Redistribution Within a Democratic Society:
The 'Finished Business' of the Italian Agrarian Reform

by

Tito Bianchi

Diploma di Laurea, Universita' degli Studi di Napoli "Federico II", 1993
Master in Applied Economics, CORIPE Piemonte, 1995
Master in City Planning, Massachusetts Institute of Technology, 1997

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Signature of Author: ______________

Department of Urban Studies and Planning
August 25, 2002

Certified by: _______________________

Judith Tendler
Professor of Political Economy
Thesis Supervisor

Accepted by: _______________________

Frank Levy
Daniel Rose Professor of Urban Economics
Chair, Ph.D. Committee
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ABSTRACT

The experience of the Italian agrarian reform defies the dominant view in today’s
development literature that the redistribution of agricultural land to the rural poor is not
feasible under democratic regimes. This pessimistic view is based on the slowness and
inefficiency of many expropriation and settlement schemes in the developing world,
which have fallen victim of the undue influence of the landowners and of the technical
complexities of implementation. This bleak generalization ignores the case of the Italian
agrarian reform of the 1950s, which took place in the context of a newly restored
democracy, and yet has effectively expropriated and redistributed hundreds of thousands
of hectares to the rural poor in only three years. Despite its limited geographical
coverage, agrarian reform has been able to end to a decades-long rural conflict; to
eliminate the backward production system based on absentee latifundia; has re-vitalized
land markets and promoted family farming.

The following factors explain the unexpected effectiveness of the Italian agrarian reform.
First, the concessions that the government chose to make to the landowning class
necessary within a democratic power-sharing system – consisted in a reduction of the
territorial area covered by the program, but not in the relaxation of the expropriation
procedure, whose automatism and objectiveness left few chances to the landowners to
influence the process at the implementation stage. Second, the mobilization of the
landless against the government, that the international experience recognizes as key to the
formation of a redistributive political will, in the Italian case also helped the reform’s
implementation, thanks to the role of an advocate for the rural poor and of a watchdog of
the program’s performance that the Communist party played. Third, the agronomists
employed in the reform administration have protected it against the abuse of the reform
benefits by the forces in power for the pursuit of rent-seeking and patronage. These
agronomists’ strong professional bond and shared technical values contributed to the
independence of the reform administration from segments of society interested in
stopping the progress of redistribution.

Thesis Supervisor: Judith Tendler
Title: Professor of Political Economy
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LIST OF ACRONIMES USED

DC – Democrazia Cristiana, Christian Democratic Party

CASMEZ – Cassa per il Mezzogiorno, The Agency for the Development of the Italian South

CONFAGRICOLTURA – Confederazione Italiana degli Agricoltori Italiani, Confederation of Italian Landowners

COLDIRETTI – Confederazione Italiana dei Coltivatori Diretti, Italian Federation of Owner-operator Farmers

CPC – Cassa per la Formazione della Proprietà Contadina, Fund for the Formation of Peasant Property

IBRD – International Bank for Reconstruction and Development (the first name of the agency currently known as the World Bank)

INEA – Istituto Nazionale di Economia Agraria, National Institute of Agricultural Economics

ONC – Opera Nazionale Combattenti, National War Veterans’ Agency

OVS – Opera per la Valorizzazione della Sila, Agency for the Valorization of the Sila Plateau (the Calabrian reform Agency)

PCI – Partito Comunista Italiano, Italian Communist Party

SVIMEZ – Associazione per lo Sviluppo dell’Industria nel Mezzogiorno, Association for the Development of Industry in the Italian South
Figure 1 The Agrarian Reform Districts and the Mezzogiorno Region

Areas falling within the scope of the land reform program in Italy

--- Boundaries of administrative regions.
--- Dividing line between North and South.
- Land reform districts.
Chapter 1: INTRODUCTION

1.1 Re-evaluating the record of agrarian reform

In the 1960s and 1970s agrarian reform used to be the darling of the scholars of state-promoted economic development. A generation of post-war social scientists interested in ways to put an end to the most evident form of economic injustice has studied with great hope and almost with reverence the experience of the developing countries that have embarked in land reform programs. What could have been more fascinating for them to study, in those days, than the state taking direct responsibility for removing the worse forms of inequality? Hundreds of books were published in the 1950s, 1960s and 1970s – single-country case-studies, multi-case edited volumes, or comparative treatises – that fill the shelves of our libraries to remind us of this exciting time of inquiry. This study follows in the same tradition of this line of empirical research aimed at drawing implications for land reform policy, but differs from this old school in that it speaks to a development field whose values have changed very much. Today, agrarian reform as it was traditionally understood – as the compulsory break-up of the largest land holdings and their transfer to the rural poor - has largely disappeared from the agenda of donor agencies and of many countries in the developing world. However, the fundamental question remains the same that it was then: how is it possible within the rules of democracy to break up the agrarian monopolies that leave the rural masses in semi-starvation?

Today’s social science has become more accepting of the dire social and economic problems of the world, and more pessimistic about the chances to eradicate them through purposeful public action. This is most evident in the case of rural poverty and landlessness in the developing world. In developing countries 75% of poverty concentrates in rural areas\(^1\), where more than 60% of the population lives and works,

\(^1\) This estimate is based on the definition of poverty as the consumption of less than 1$ in Purchasing Price Parity terms. If we use country-specific poverty lines, poverty remains much higher in rural than in urban settings. The incidence of poverty in the countryside and in urban areas is respectively 51.2 and 22.5% in the Philippines, 34.2 and 27.9% in India, 39.8 and 14.3% in Bangladesh, 26.6 and 11.2% in Indonesia, 22.6 and 2.7% in China, 41.5 and 13.2% in Brazil, 31.2 and 8.0% in Colombia, 46.7 and 28.9 in Kenya, 45.9
(UNDP 1997). In rural settings, land is still heavily concentrated in the hands of few privileged owners to an extent that remains unacceptable by the standards of the developing world itself. Despite the severity of rural poverty, the development community has lost confidence in the main policy tool it knows to attack this problem: the transfer of land to the rural poor, or agrarian reform. In this time of modest goals for social change, policy-makers put much emphasis on the difficulties that agrarian reforms have encountered, and treat the accomplishments as exceptions due to uniquely favorable conditions. The rule, according to this view, is made of waste and inefficiency, delays and perverse effects.

Like with other social problems, the retreat from intervention goes hand in hand with the negative evaluation of past policy: the critics blame past agrarian reforms in the developing world at the same time for negative results and for lack of results. Landowners, according to the detractors, have often been able to unduly influence the policy-making process to gain individual exemptions from expropriation that frustrated the expectations of the reformers, and of the rural poor. Bad planning of the reform settlements and lacking infrastructure and services often led the reform beneficiaries to desert newly created, but uneconomical, farming units. The attempts to upgrade the rights of tenants and sharecroppers often yielded the perverse effect of their eviction from the land. Corruption, patronage and administrative inefficiency are also part of the conventional account of the reform experience in the developing world. The only excuse for such poor performance is the difficulty of the task itself, complicated by the frequent lack of capacity of the public administration, bad quality of land records, and lack of entrepreneurial experience of the reform beneficiaries. According to the worst pessimists, only authoritarian regimes have been able to effectively perform agrarian reforms, which proves for them that the problems and inefficiencies listed above are unavoidable under democratic rule.

In our times, the mainstream view of agrarian reform rejects the old style, state-centered approach, which it considers slow and inefficient. The sheer duration of such a challenging enterprise concerns development scholars for the costs that a protracted controversy over agricultural resources will have on markets, and on general economic

and 38.7 in Ethiopia. In the large countries of Asia, the near East and North Africa over half of the rural
development. As a reaction to the perceived poor performance of the old state-centered approach, today’s policy-makers propose a market-based agrarian reform model. This less threatening approach tries to achieve the same redistributive results of traditional reforms by altering the incentives of potential buyers and sellers on the free market.

Are we sure that we have the record straight? Is the empirical analysis of the postwar agrarian reform experience the real cause of the current ideology shift, or is it biased by it? How can we reconcile this negative view of past land redistribution programs with the agrarian reform experience of a country like Italy in the 1950s?

In Italy, a newly democratic government ruling over a poor country devastated by a recent war, was able to perform an efficient, albeit geographically limited, land redistribution that improved the conditions of a large number of the rural poor in a relatively short period of time. In the course of only 3 years it expropriated 673,000 ha from large estates, or 9.4% of the area of reform intervention. It subsequently settled on this land 121,600 previously poor and landless families, which represented 12.7% of the total rural population, and the almost totality of the rural unemployed in the reform areas. Though limited in scope, this program has done away once and for all with the problem of absentee, unproductive latifundia that was most acute in the depressed South of the country, where it coexisted with rural poverty and unemployment. By intervening only in less than one third of the country’s area, the program was able to partially expropriate the large majority of the Italian properties measuring between 1,000 and 2,500 ha, and the totality of those above 2,500 ha. The expropriations have taken place largely without landowners’ interference, thanks to an automatic mechanism that hit the hardest the largest and least intensively cultivated properties.

Far from hurting the land markets, the reform delivered part of its redistribution effect through them, inducing many large landowners to sell their properties to small owner-operators under the threat, real or perceived, of expropriation. It has not stirred rural conflict, but, to the contrary, it has put an end to the land invasions that threatened the public order and economic activity in certain regions of the country in the second half of the 1940s. In an effort to facilitate the living and working conditions of the beneficiaries, the state built roads, aqueducts and other rural infrastructure, and supported them with adults were illiterate during 1987-95 (IFAD 2001).
technical assistance, credit and subsidies for private farm improvements. Embedded in a larger rural development program, the reform reached a clear conclusion at the end of the 1950s, when the government moved on to new economic development tasks. The reform thus represented a momentary and limited interruption of property rights which provided the preconditions for a period of more equitable economic growth by deepening the markets and stabilizing the political situation.

