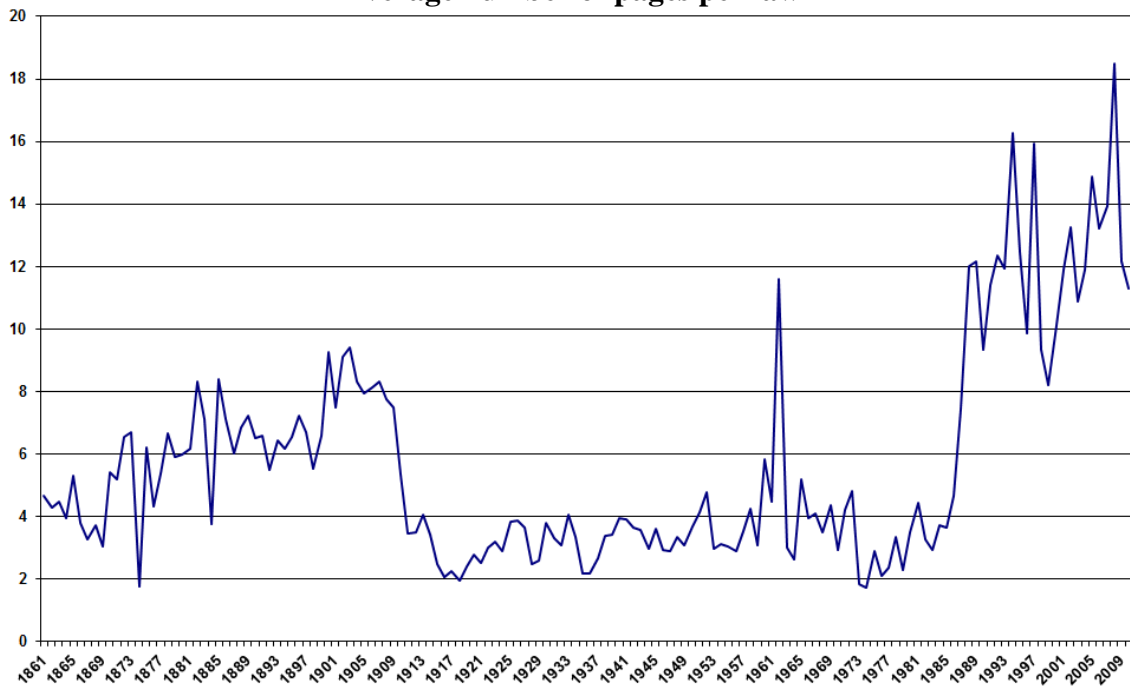
Source: *Raccolta ufficiale delle Leggi e dei Decreti del Regno d'Italia* (1861-1946); *Raccolta ufficiale delle Leggi e dei Decreti della Repubblica italiana* (1946-1986); *Raccolta ufficiale degli Atti normativi della Repubblica italiana* (1987-2004); *Lex: legislazione italiana. Raccolta cronologica settimanale con richiamo alle leggi attinenti* (1909-).

Figure 43
Numbers of “laws” issued every year



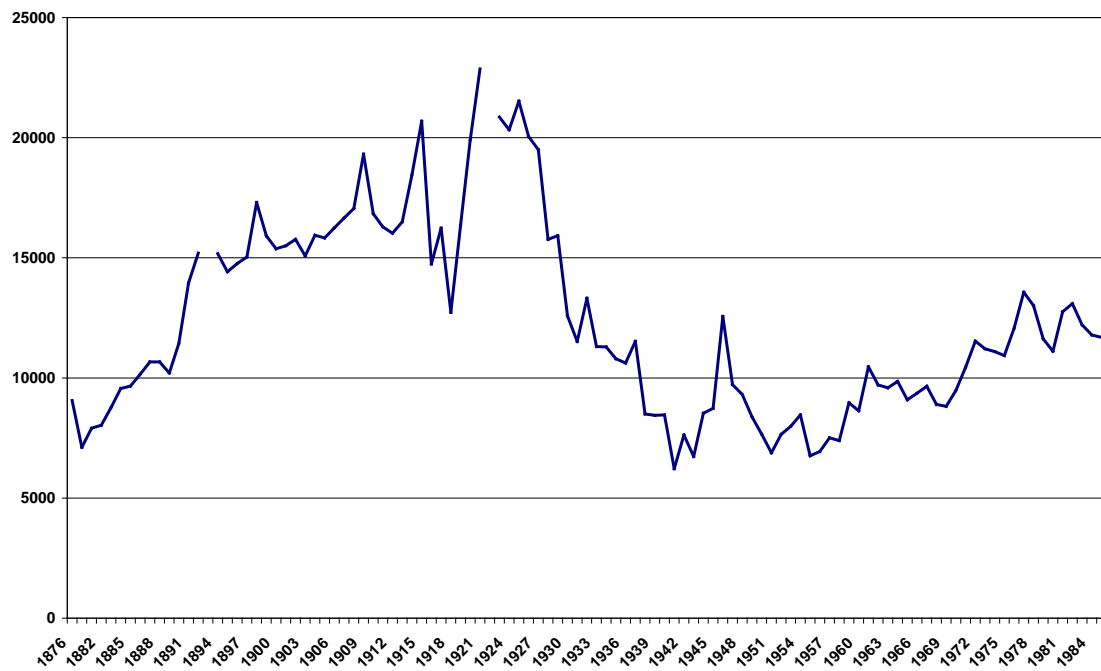
Source: *Raccolta ufficiale delle Leggi e dei Decreti del Regno d'Italia* (1861-1946); *Raccolta ufficiale delle Leggi e dei Decreti della Repubblica italiana* (1946-1986); *Raccolta ufficiale degli Atti normativi della Repubblica italiana* (1987-2004); *Lex: legislazione italiana. Raccolta cronologica settimanale con richiamo alle leggi attinenti* (1909-).