What conditions and what strategies make such rural redistribution possible within democracies, without causing a major disruption of social and economic life? This thesis is an investigation in the factors that have permitted in Italy what is largely considered unfeasible in the developing world, aimed at drawing policy lessons for the agrarian reforms of the present and future.

Certainly the evidence from the Italian case alone, largely unknown to the agrarian reform debate, cannot provide a definitive answer to this fundamental question. Nor can it be sufficient to revise the general perception of agrarian reforms worldwide. But, hopefully it can represent a first step in the direction of a reassessment of the empirical evidence from other more and less known cases of agrarian reform, on which the pessimistic view of today is based. The lessons that this fifty-year-old story has to offer to today’s policy clearly cannot come from a literal reading of the strategies and practices that have made agrarian reform possible in the Italian case. The usual caveats of case-based research apply even more here because of the longer time that has elapsed and the mutated ideology. The practitioner involved in the formulation of today’s agrarian reform policies will have to abstract from the specificities of post-war Italy, to find out if a policy compromise of the type that was reached in Italy could be pursued in any developing country’s context and what it would look like, or what kinds of defenses and automatisms could help bring the expropriations to a timely completion.

This is not to say that the Italian case is so radically different from some of today’s developing countries, as the distance in time could make us expect. The basic social and economic indicators like the agricultural share of the economy, or the incidence of poverty and landlessness in postwar Italy, were comparable to those of other countries in different times that have found themselves in need of an agrarian reform. This is even
more true if we consider the conditions of the backward regions of Italy, where the reform was carried out.

If all of this is true, why is the Italian program not already part of the corpus of empirical knowledge on land reform in international development? Why has the Italian agrarian reform been largely overlooked in the development literature as a possible source of lessons for the design and implementation of similar programs in developing countries? There are at least three different explanations for this omission. First of all, in today’s regionally segmented economic development literature, an agrarian reform happening in twentieth century Europe is more easily associated with the problems of the advanced industrial world, and may have thus been considered irrelevant for developing countries. Second, the limited geographical coverage of the national territory may have turned away the interests of the radical supporters of agrarian redistribution. Third, Italians themselves do not think very highly of their experience with land reform, because of the industrial bias of economic development thinking during much of the postwar period. The Italian policy-makers’ almost exclusive interest in industrial development after 1960 has led them first to label the agrarian reform policies of the 1950s as a “false start of industrialization”, and then to remove them from the collective memory, irrespective of their accomplishments.

But the omission is not justified. First of all, the limited geographic coverage of the program, as we have argued before, does not mean that the program had a small redistributive content. Limiting intervention to the portion of the country where the problems of distributive inequality and absentee ownership were more serious increased the cost-effectiveness of redistribution and reduced its duration. This limitation in time and space, which may have led some international experts to dismiss this program when the ambitions of agrarian reform were high, may turn into an attraction in today’s world in which generalized, sweeping reforms have few political chances anyway. A reform limited in space and time, as the Italian one was, but highly transformative and redistributive wherever it applied, may provide the much needed way out of the “agrarian stalemate”\(^2\) in which many developing countries find themselves, as it would partially

\(^2\) This is the expression that Ronald Herring used to describe the state of latent class conflict that the agrarian reform determined in the Indian state of Kerala. Here agrarian reform was did not extinguish the rural controversy but kept it alive in new forms, thus imposing new social and economic costs in the form
satisfy both the aspirations for economic justice of one side, and the broadly shared need to put an end decades-long agrarian controversies.

As for the presumed regional and disciplinary irrelevance of the Italian case for developing countries, postwar Italy fits the category of underdevelopment to perfection. In fact the appalling human and material conditions, the humiliation of the military defeat, the destruction of physical capital, and the decimation of the ruling class, make us wonder how the Italian government could have successfully carried out such a grandiose development plan only five years after a national catastrophe of enormous proportions. If even a country in the conditions of postwar Italy could succeed in rural redistribution, then very few countries in the world should consider themselves too desperate to do the same thing.

Historically speaking, the Italian reform should belong squarely to what we know today as the field of international development. It represented one of the first occasions in which international aid organizations and experts tested their ideas and methods to fight poverty and backwardness. Being largely financed by foreign sources like the Marshall Plan, and by some of the first World Bank loans, the Italian agrarian reform attracted the interest of the first generations of development economists. If Italians are unable to relate to a period of their history in which an outdated agrarian structure was seen as the primary cause of economic stagnation, this may be an indication that the agrarian reform program has been successful in removing this cause. If the problems of latifundia and absentee ownership in today’s Italy are ‘history’ \(^3\), this should only make the rich policy experience that has contributed to their demise more interesting for development scholars.

### 1.2 Agrarian reform: the need for a ‘closure’.

In the development community the debate over agrarian reform has reached an impasse more than a decade ago. Most development practitioners have come to the bitter

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\(^3\) The Italian academic literature that looks at the decade of the 1950s as to the period in which Italian development policy has performed better is predominantly the work of historians. See for example the fine
conclusion that the known cures for the problem of rural inequality don’t work or that, even if they worked, they would not be available any more. On the one hand the methods of intervention of the 1960s and 1970s - the golden age of agrarian reform policies - seem outdated, and at best irrelevant to today’s problems. The strong étatism of the agrarian reform programs that development practitioners used to recommend and support, their ambitious far-reaching goals, make them unacceptable as policy models in this era of state minimalism and supremacy of the market rule. On the other hand, the goal of improving land distribution in many developing countries, justified by strong theoretical and ethical arguments, remains largely unquestioned, leaving agrarian reform somewhere in the development agenda.

Today we have strong evidence, certainly stronger than it ever was in the golden age, that a more equitable distribution of assets would promote economic and social development. Improving the unequal distribution of land reduces poverty and increases the returns to education (Besley and Burgess 2000). Economists favor asset redistribution on the grounds that the incompleteness of credit markets does not allow land to fall in the most productive hands, unless they already possess collateral. Political scientists praise diffused land ownership for its capacity to give a sense of citizenship to disenfranchised groups, thus strengthening democratic institutions (Prosterman and Riedinger 1987; Montgomery 1984). New social problems that surfaced in the second half of the 20th century like urbanization and environmental degradation in the developing world provide more arguments in favor of land redistribution (Herring 2000). The development of small owner-operated farming arguably reduces the environmental impact of monoculture, and mitigates the uncontrolled expansion of third world cities and the social degradation that goes with it.

While in the 1960s and 1970s government initiatives to solve rural inequality took the form of ambitious and encompassing redistribution programs, in our times they have been largely reduced to the category of ‘land policy’. In the old programs state bureaucracies or special public agencies were given the task to implement special legislation that allowed them, depending on the case, to expropriate and subdivide the large unproductive properties, to distribute them to landless workers, or to give security

work of D’Antone (1974; 1996), Barone (1986; 1996), Cafero (2000) to which this study owes much of its
of tenure to exploited tenants and sharecroppers. Nowadays, in the ‘reduced’ model of agrarian reform currently being tested, the state tries to get peasants access to landownership without creating ad hoc bureaucracies: through a regulatory approach involving the ‘correction’ of the incentives that potential buyers and sellers face in the land markets. By introducing progressive taxation of land property, and by offering to the rural poor subsidies to buy land, the government intends to facilitate the ‘spontaneous’ break-up of land properties, without forcing large landowners to sell, or planning in any detail the new forms of land tenure. The remaining state assistance to the program beneficiaries, also based on a similar market principle, consists in forms of decentralized money transfers that leave them free to choose among private or public suppliers of inputs and services.

This new market-based approach currently being experimented in countries like Brazil, Colombia, the Philippines and South Africa, certainly represents the most promising development of the last few years, but also has proven to be as difficult to fully implement as the old models were, and ambivalent about its true redistribution goals. In fact, in an effort to gain acceptance, the proponents of the market-based model stress the voluntary nature of the land transfers and the full market value at which the properties will be sold, implying that such a scheme will not hurt the interests of the large landowners. It is thus no coincidence that the attempts to turn this theoretical model into real world programs have failed to include its core redistributive provision, i.e. the progressive taxation of land. Without introducing the most controversial part of the model, however, the market based agrarian reform risks to inflate the value of the land changing hands, and thus to remain very limited in scope.

The governments’ inability to introduce progressive taxation suggests that the market-based approach does not eliminate the problem of confronting the unavoidable opposition of the landed class to any form of genuine redistribution. It reminds us that redistributing assets without hurting at all the interests of their owners is possible only at the cost of

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5 Introducing new taxation of land holdings progressive with their size, in strictly economic terms is equivalent to a partial expropriation, measured by the loss in market value determined by the policies discouraging large properties. It thus comes as no surprise that such policies are politically as difficult to introduce as outright expropriation.
turning the minimalism of state functions into a minimalism of goals. The market-based model was designed by policy-makers trying in good faith to redistribute land without incurring in many of the inefficiencies of state direct operation of land reform. But its implementation reflects the state’s partial withdrawal from its responsibilities to promote rural equity. The complete and correct enforcement of the market-based reforms requires that the state possesses the legitimate power to pursue the common good at the expense of private interest. But its limited and partial implementation is a manifestation of the state’s weakening authority in this area.

This retreat from government direct intervention in the face of unchanged social need is by no means unique of agrarian reform policy. In this specific field, however, it is justified by a negative evaluation of past agrarian reforms. The mainstream of today’s development community believes (1) that the majority of the agrarian reform programs attempted in the post-war period have not yielded satisfactory results, and (2) that those that have are unacceptable as policy models. The East Asian cases of Japan, Taiwan, and Korea, that are usually recognized as successful in terms of their efficiency and long-term economic development impact, are often dismissed as models for other countries because of the authoritarian way in which they have been carried out. A similar but harsher judgment falls on the reforms enacted in the course of Communist revolutions like in China, Cuba, or Vietnam: equally authoritarian, but worse for their economies.

The reform programs carried out under more democratic regimes have lost much of the exemplary appeal that they used to have due to their alleged poor performance, long duration and meager outcomes. According to most observers, the ‘democratic’ reforms of the 1960s and 1970s especially in Latin America and South Asia have performed poorly relative to the ambitious targets that they had set for themselves, and in consideration of the great hopes under which they were undertaken. The strong opposition of the landed classes often thwarted these reforms from the start, forcing changes in the original legislative measures that reduced their redistributive content, or impaired their subsequent effectiveness at the implementation stage. In many of these cases the resulting policy instruments were vulnerable to the attack of local power groups, who managed to escape expropriation at the implementation stage through court appeals, fictitious sales or donations to family members, and other more or less legal exemptions.
According to some analysts, many of the agrarian reform programs instead of giving to the landless a chance to become farmers, have had indirect effects on the landowners: in the best cases forcing them to modernize their productive techniques in order to escape expropriation (de Janvry and Sadoulet 1989), in the worse, inducing them to evict the tenants that the laws tried to defend (Tomasson and Peach 1990). In many countries the reform laws, in an effort to uphold the protections and the fair procedures proper of a democratic system, became so complicated to put under severe stress the capacity of weak public administrations. The quality of land records, often unclear about the extent of each owner's rights, was also a frequent constraint to the implementation of these programs. Within pluralist democratic societies, the repertoire of the denounced failures seems to be limited only by the imagination: a good portion of the settlers have often abandoned their assigned plots because the lack of credit, roads, electricity or water supply, made them economically not self-sustaining. Insufficient marketing opportunities and lack of inputs at reasonable prices also appear to be among the causes that have led to a poor productive performance of the agrarian reform sector.

This reading of the experience of land reform in the developing world has led many analysts to develop what Ronald Herring (2000) calls the 'impossibility theorem': the view that agrarian reform is not feasible at all under democratic regimes due to the strong influence that the landowning class exerts on the politicians and on the public administration. Akin to the impossibility theorem are the views of those who argue that agrarian reforms only happen under very special circumstances like when new regimes come to power, during revolutions, or when countries depend heavily on foreign powers (Tuma 1963; Thiesenhusen 1995): all conditions that are not desirable and certainly very remote from the day to day of democratic regimes. Others take the past experience of agrarian reform to mean that a certain redistribution of land may be possible under a democratic, power-sharing system, but only in the course of long years of conflict, at the heavy cost of weakening property rights, markets, and the rule of law. Hence, the impasse in which development practitioners find themselves, of having to confront a dramatic

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6 The typical example of a very cumbersome body of reform laws is that of the Philippines. Hayami (1990) blamed this complexity in interaction with the weak capacity of the Philippine public administration, for the poor results of the agrarian reform program. Based on this diagnosis, he recommended for the Philippines the abolition of all differential treatments based on crops and productivity, and the setting of a single maximum ceiling to all private landholdings.
land distribution problem that all but seems to disappear from the development debate, with small and inadequate policy tools.

Against the argument that agrarian reform undermines property rights by perpetrating conflict and uncertainty, it is futile for the reform advocates to present evidence that redistribution is still needed in the developing world. The attempt to present old-style agrarian reform as a ‘commenced business’, or ‘unfinished business’\(^7\) that should be continued because it has not fully accomplished its objectives, instead of making the idea politically more palatable to current policy-makers, reinforces their concerns that this conflict-ridden process will remain open for many decades, thwarting market exchange. What the field needs most is just the opposite: evidence of ‘finished’ agrarian reform programs that reached their target quickly if not painlessly. What we need is evidence that agrarian reform can be an ‘enclosed’ process that can be promptly followed by the business as usual of capitalist life.

The field needs a new confidence, a new familiarity with the idea of land reform and of its possibilities that can come from a re-interpretation of past experience. This re-evaluation of the already known or less known experience could help the debate appreciate a fuller range of possibilities for intervention on the rural structure. Too often this debate tends to focus only on the two extreme categories of reform intervention: on the one hand, the traditional agrarian reforms of confiscatory nature, very sweeping in scope and hard on the landowners, that require large state bureaucracies and long time; on the other, the currently dominant market-friendly policies proposed by the World Bank and by mainstream development economics, that try to increase the poor’s access to land through market incentives. The marked-based approach, which has proven to be politically feasible only when emasculated of its true redistributive content, should not be considered the only alternative to a monolithic class of ‘old-style’ reforms. Nor did all the

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\(^7\) The two expressions give the title to two very different, yet both very significant contributions to the field of agrarian reform in international development. Agrarian reform was an “unfinished business” in the title of a collection of essays of Wolf Ladejinski - the prominent expert of agrarian reform who was first directly involved in the Japanese reform, and subsequently became very influential in the academic and policy circles with his writings on other attempted agrarian reforms in Asia (Walinski 1977). Michael Lipton used the expression “commenced business” in the title of his 1993 World Development article that tried to reconcile the goals and the methods of agrarian reform with the changing beliefs of economic theory and policy practice (Lipton 1993). For sake of the truth I have to say that none of the two clearly elaborates in the text on the policy appeal that is implicit in their titles.
old reforms involve the massive expansion of state responsibilities and the endless class struggle that makes them intimidating to the mainstream.

The Italian agrarian reform is one such hard-to-classify case that has been largely forgotten in the international development literature, and that may offer insights on how to exit the current policy impasse. Despite its distance in time, the Italian agrarian reform of the 1950s appears relevant to the current debate for at least three reasons. First, the fact that a program democratically negotiated and voted has resulted in a significant redistribution of land, contradicts the pessimism of current development thinking about agrarian reform within democracies. Second, its implacable but spatially and temporally limited form of intervention escapes the polarizing and perhaps overly simplistic distinction between mere regulation and planned sweeping redistribution. It shows that within democratic systems, the agrarian reform controversy need not result in an ‘agrarian stalemate’ between reformists and conservatives that keeps the rural conflict alive for decades and imposes heavy costs on the market economy, but that the parties can reach a middle-ground agreement that can be market-creating. Third, it shows the limits of the current decentralization principle when it is applied simplistically to redistributive policies that have powerful local enemies. The delocalized Italian reform administration was able to overpower the resistance of the absentee landowners by using the national level authority of a centralized state to overturn localized rural inequality.

In the Italian case, it was a democratic government that launched and implemented the agrarian reform, and yet the program reached its expropriation targets in less than three years from its start. The program resulted from a compromise of the reformist government with the landed pressure group, but while this compromise, necessary in a democratic setting, reduced the geographical coverage of the program, it did not impair the working of the redistribution program, or prelude a long period of conflict over land. The Italian agrarian reform would be considered strongly interventionist by today’s standards and yet it did not harm the functioning of the land markets, but, much to the contrary, indirectly promoted equalizing free-market transactions: the same objective that today’s market-driven model seeks. In fact, the Italian program had a much larger indirect impact on the creation of new owner-operated small farms through the sales of land on the free market that it induced, than through the direct expropriation and subdivision of large properties.
Re-examining the case of the Italian agrarian reform, which was once part of the international development experience, but that has largely been forgotten in the last decades, could help policy-makers re-gain confidence in the feasibility of land redistribution in the developing world. It may acquaint them with a less intimidating version of redistributive programs, that, for its limited territorial coverage and short duration, does not completely subvert agrarian relations or destroy land markets, but rather helps them develop while improving the poor’s access to landownership. It may also reconcile them with the chances of success of the political process itself, whose compromises need not be of the type that compromise the workability of the reform program itself, as it has happened in many countries of the developing world. Programs with modest redistribution goals and short time-schedules may also restore the confidence of the public in government policy by timely meeting the lower expectations that they generate.

Clearly, the Italian case has not been uniformly successful. When we evaluate it against the background of agrarian reform worldwide, it is the expropriation and redistribution component of the reform that really stands out for its speed and effectiveness, while the settlement part of the program has worked only in some areas and not in others. A significant share of the homesteads created and assigned have been abandoned by the settlers due to their insufficient size, to the lack of experience of the beneficiaries selected, and to the better alternatives available to them in the booming industrial sector. These shortcomings of the program, in part dependent on the political and material constraints of the time, in today’s more realist policy circles, should only make this case look more familiar and approachable to the discouraged advocates of agrarian reform in the developing world. With all its limitations, the Italian case shows that a certain redistribution of rural assets is feasible within the unique constraints that characterize each situation, and can contribute to economic development.

How did the Italian government manage to carry out this redistribution so effectively within a democratic context? This study points the attention to three determinant factors that helped the Italian agrarian reform administration not fall prey of the particularistic interests of the landed class during implementation.
• First, the mobilization of the rural poor of the Italian Communist Party was instrumental not only to creating the political will for redistribution - as the agrarian reform literature would predict - but also beneficial during the legislative process and in the course of implementation, when it held the government accountable for the redistribution results it had promised. While the Party’s mobilization of the rural masses in the fight for land gave the reform its first impulse, its role of an advocate for the rural poor and of a watchdog of the program’s performance extended the positive effects of this political mobilization to the first years of implementation.

• Second, the government in power deserves credit for arriving to a policy solution that did not leave the landowners any chance to influence the redistribution process. The concessions that the government chose to make to the landowning class - necessary within a democratic power-sharing system – were not of the kind that weakened the implementation of the program down the road. This negotiated solution consisted in a reduction of the territorial area covered by the program, but not in the relaxation of the expropriation criteria, which remained automatic and objective, and thus difficult for the landowners to evade.