Figure 44
Average number of pages per law



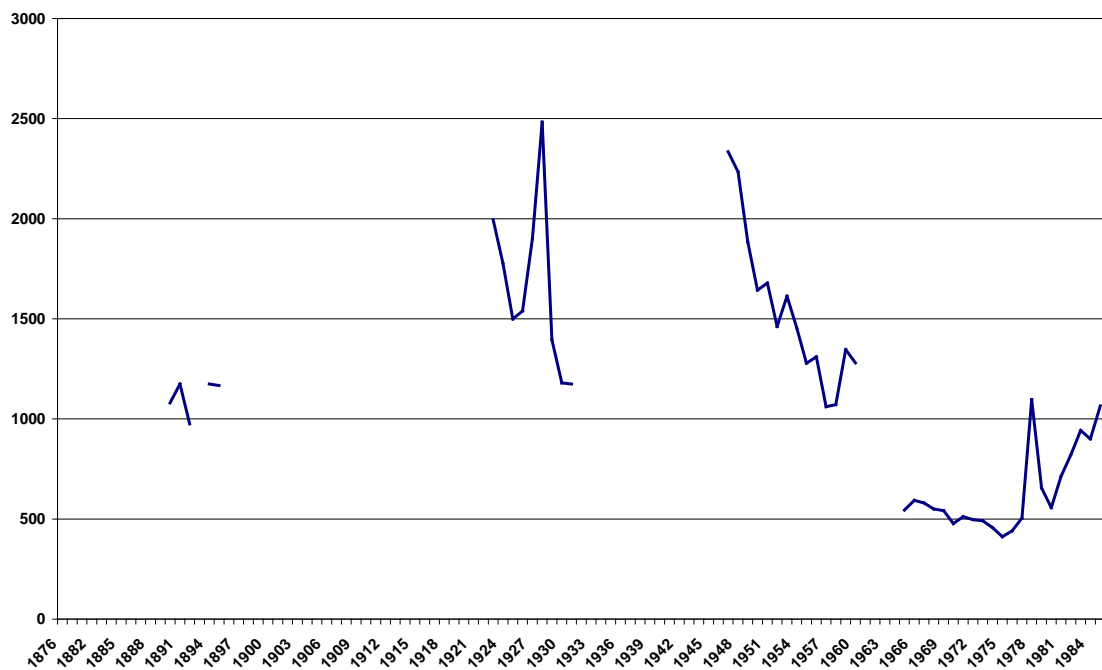
Source: *Raccolta ufficiale delle Leggi e dei Decreti del Regno d'Italia* (1861-1946); *Raccolta ufficiale delle Leggi e dei Decreti della Repubblica italiana* (1946-1986); *Raccolta ufficiale degli Atti normativi della Repubblica italiana* (1987-2004); *Lex: legislazione italiana. Raccolta cronologica settimanale con richiamo alle leggi attinenti* (1909-).

Figure 45
Corruption: “oltraggio a pubblico ufficiale”