• Third, the agronomists employed in the reform administration proved to be an additional defense against the clientelistic use of the reform benefits. The government enlisted to its reform plan many such technicians, who in large part did not think highly of land redistribution per se, by embedding the agrarian reform in a larger land improvement and infrastructure development framework. These agronomists’ strong professional bond and shared technical values contributed to the independence of the reform administration from segments of society interested in stopping the progress of redistribution.

1.3 The Italian Case in the International Context

The best way to introduce the reader to the Italian case is to describe it by contrast to the rich postwar experience of agrarian reform worldwide. The most important features that characterize the Italian program against the international background of agrarian reform are its limited coverage of the national territory, the short duration, and the high investment in rural infrastructure. The Italian program took place in the aftermath of
World War II – roughly at the same time of the successful East Asian cases of Japan, Korea and Taiwan. The support it received from the United States, motivated by geopolitical considerations, and the relative speed and efficiency of the land redistribution, are also similar to the experience of the East Asian countries. However, the case of Italy is different from them along some major political and economic dimensions: the democratic political conditions that prevailed at the time the reform was undertaken, the lower population density, and the initial higher inequality of land distribution.

The Italian government chose to reform the most depressed areas of the country, where the rural problem in the late 1940s resembled more the South American situation in which large under-cultivated latifundia coexisted with a big landless or near-landless population. Hence, the task of the Italian agrarian reform program was more difficult than that of the East Asian countries, as it could not count as much on small-scale tenancy farming as a clear guide to redistribution. The Italian agrarian reform solution was similar to those adopted by South American countries in the 1960s and 1970s, where the reform programs also tried to break up the latifundia into entirely new farming units, and chose to assign those new farms largely to landless workers. However it also differs in several ways from many of those Southern American reforms that followed it. On the one hand the Italian program appears more investment-intensive than they were, as it was embedded in a larger rural infrastructure development program for the backward regions of the country. On the other hand, it had clearer boundaries in terms of coverage of the Italian territory, land subjected to expropriation, and of the very duration of the program.
Table 1-1 The Italian Agrarian Reform in the International Context: program performance

<table>
<thead>
<tr>
<th>Country</th>
<th>Year Start</th>
<th>Year End</th>
<th>Ha (000)</th>
<th>% of total farmland</th>
<th>Mode of landlord compensation</th>
<th>Beneficiaries (% of rural workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>1950</td>
<td>1960</td>
<td>680</td>
<td>9.4%</td>
<td>25 yr bonds</td>
<td>12.7%</td>
</tr>
<tr>
<td>Japan</td>
<td>1946</td>
<td>1950</td>
<td>1,917</td>
<td>33%</td>
<td>30 yr bonds</td>
<td>80%</td>
</tr>
<tr>
<td>Korea</td>
<td>1950</td>
<td>1950</td>
<td>577</td>
<td>28.9%</td>
<td>bonds</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>1953</td>
<td>1954</td>
<td>170</td>
<td>21%</td>
<td>70% bonds; 30% equity</td>
<td>42.6</td>
</tr>
<tr>
<td>Philippines</td>
<td>1972</td>
<td>1986</td>
<td>210^9</td>
<td>2.2%</td>
<td>25-35% cash rest 10yr bonds</td>
<td>3.4%</td>
</tr>
<tr>
<td>Bolivia</td>
<td>1953</td>
<td>1955</td>
<td>9,792</td>
<td>30%</td>
<td></td>
<td>34%</td>
</tr>
<tr>
<td>Peru</td>
<td>1964</td>
<td>1973</td>
<td>5,508</td>
<td>50%</td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>Chile</td>
<td>1962</td>
<td>1973</td>
<td>9,517</td>
<td>47%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>Brazil</td>
<td>1964</td>
<td>1989</td>
<td>4,300</td>
<td>20%</td>
<td></td>
<td>0.77</td>
</tr>
<tr>
<td>Colombia</td>
<td>1962</td>
<td>1977</td>
<td>815</td>
<td>3%</td>
<td></td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Sources: Japan: Dore (1984)  
Korea: Ban et Al. (1980)  
Taiwan: Yang (1970); Orme (1995)  
Philippines: Riedinger (1990); Putzel (1992)  
Bolivia, Peru and Chile: Eckstein et Al. (1978)  
Brazil: Hall (1990); Guanziroli (1998)  
Colombia: Grindle (1986)

Democracy. An important difference between the Italian case and the successful agrarian reforms of East Asia has to do with the political regime. The East Asian agrarian reforms were carried out by authoritarian militarized governments. In the Japanese case the reform was imposed on the national authorities by the military command of the United States^10 and implemented during the occupation. In the other two cases, military

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^8 This table covers only a limited time period of the implementation of these programs, in the decades of the 1950s, 1960s and 1970s. It does not take into account more recent developments. For example, the Philippines and Brazil, which appear as poor performers in this table, have speeded up their redistribution of land in last few years.

^9 Land transferred under the Marcos regime under three different programs, doesn’t include the new reform measures undertaken after 1986 under Aquino.

^10 The Japanese authorities, however, were well aware of the need to address long standing rural problems of inequality, and their contribution to the success of the program has been crucial. Ronald Dore (1984) has used the following terms: “Without the bold initiative of the Occupation it is certain that no such drastic plan would have been contemplated. But equally, without the drafting skill and experience of the Japanese officials, an efficient operation of this magnitude could never have been begun” (Ibid. p.148).
governments feeling threatened by Communist forces inside and outside the country, used the reforms to increase their domestic base of support and their grip on power. In Italy the political motivation of the reform was similar, but it was a democratically elected parliament, the first of the republican post-war period, that legislated the reform. This legislation was the end result of a democratic political process that reflected not only the views of the moderates in power at the time and the international pressures of the early cold war, but also incorporated to a certain degree the desiderata of the Italian Communist party, the interests of the landed classes, and the accumulated experience of an influential group of agronomists.

The layout of the political forces in postwar Italy resembled that of countries like Chile in the early 1960s, the Philippines at the beginning of the Aquino presidency, or contemporary Brazil, where moderate ruling coalitions were interested in removing rural inequality in order to appease social movements that threatened their rule. While the experience of those countries shows that such circumstances are conducive to a negotiated process of redistribution of land, the very different outcomes of these processes indicate that additional factors also matter, like the degree of organization of the opposition movement, the capabilities of the public administration, and the reformist tactics of the coalition in power at the policy-making and implementation stages (Christodoulou 1990). Of the three cases in question, for example, Chile was able to redistribute a high share of the national farmland (Table 1.1), but has subsequently suffered a military coup that has returned one third of that land to the original large landowners (De Janvry 1989); in Brazil land reform has produced results slowly but has been part of the government’s agenda for as many as forty years; and in the Philippines the very complex set of reform policies put in place in 1986 at the end of the Marcos regime after a long debate, has received inadequate implementation until very recently.

These agrarian reforms, with all their differences, have in common that their outcomes have not met the expectations of the reformist policy-makers. However, this dissatisfaction may be in part a function of the very high expectations that characterized the agrarian reform programs of the 1960s and 1970s relative to the political reality of their fledgling democratic systems and weak state bureaucracies. Table 1.1 in fact shows that the outcomes of some of the reforms of the 1960s and 1970s measured as the share
of the national farmland transferred to underprivileged classes, were far from negligible. The expectations were high also in Italy fifteen years before, and many analysts have been similarly disappointed with the limited outcome of the agrarian reform. However, the Italian case is different from those taking place in most of the developing world in the 1960s and 1970s, in that the reform reached a clear end in the late 1950s, when the modest expropriation objectives had been met. By the late 1950s, all Italian political groups considered the chapter of agrarian reform closed, after the development of land markets, in part stimulated by the ‘limited’ reform, had eliminated the widespread hunger for land, and the process of economic development created earning opportunities outside agriculture for many of the rural poor.

*Limited territorial coverage*. The Italian reform program differs from many of the other international agrarian reforms in that it was regional: it did not apply to the entire national territory, but only to 8 reform districts, representing approximately 29% of the national agricultural and forest land (Picture 1). Within those districts the program redistributed to rural peasants 680,000 hectares, or approximately 3% of the national agricultural and forest land. This share appears quite small but is not reflective of the ample structural transformation of the rural economy prompted by the Italian reform. In order to fully appreciate the extent of this transformation one needs to consider that this intervention was limited to the most backward part of the national territory, where it virtually eliminated an outdated mode of production based on absentee landownership. Within these areas of land reform intervention the program expropriated and redistributed a much higher 9.4% of all the agricultural and forest land and settled on the land more than 120,000 formerly landless families whose working members counted at least 300,000 people. The beneficiaries represented 12.7% of the total rural population, and the almost totality of the rural unemployed in the reform districts.

If we compare the outcome of this program with others based on the land directly redistributed within the districts as a percentage of the total agricultural land, the Italian agrarian reform does not rank among the most redistributive internationally (Table 1.1).
However, the redistributive impact of the program went beyond the direct transfers of land, as it prompted a wave of sales on the private market from large holders to owner-operators not only in the reform districts but also outside them. In the period between 1947 and 1961, family farm owner-operators increased their holdings by 1.4 million ha at the national level, or by twice as much land as the reform program transferred directly through expropriation (Shearer and Barbero 1994). Two thirds of this increase occurred in the Italian South, where family farming was less common and where the bulk of the reform intervention (with 84% of the reform area) took place. The owner-cultivated area increased even more in the following decade when it grew by 8% at the national level, and by 9% in the areas where the reform had taken place.

The redistribution program interacted positively with other government policies aimed at promoting the purchase of land by peasants on private markets, namely with two 1948 decrees that, respectively, waived the sales' taxes, and offered highly subsidized credit to the peasants purchasing land. Through these measures in the twenty years following 1948, peasants purchased 1,580,000 ha from non-operating owners (an additional 5.7% of the national agricultural and forest land), or more than twice as much as the reform redistributed directly through expropriation12 (Barberis 1999: 482).