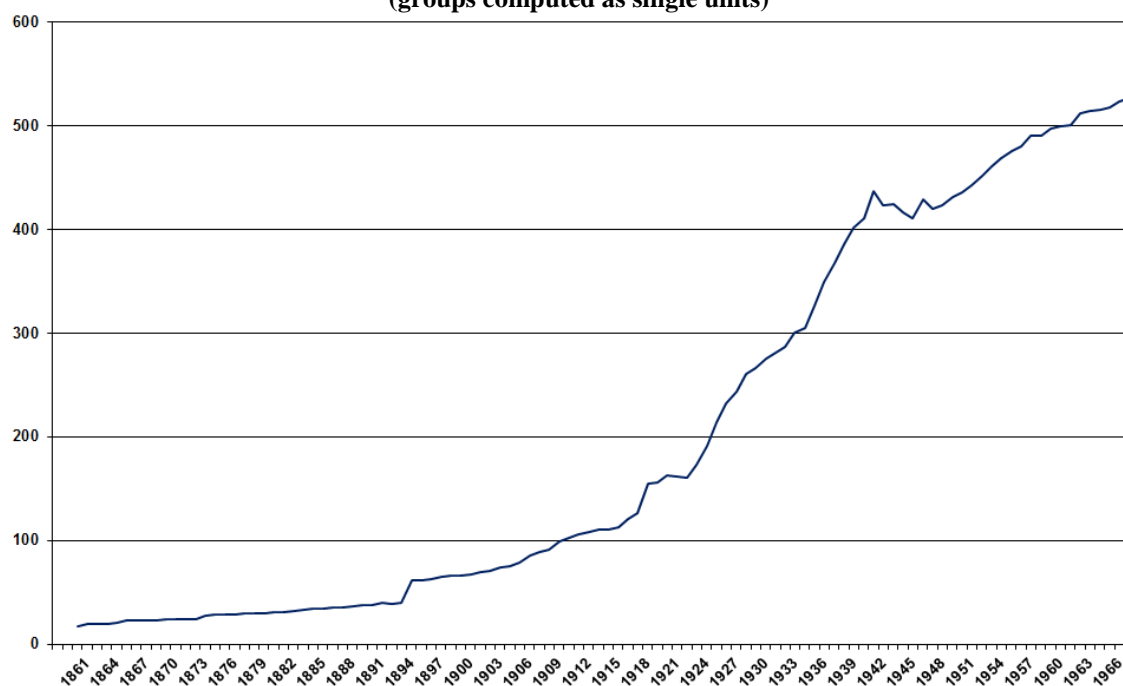
Source: Cazzola (1988).

Figure 46
Corruption: “peculato”



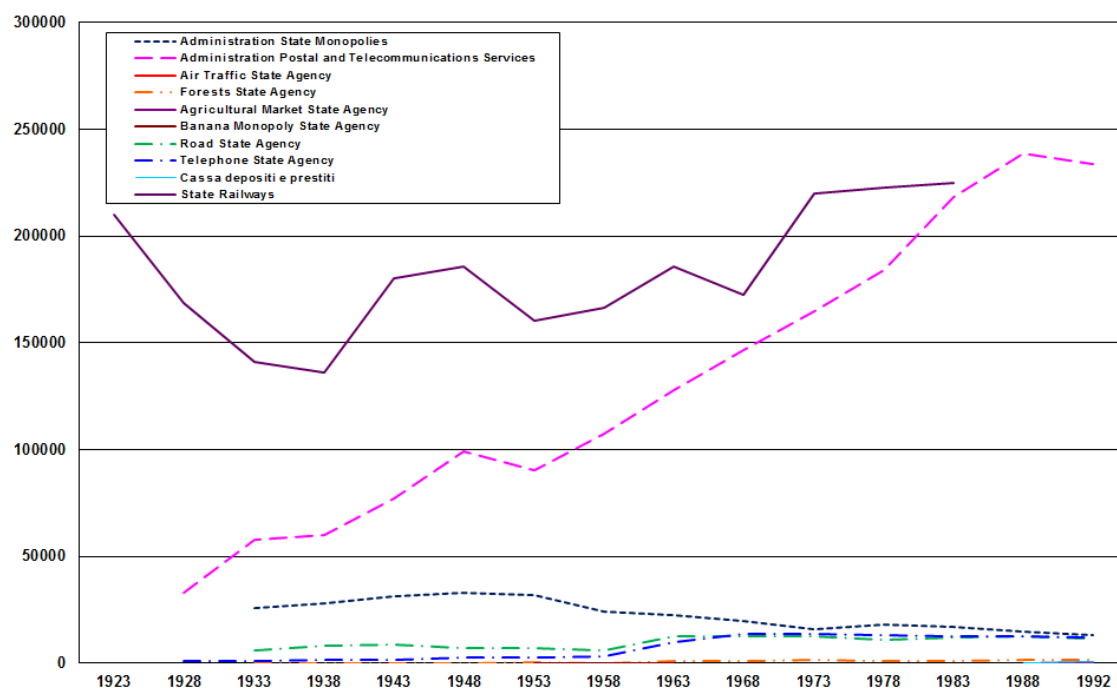
Source: Cazzola (1988).

Figure 47
Total *enti pubblici* created (net of suppressed ones)
(groups computed as single units)



Source: Mortara (1972).

Figure 48
Aziende autonome
(number of employees)



Source: Ministero del Tesoro, Ragioneria Generale dello Stato (1993).

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