Most analysts of Italian agricultural development draw a clear causal link between the use of the incentives for the formation of family farming, the market-based break-up of large absentee properties, and the agrarian reform program. The agrarian reform of 1950 was but the most evident manifestation of a policy environment in which absentee landownership was viewed with increasing hostility by different sectors of Italian society – by the Left, by government forces, and by agricultural experts – which induced the non agricultural middle and higher classes to sell land. The possibility of more sweeping agrarian reform policies of confiscatory nature started looking more and more real to the landowners after the government passed the regional reform laws and showed that it had

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11 In practice expropriations corresponded to 87% of these acquisitions of land. The remaining 13% was purchased or acquired in different ways for the purpose of unifying and rationalizing the plots to be assigned.
12 It should be made clear that the figure appearing in the previous paragraph, the 1.4 million ha acquired by owner-operators between 1947 and 1961, includes the approximately 700,000 ha redistributed by the reform, while the 1.58 million ha whose purchase was subsidized by the government, does not include them, as it represents an amount of land sold on the market by non-operators to owner-operators with the help of the government subsidies.
the ability to enforce them. The reform programs thus scared the landowners into selling, or otherwise convinced them to seek less controversial forms of investment, while the government policies subsidizing the purchasing power of the peasants brought the buyers to the market.

The phenomenon of equalizing sales of land happening on the side of a redistributive agrarian reform, as an indirect effect of the program, is not unique of Italy. Both in the Taiwanese and in the South Korean case, program evaluators have reported that extensive private sales on the market have multiplied the redistributive impact of the programs of compulsory land transfers. The land changing hands ‘independently’ on the market has been 20% of that compulsorily transferred in the case of Taiwan in the year 1953 alone, and has been as high as 170% of the government-mandated transfers in Korea in the period 1945-51. In both cases, landlords decided to sell because they expected, rightly or wrongly, to be soon expropriated and hoped to receive a higher compensation with a preemptive voluntary sale (Yang 1970; Ban et al. 1980).
Table 1-2 The Italian Agrarian Reform in International Comparison, rural conditions before Agrarian Reform

<table>
<thead>
<tr>
<th>Country</th>
<th>(% land belonging to properties &lt;10 ha)</th>
<th>(% land belonging to farms &gt;1000 ha)</th>
<th>arable land / person (ha)</th>
<th>Landless as % of rural popul.</th>
<th>Share of workforce in Agriculture</th>
<th>Area under tenancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>41.7%</td>
<td>4.2% (1948)</td>
<td>0.25</td>
<td>23.3%</td>
<td>40</td>
<td>47%</td>
</tr>
<tr>
<td>Japan</td>
<td>-</td>
<td>-</td>
<td>0.05</td>
<td>46%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>88.5% 14</td>
<td>-</td>
<td>0.07</td>
<td>30%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>76.7 15</td>
<td>-</td>
<td>0.06</td>
<td>60.4 16</td>
<td>38.6%</td>
<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td>74.5%</td>
<td>-</td>
<td>0.16</td>
<td>31%</td>
<td>74</td>
<td>44% (1977)</td>
</tr>
<tr>
<td>Philippines</td>
<td>50.28% 17</td>
<td>-</td>
<td>0.30</td>
<td>58-64%</td>
<td>40</td>
<td>46.8%</td>
</tr>
<tr>
<td>Bolivia</td>
<td>92% (1950)</td>
<td>0.37</td>
<td>53% 18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peru</td>
<td>7.9 (1960)</td>
<td>69% (1961)</td>
<td>0.18</td>
<td>26</td>
<td>4.5 (1970)</td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>1.5</td>
<td>73% (1955)</td>
<td>0.46</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>1%</td>
<td>57% (1985)</td>
<td>0.27</td>
<td>39%</td>
<td>29.3 (1980)</td>
<td>6.1 (1970)</td>
</tr>
<tr>
<td>Colombia</td>
<td>8.4</td>
<td>30.4% (1960)</td>
<td>0.20</td>
<td>56% 19</td>
<td></td>
<td>8.1%</td>
</tr>
</tbody>
</table>

Sources: Unless noted, same as for Table 1.1 except for

Bangladesh: Tomasson Jannunzi and Peach (1990)

14 Refers to irrigated land properties smaller than 10 Chongbo in 1930 according to Riad El-Ghonemy (1989), one Cho=0.992 ha.
15 Share of privately owned farmland in holdings smaller than 8.62 ha (or three Chia), Powelson and Stock (1987)
16 Griffin (1981), data for 1953-56
17 properties smaller than 12 ha (Putzel 1980) in 1988
18 Prosterman and Riedinger (1987)
19 Ranis (1978:406)
Tenancy and farm size. A peculiar demographic and land tenure structure in the East Asian countries in the years preceding the land reforms, gave to the rural problem in those countries, and to the reforms themselves, a very different meaning than they had in Italy or in Latin America. In the three East Asian cases, the agrarian reforms did not involve the break up of existing farming units, but merely consisted in the compulsory transfer of property from the owner of each farm to the tenant or sharecropper who already worked it. According to many experts, the pervasiveness of tenancy relations and the already smaller size of the productive units have facilitated the work of the East Asian agrarian reforms relative to the Latin American ones, because, by reducing them to an upgrading of the rights of the tenants, they have provided an easy criterion to select capable beneficiaries, they have minimized the fall in productivity immediately following the reform, and the disruption of rural life (Dorner 1991, Hayami 1990).

In Italy instead, like in many Latin American countries, the reform broke up large unproductive properties and subdivided them into a multiplicity of independent family farms, subsequently handed over, in the majority of the cases, to former rural workers. The Italian reform agencies selected the beneficiaries at the town level on the basis of need, number of family members and town of residence, giving priority in general to the local residents who did not own land, and to the largest families. Theoretically, like in the East Asian cases, the law gave preference to the tenants or sharecroppers over the landless workers when they already lived on the expropriated land holding long term contracts. But in practice the districts where the reform chose to intervene were those where this form of land tenure was not common.

The structure of land tenure in Italy in the years preceding the reform did not resemble that of the East Asian countries that were also carrying out agrarian reforms in the same years, but came closer in many accounts to the organization of agriculture that prevailed in many South American countries in the 1960s and 70s. One of the most important differences between agriculture in the Asian and the South American countries had probably to do with the distribution of land by size of the property. In Japan or Taiwan properties of one hectare represented the norm, while they were a negligible share of the rural economy in South America. As we can see in Table 1.2, the share of the farmland belonging to properties smaller than 10 ha represented a majority in Asia, and
only a very small amount in South America. Italy – with 41.7% of the land belonging to properties smaller that 10 ha - in this statistic fell somewhere in between the wide gap that separated the two continents. The properties larger than 1000 ha accounted for little more than 4% in Italy, but represented a majority part of the agricultural land of almost all the South American countries who underwent reforms.

Another dramatic difference between the East Asian and the American economies that underwent agrarian reforms had to do with the degree of population pressure on the land. The amount of arable land per capita was from three to six times smaller in the Asian than in the selected South American countries of Table 1.2. With regard to this variable, pre-reform Italy was certainly not as land-poor as East Asia. With a quarter of a hectare of arable land available per capita it came closer to Brazil or Peru (Table 1.2).

A partial surprise comes, instead, from the share of the farmland operated by tenants and sharecroppers (an indicator to be taken with a certain degree of caution given the wide spectrum of contractual relationships that this distinction ignores). Italy, who did not target the reform intervention to the tenants and sharecroppers, ranked quite high in terms of the share of tenanted land. With 41% of the agricultural land leased to tenants or sharecroppers, Italy falls in the same value range of the East Asian countries that used these widespread contractual relationships as the guiding principle for land redistribution. Looking only at national level data, however, may be misleading in the Italian case due to the strong disparity of economic conditions within the country. If we could look at the (unavailable) figures on the share of farmland under tenancy in the areas that the Italian government chose to reform, they would look more like the Latin American cases and less like the Asian. The reform, in fact, intervened in the parts of the country where tenancy was less developed, and tenants, when they existed, did not live on the land they farmed, and had no stable relationship with it.

Land distribution was also more concentrated in the reform areas. The properties measuring more than 100 ha - the ones that were likely to be cultivated with extensive methods - covered 48.5% of the agricultural land in the reform areas - 13% more than in the non-reform areas (Table 1.3). Those exceeding 500 ha occupied 25.6% of the land in the reform districts, a share that was higher by 5 percentage points than at the national
level\textsuperscript{20}. The population density of agricultural “workers” was also much higher in the reform areas than in the rest of the country, suggesting that own-account farming was less common in those areas and that some of them were overpopulated. The number of hectares of territory per rural worker was almost half in the reform areas (11) than in the country as a whole (20) (King 1973: 54).

<table>
<thead>
<tr>
<th>Reform Districts</th>
<th>Pct. of all properties &gt; 500 ha</th>
<th>Pct. of all properties &gt; 100 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Po Delta</td>
<td>40.1</td>
<td>67</td>
</tr>
<tr>
<td>Maremma</td>
<td>52.6</td>
<td>74.9</td>
</tr>
<tr>
<td>Fucino</td>
<td>61.2</td>
<td>66.7</td>
</tr>
<tr>
<td>Puglia-Lucania-Molise</td>
<td>20.6</td>
<td>42.5</td>
</tr>
<tr>
<td>Campania</td>
<td>22.5</td>
<td>52.1</td>
</tr>
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<td>Calabria</td>
<td>30.5</td>
<td>59</td>
</tr>
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<td>Sardinia</td>
<td>24.5</td>
<td>44</td>
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<tr>
<td>Sicily</td>
<td>13.6</td>
<td>34.1</td>
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<tr>
<td>All Reform Areas</td>
<td>25.6</td>
<td>48.5</td>
</tr>
<tr>
<td>Non-reform areas</td>
<td>20.2</td>
<td>35.3</td>
</tr>
<tr>
<td>Italy</td>
<td>21.9</td>
<td>39.4</td>
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Source: INEA (1948), as elaborated by Marciani (1966)

Like in the East Asian cases, tenancy relations were at the center of a class struggle in post-war Italy as well, but, as for most of the other economic problems, the tenancy problem was regionally localized. In Italy the tenants and sharecroppers mobilized to improve the exploitative terms of their contracts, but, as it will be illustrated in chapter 3, they faced a well organized and powerful adversary in the landowners of the areas of capitalist agriculture, who succeeded in excluding tenancy reform from the policy agenda, and to exempt the areas where they leased their land from the provisions of the

\textsuperscript{20} The difference between the national datum and the one referring to the reform areas would be more striking if one could exclude from those figures the land holdings of public organizations, that were more common in the North. Limited to private property, the national level figure would be a much lower 8.6% of
reform laws. What was thus left of the Italian agrarian reform was a geographically limited program of redistribution of under-cultivated land, largely to landless workers. With this choice, the Italian government fundamentally diverged from the reform path the East Asian countries took in the same years, involving the transfer of property to the tenants only.

With the defeat of the nation-wide Italian agrarian reform plan, the program's coverage was limited to the 8 agrarian reform districts where land was distributed more unequally, and farming was practiced more extensively than in the rest of the country. The selection of the agriculturally more backwards areas allowed the program, despite its limited coverage, to have a large impact on the problems of inequality and low productivity. By intervening only in the 8 agrarian reform districts, the program was able to partially expropriate 39.5% of all the Italian properties measuring between 500 and 1,000 ha, 64% of those between 1,000 and 2,500 ha, and all of those above 2,500 ha.

*Speed.* In less than three years the reform program reached its expropriation target of 673,000 hectares, and had started subdividing and distributing the new properties. Settling the new owners was a process that took more time, as it involved the construction of a house on most of the plots, and a variety of land improvement and rural infrastructure works that were necessary to transform the expropriated lands into viable agricultural settlements. Working under heavy time pressure, eight years after they started their operations, the reform agencies had redistributed 90% of the land. Most of the land still waiting to be assigned belonged to the island of Sicily, where the reform was subject to different legal and administrative rules. While the reform process in its entirety lasted for about a decade, its redistributive results had been assured in just 3-4 years, a short period of time indeed by international standards.

The amount of time it took to achieve these results compares favorably with much of the international experience of land reform. In fact it approximates the amount of time that it took to complete the reforms in the East Asian countries, where the task of the reform consisted only in the upgrading of tenancy rights to property rights, involved

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the total farmland for the properties above 500 ha, and 25.9% for the ones exceeding 100 ha. Unfortunately we do not possess similar data for the reform areas.
relatively little rural works, and, because of the authoritarian rule, could avoid many of the bureaucratic steps required for expropriation under democracy. In Japan, for example, the reform program started in 1946 was over by the end of 1949 (Ladejinsky 1951). Even some reforms happening in the course of revolutions like the Russian or the Chinese, notwithstanding all the violence they perpetrated against the landowners, took more than three years to complete their redistribution of land (Prosterman and Riedinger 1987).

The natural terms of comparison for the Italian reform, however, are the agrarian reform programs of the postwar period in Latin America, where, as we have seen, the rural conditions were more similar, and the political regime relatively more democratic. Many analysts have lamented the inability of these programs to expropriate sufficient land in a reasonable amount of time, and often blamed for this delay the loopholes of the reform laws and the flaws of the judiciary system, that gave the large landowners a chance to unfairly escape expropriation. In other cases the reforms have found formidable obstacles in the poor quality of land records, which required costly and time-consuming preliminary surveys, or in the low capacity and motivation of the public bureaucracy, whose strong ties with the landed class made less than eager to speed up the expropriation process. Whatever the set of explanations applicable to each case, these delays have reduced the credibility of governments supporting the reforms, often making the agrarian reform plans survive several changes in political regime, and causing strong feelings of frustration among the public.

Speed, or the lack thereof, is not just a measure of the programs’ efficiency, but also contributes to the overall performance of agrarian reforms by boosting the morale of the reform movement and by minimizing the uncertainty around land rights that can thwart the development of land markets (Tai 1974:18). In much of Latin America, the slow implementation of the reform programs has given to the landowners the chance to take counter-measures against expropriation that, in turn, have further reduced the chances of proper implementation. Countries like the Philippines (probably the closest to 1950s Italy from the political and economic point of view), Colombia, and Bangladesh, are cases in point, where the slow progress of expropriations has spread a depressing attitude of frustration and pessimism about the chances of a genuine redistribution.
In the Italian case, speed was instrumental to the program's success because it helped make the most of political conditions that were momentarily favorable to redistribution, but that wouldn't last for long. The Italian reform movement was well aware of the precariousness of the reform coalition, and placed great importance on speed in the implementation of the program. For this purpose, it adopted a streamlined, automatic expropriation procedure that determined the share to expropriate from each property based on its size and value. In a broader comparative sense, the relatively short duration of the Italian program indicates that land redistribution can have an East Asian-like efficiency even when it needs to confront Latin American-style rural inequality, and when it happens within a democratic political system.

*Rural Infrastructure Investment.* The Italian reform program appears highly interventionist by today's standards (Moll 1990) in that it intended to transfer to the settlers not only workable land, but complete homesteads equipped with a farmhouse, with minimal infrastructure of roads, water, and electricity, and sometimes endowed with a working animal or dairy cow. In fact not all land was assigned in this form, but something less than 80% - the rest being distributed in the form of bare 'lots' that - being in themselves insufficient to support a family farm - were only expected to complement the beneficiaries' other sources of income. While the 'lots' were small tracts of land already planted with fruit trees and/or closer to the town centers, the 'farms' were created anew by the reform on land that was previously bare and only extensively cultivated.

Given the reform's main objective to create new ready-to-operate farms, rural infrastructure and land improvement works absorbed a large chunk of the expenditure and of the human resources of the program. In the depressed reform areas of the South and of the islands poverty depended on the co-existence of rural over-population with extensive farming practices such as the raising of livestock and the growing of wheat. Transforming an agricultural system based on large extensive properties and hired labor into one based on resident family farming, required the construction of irrigation systems, the plantation of trees, and the improvement of drainage that could allow the cultivation of higher value crops. It also required the building of roads, power and water systems.
that would convince peasants to move out of the towns where they lived, to reside on
their new properties in the countryside.

The East Asian early reforms did not require major land improvement or rural
infrastructure works in the same way\(^ {21} \), as they were not seeking, as a general rule, to
alter the already very small size of the farming operations or the crops. Conversely, the
agrarian reforms of the 1960s and 1970s in Latin America, Africa and South Asia, that
often involved colonization and settlement, required such public works programs in
addition to the redistribution proper. The rural infrastructure component of these
programs, however, - the land improvements, the construction of roads, aqueducts and
other rural infrastructure - has not always been forthcoming. Poor or lacking rural
infrastructure, much like the lack of technical assistance, inputs and marketing services,
has taken a lot of the blame for the failure of many agrarian reform settlements in
countries like Brazil, Colombia, or South Africa. Lack of public resources commensurate
to the ambitious redistribution plans and administrative failures of different kinds, have
often prevented the infrastructure from being provided in time to assist the viability of the
settlements.

Despite the high expenditure on land improvements and a strong public commitment
to rural infrastructure development, complaints about the slow pace or faultiness of
infrastructure projects are not unheard of in the Italian reform debate. The timely
construction of irrigation systems, in particular, has been at the center of much attention
because much of the economic viability of the reform settlements depended on it. While
many reform settlements have prospered economically, others have been deserted by the
beneficiaries a few years after the reform, because they had not yet been reached by this
infrastructure. Besides the infrastructure works, other factors like the poor quality of the
land assigned and its low accessibility, the small size of the planned homesteads, and the
increasing economic opportunities outside agriculture, also negatively influenced the
sustainability of some of the settlements. As a result, twenty years after the reform these

\(^ {21} \) A possible exception would be the land reclamation program associated to the Japanese agrarian reform. According to Ronald Dore, the poor results of this program depended on the lack of public resources to invest in this enterprise, and on the scarcity of still unutilized land (Dore 1959:182). By 1955, the program had reclaimed and resold 561,000 ha.
settlements were unevenly populated, and in general did not support nearly as many people as they were expected to in the early 1950s.

While the infrastructure investment component of the Italian reform program does not stand out for uniform economic effectiveness, it has certainly played an important facilitating role in the political economy of the reform. More clearly than in Latin America, rural infrastructure investment has contributed to the victory of the reform movement because it has been a consensus-building force. Coupling the land redistribution scheme with an ambitious (and expensive) land improvement plan has helped the political chances of the Italian reform program, because it has neutralized the possible opposition of large segments of the middle class who opposed redistribution, but would have favored a rural investment program. In the reform districts, local professionals like lawyers and public notaries, suppliers of seed and farm implements, all enjoyed increasing business opportunities because of the rural public works. So did the local construction industry that benefited from the construction of new houses and public buildings, the agricultural machinery industry that received a boost to their orders, and the manufacturing sector in general, interested in the development of a Southern Italian market.

Moreover, going beyond the narrow analysis of those who materially gained from the program, other intellectuals favored the notion of land reform as a modernization project and jumped on the wagon of a reform framed as rural-development-cum-redistribution. It is the case of the influential agricultural technicians – who were not particularly keen on redistribution per se – but saw in the agrarian reform the opportunity they had long awaited for to put into practice their plans to modernize agriculture in Southern and Central Italy. This goal suddenly appeared at reach, given the rapidly changes that Italian society was undergoing, including dramatic technological advancements like the introduction of tractors and other machinery applying for the first time internal combustion engine to agricultural use.

In the 1950s, rural infrastructure investment was not just an accessory part of the land redistribution program within the reform areas, but it was rather the opposite. It is the land reform that soon became a small part of a government plan to reduce economic inequalities within the country mainly through investment in rural infrastructure. In the
same year 1950 in which the reform was voted, the government launched a comprehensive investment plan for the South and the islands (the Italian “Mezzogiorno”), which it entrusted to a new high-profile economic development agency. This agency – Cassa per il Mezzogiorno (CASMEZ) - was given by the government a broad mandate to plan and finance large scale investment projects of all kinds, which would reduce the competitive disadvantage of the backward Mezzogiorno.

In practice, in the decade of the 1950s in which the agrarian reform was also implemented, CASMEZ devoted almost all of its resources to works broadly defined as land improvements, which included the construction of reservoirs and irrigation systems, the reclamation of river basins, the construction of power lines and aqueducts. Within the land reform areas, which, as we have seen, fell for the large majority (87%) in the Mezzogiorno, CASMEZ funded the larger infrastructure projects from which the viability of the settlements depended. This agency’s focus on the valorization of water resources more than doubled the irrigated area of the Mezzogiorno, which reached 670,000 hectares by 1975.

*Centralization-decentralization.* The institutional setup of the Italian reform does not conform to today’s predominant views about agrarian reform and how it should be carried out. Today’s mainstream thinking about agrarian reform programs applies the principle, widely accepted in development circles, that the decision making responsibility of development projects should be decentralized as much as possible to the local level. In fact, the ‘negotiated’ land reform model endorsed by the World Bank eclectically blends the two standard principles of market supremacy and decentralization into one single approach. The proponents of a decentralized approach to land reform usually invoke as evidence in favor of their views the successful experience of Japan, where the tasks necessary for the transfer of property were entrusted to local landlord-tenant mixed committees.

Stripping away the decision-making powers over land redistribution from career bureaucrats and transferring them to local actors has the potential advantage of tapping into local knowledge over land rights that may be unavailable to the state, and of involving in the process people that have a personal stake in local development
(Montgomery 1972). Arguably, local committees base their land reform decisions on the real land tenure relationships and farming practices, which are often misrepresented by the official land records for the purpose of evading taxes and other regulations.\footnote{Based on similar arguments, Tomasson Jannuzi and Peach (1990:97) recommended for Bangladesh the decentralization of land reform enforcement to village-level committees. They believed that such local institutions, provided that they represented the interests of the weakest rural classes, would represent the}

In the case of land reform, however, a decentralized approach has its drawbacks as well. The better knowledge that locals have of land rights and land tenure may not result in more equitable decisions whenever local authorities, as it is common in rural areas, are more concerned with the interests of the landowners than with those of the peasants. In Japan, village committees have effectively resolved disputes between landlords and tenants, ascertained the economic status of the different parties, assessed the value of land, etc., but their decision-making discretion was limited by clear redistribution rules. Even the proponents of decentralization admit that local decision making works its best when local committees are vested of governmental authority coming from the central level, and when they operate within the boundaries of centrally-determined guidelines (Montgomery 1979).

In many developing countries, the central administration may be the only one to possess sufficient authority and technical capacity to bring to completion the complex expropriation and redistribution process. Lack of capacity is a recurring theme in the evaluations of poorly performing agrarian reforms, and a major explanation for their slowness (Adams and Howell 2001). In the case of India, probably the largest democratic country that has attempted land reform policies, the devolution of discretionary powers from the national level to the states, represented a sign of low commitment to agrarian redistribution, and has ultimately resulted in a very uneven pattern of implementation (Eashvaraiyah 1985; Tai op.cit.). At the same time, centralization per se cannot guarantee the independence of the public administration from agrarian influence. Most Latin American countries chose to give responsibility for their agrarian reforms to national level agencies, but this more centralized institutional solution has not allowed them to overcome the political influence of the landed classes or the technical difficulties that inevitably hamper redistribution.
The Italian institutional approach to land reform falls in an intermediate position on the centralization-decentralization spectrum, maintaining strong elements of a centralized administration. The government carried out the expropriation and redistribution process through seven newly-formed regional agrarian reform agencies - one for each reform district falling under the scope of the law. These regional authorities, however, were different from the Japanese village committees in that they served territorial areas much larger than the municipality, and they did not formally incorporate local forces or local input in decision-making. Their discretionary powers were significant but probably smaller than in Japan, and certainly more limited than today's negotiated model would prescribe. In matters of expropriation these agencies did not enjoy much autonomy, as the amount of land that they were required to expropriate was pretty much dictated in value terms by the cadastral value and size of each property. It was the diversity in the physical and social conditions requiring different land improvements techniques, different forms of colonization, and different criteria for the selection of the beneficiaries - that suggested this territorially-based separation of responsibilities. Therefore, it was on these matters that the reform agencies enjoyed more discretion, and did make different choices, for example, with regard to the size of the farms they created, or to the social characteristics of the beneficiaries they selected.

However, the decentralization of government functions in the Italian case was not meant to enhance the participation of the locals. The agencies did not have strong ties with local authorities, as their entire management body was appointed by, and was only accountable to the central government. The agencies were staffed with technical personnel hired from all over the country, and not only within the districts, and were not representative of local economic forces, as the decentralization principle would require. At the same time, the reform agencies became almost inevitably a major employer and dispenser of business opportunities in each one of the reform districts. They were thus subjected to a certain degree to the pressure from local economic groups, that influenced very little the expropriation decisions - largely carried out following the spirit of the reform law - but influenced to a certain extent the allocation of resources like jobs,

most efficient way to address the diffused practice of fictitious sales, oral tenancy contracts, fraudulent reporting of land values, that prevented the reform regulations from having effect.
investment projects, and contracts. In other words, the local reform agencies have performed more efficiently the expropriations, i.e. the task whose execution allowed them less discretion, and less independence from central level guidelines.

1.4 Methods and Plan of the Study

This moment in time may be ideal to study the Italian reform experience for different reasons. The five decades that separate us from the beginning of the reform program allow today’s research to take into account the longer-term economic effects of the reform in a way that the earlier evaluations of the 1960s and 1970s could not (Salamon 1979). Moreover, enough time has elapsed from the years of the heated reform debate, for policy analysts to be able to overcome the political prejudice that has biased in one sense or another many of the evaluations of the past. The survivors of the Italian agrarian reform, now that the strong political polarization of Italian society has been overcome, probably give a more objective account of those years than they would have twenty years ago. At the same time, if we had waited more time, we would have been deprived of the fortune to interview some of the direct participants to this exciting policy adventure.

This study draws on several different sources of information including interviews, published studies, and original archival documents. Be it already published or not, most of this material will be new to the international debate because of the barrier of language and the distance in time that separates the Italian literature from the current agrarian reform literature. What is certainly not new for the Italian public in this study are the national level data, largely drawn from the published evaluations of Marciani (1966), King (1973), INSOR (1977), and from other more narrow studies of the Italian reform. The material that will be largely unknown to the national and international debate is the one that concerns the activity of the territorial agrarian reform agencies.

In Italy, the economic and policy studies of the Italian agrarian reform have been numerous during the 1950s and 1960s, when the political controversy regarding the goals and the impact of the reform was still hot. The studies of the reform have then significantly declined in number in the course of the 1970s and 1980s when agrarian issues became marginal in the policy debate. Recently there has been a certain
resurgence of interest in the agrarian reform, after this policy experience has become the
domain of research of the historians of twentieth century Italy. This research has greatly
benefited from this recent work of the Italian historiography, that is again, largely
unknown internationally. It would be in itself a contribution of this dissertation if all it
did was to bring this empirical work to bear on the international development debate on
agrarian reform, its implementation and feasibility. This study aims to go beyond this
simple cultural and disciplinary transfer by focusing on the local level organization of
agrarian reform and on the implementation period, that also Italian evaluators and
historians have largely neglected.

The unpublished material that I have consulted comes from two types of sources:
private and public archives. The public archives that I have consulted are: “Archivio
Storico della Riforma Fondiaria in Toscana”, established by the Regional administration
of Tuscany (http://www.riformafondiaria.it), the “Archivio di Stato della Provincia di
Caserta”, and the “Archivio di Stato di Bari”. I have used these largely untapped local
archives instead of the more known Central State archive in Rome because I was
interested in the local level activity of the Italian agrarian reform agencies, of which very
little is known, and almost nothing has been published in Italy or elsewhere. Moreover, I
have had the privilege to consult some of the documents from the private archives of
Minister Antonio Segni, and of Prof. Manlio Rossi Doria, also concerning the activity of
the southern Italian agrarian reform agencies at the implementation level.

Another important source of information for this study has been the interviewing of
direct participants and experts of the Italian agrarian reform, which I have conducted in
the months between June 1999 and July 2001. These semi-structured interviews have
involved a total of 18 employees of three reform agencies, chosen among cadres, higher-
ranking administrators and field officers. I have also interviewed 13 academic scholars,
historians and other experts of economic policy, who have researched this period of
Italian history and this program. In my field trips I have also interviewed the persons
directly involved by the land reform: 5 expropriated landowners, 10 leaders of reform
cooperatives, and numerous beneficiaries. At the local level I have also recorded the
opinions of 6 other political and union leaders.
One of the original goals of this study was to evaluate what difference the reform had made in the local economies of a small sample of towns in the Campania and Puglia regions in Southern Italy. Some towns in those regions, in fact, are experiencing a process of economic development that, though not always based on agricultural production, appears to be in different ways related to the redistribution measures of the 1950s. During the past two years, however, the focus of my research has shifted away from an evaluation of the long term impact of the reform on the local economies, which would have been incompatible with the main research thrust of this study. However, the original ambitious goal has proven to be beneficial to the final outcome of my more modest study because it has required me to spend more time in the field than I would have otherwise have. These trips to the former reform districts of the Italian South have given me the opportunity of interviewing many of the direct participants to the reform process in their own environment; to visit the houses of the settlers and the processing plants built at the time of the reform in the conditions in which they are today. It has thus given me a sense of the long term social and economic change induced by the reform, of its merits and limitations. It has also allowed me to experience the Italian agrarian reform and its accomplishments from the point of view of the ordinary people who have been the recipients of this complex rural development plan, and, for their lower social rank or younger age, were not able to influence it.

In an attempt to make the reading lighter and shorter this study takes for granted a few classic themes of agrarian reform studies. The reader will not find in this document the following:

- A discussion of the definition of agrarian reform, and of its different sub-types.
- A discussion of the economic arguments in favor or against agrarian reform based on the theory of economies of scale in farming, the incompleteness of land markets, the poverty-trap, monitoring, rural investment, etc..
- An explicit appeal to governments and donors to re-vive the agrarian reform movement in the developing world.
The thesis is organized as follows. Chapter 2 summarizes the basic historical events and accomplishments of the Italian agrarian reform following a chronological order. It can be consulted for reference to the facts and periods of the Italian agrarian reform, or skipped by the reader interested only in the discussion of the critical variables that affected its performance. Chapter 3 analyzes the political conditions that have favored the reform in the Italian case, and, more importantly, the strategy that has allowed the Italian government to turn these conditions in concrete redistributive results. It describes the way in which the government has leveraged the divisions within the landowners to bind them to a policy mechanism that made it impossible for them to escape expropriation down the road. Chapter 4 illustrates the functioning of the reform at the regional level and the factors that have allowed the reform agencies to resist the opposition of the social groups that tried in different ways to influence the redistribution process. It describes the ways in which the reform administrators have strategically distributed the benefits of the program widely to different rural groups, to reduce the local level opposition to redistribution. Chapter 5 elaborates on the role of two related factors that facilitated the work of agrarian reform: the rural investment plan ongoing at the broader regional level and the technical personnel that has protected to a certain extent the objectives of the reform from the interference of rent-seekers. The long term evolution of the agronomist’s ideas about agricultural development, and their pre-war experience explains their relative autonomy from politics that was instrumental to the positive outcome of the reform. As always, the thesis ends with a few concluding remarks and a discussion of possible policy implications.
Chapter 2  A chronology of events and a description of the program

2.1 Historical Precedents of Land Reform in Italy

The Italian agrarian reform movement of the post-war period did not operate in a vacuum of ideas and experience about land redistribution and settlement. To the contrary, it benefited greatly from a rich experience of land reclamation and colonization, accumulated during the first half of the twentieth century, and embodied in the same men who devised and executed the postwar agrarian reform. The social movement for land redistribution in Italy is as old as the problem of landlessness and rural unemployment that it aims to address, but started to escalate after the first world war, reaching a peak at the end of the second. Public projects to distribute public or private land to needy families date back to the 19th century and earlier, even though it is only in the 20th century that the notion of a comprehensive land reform program as we know it today, took shape.

Local level land redistribution projects took place in the Italian South during all the different political regimes of the 19th century: during the French domination of Joseph Napoleon and Murat, during the Bourbonian restoration, and under unified Italy. These projects consisted in the subdivision of communal lands owned by the municipalities or by the Church, and in their distribution to landless peasants (Riall 1999). During the first twenty years after the 1860 unification, projects like these distributed approximately 106,000 hectares to 111,960 families (Barberis 1979), but according to most observers of the twentieth century, they may have produced the perverse effect of enlarging the existing latifundia. Many of the program beneficiaries, former rural workers who lacked other sources of income, were not able support their families only by farming their new holdings, as their small size, poor quality, and the prohibition from selling and mortgaging them, often forced them to sell to local large landowners.
The agronomists’ diagnosis of what went wrong in these subdivision programs was the basis for their new approach to land reform. The agronomists of the twentieth century called these earlier projects “quotizzazioni”, a term with a slight pejorative connotation, identifying the mere hand-out of quotas in land. They contrasted the new more “integrated” approach that they proposed with these old projects that failed because they had left poor and inexperienced settlers alone on bare unimproved land, without supplying them credit or technical assistance (Medici 1977; orig. 1946). Their new approach to land reform, instead, called for the reclamation of the sites before their subdivision, and for the construction of houses and rural infrastructure in and around the settlements.

In the immediate aftermath of World War I, in a political environment heated by the growth of an organized and revolutionary Socialist party, agrarian reform came to the forefront of the national-level political debate, and the governments of the time were forced to offer policy responses to it. Fascism witnessed a first round of confrontations between the different political factions in the agrarian reform debate: those who believed in planned redistribution and those who wanted to minimize the infringements on private property; those who reluctantly accepted the redistribution projects to the extent that they prevented rural unrest, and those who saw the same projects as an opportunity for the rural masses to finally enter the arena of organized politics. In 1917, the reformist government of Prime Minister Nitti created an agrarian reform and reclamation agency – the Opera Nazionale Combattenti (ONC) – whose task was to expropriate large tracts of land, to reclaim and subdivide them to war veterans.

The government initially believed that ONC could pursue at the same time the goals of modernizing agrarian relations and of improving productivity, by creating capitalized workers’ cooperatives that would be large enough to exploit economies of scale and touse advanced techniques. However, the highly politicized nature of cooperation in those years complicated the task of ONC. Strong political opposition from the right, that viewed such cooperatives as a step in the direction of socialism, slowed down this rural modernization plan. Under Fascism ONC had to abandon the promotion of rural cooperatives and second the regime’s ideological preference for family farming. The agency thus became the depository of a comprehensive, investment-intensive approach to
land reform, based on the colonization of marginal lands and on their assignment to heads of families in the form of ready-to-operate homesteads (Barone 1986:57).

The integrated approach to land reform of the ONC, however, was not sufficient to counter the hunger for land of the post-WWI years. Under the same Nitti cabinet, Minister of Agriculture Visocchi passed by decree an emergency reform measure, which followed in the tradition of the mere subdivisions of quotas of the previous century. In 1919, after a wave of land invasions by disgruntled and half-starved veterans, the government passed the “Visocchi” decree assigning uncultivated tracts of land to cooperatives of landless workers. This ministerial decree didn’t make much of an impact on rural landlessness. First of all, it didn’t transfer full property rights on the land; second, according to conservative estimates, it redistributed a total of only 27,000 hectares.

In 1921, an additional piece of agrarian reform legislation was in the making, that would have addressed the problem of rural poverty more systematically, giving to the state the authority to expropriate and subdivide uncultivated or undercultivated latifundia. This reform bill known as the ‘transformation of the latifundium’ had already been approved by one of the two branches of parliament when the Fascist coup of 1922 put an end to this land reform drive. Historians have interpreted the rise of the whole Fascist movement in the Italian North as a response of the landed class to the growing unrest of rural workers of northern Italy, aggravated in their eyes by the growing rural appeal of Socialism, that an inept state was doing little to repress. The landowners saw in Fascism the instrument to re-gain control over a rapidly changing situation, to break this rural movement that threatened to destabilize the traditional system of power relations, and to restore the social order (Salvatorelli and Mira 1964).

Once in power, the Fascists could not completely ignore the rural problem. Agrarian reform was too central in the policy arena at the time, and the Fascist party itself had made it part of its policy agenda before coming to power. Once in power, the Fascists adopted a productivist interpretation of land reform, of which redistribution was but a

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23 Presented by a deputy of the Partito Popolare, the predecessor of the Christian Democratic Party, the 1921 agrarian reform bill subjected to expropriation the uncultivated or undercultivated properties exceeding 200 hectares, or 100 hectares if distant less than 5 Km from urban areas. The landowners’ compensation was determined on the basis of the land’s commercial value.
marginal component, and whose central goal was to develop Italy's agricultural resources at their fullest. The task of intensifying land productivity, however, proved in many ways as difficult and politically as controversial as outright redistribution. During the first years of the regime some prominent and capable figures of policy-makers chose to collaborate with the Fascists, thinking that under a system of reduced democracy they could have put into practice their modernizing plans that included the intensification of agriculture, land reclamation, and the full exploitation of hydro-electrical resources. But the difficulties they encountered show that the dictatorial regime itself was not isolated from the influence of the agrarians.

The scope of intervention of the Opera Nazionale Combattenti remained quite limited in part due to the high expenditure per hectare required by its comprehensive rural development approach, and also because the landowning class supporting the regime strongly opposed its activities. ONC completed its biggest project in the Portine plains south of Rome, where it expropriated 55,000 hectares of swampy land, reclaimed it and redistributed it to 3,000 families in the form of ready-to-operate homesteads. This project best epitomize the "integrated" approach of Fascist ONC, based on relatively large farms fully serviced with infrastructure of roads and irrigation, that went as far as planning and building entirely new rural towns. Similar projects were under way at the onset of World War II in other regions like Campania, Puglia and Sicily, and in the Italian colonies in Africa and the Balkans. After twenty years of Fascism, ONC had redistributed approximately 155,000 ha of land to almost 20,000 families. Of these, approximately 6,000, often relocated from distant highly populated regions, were settled on as many homesteads, averaging 13 hectares in size (ONC 1948). The remaining 14,000 families received smaller lots of one or two hectares, without a house.

In the course of its twenty years in power, the regime not only tried to empty the work of ONC of most of its redistributive content, but also abandoned in practice its original commitment to another important rural development policy: the so called "integrated reform" scheme. This was a policy framework in many ways alternative to the work of ONC, that involved the landowners through their consortia in the planning and execution

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24 Chapter 5, paragraph 5.2 (p.163) elaborates more on this pre-war experience, on the strong influence it had on the views of the Italian agronomists, and, through them, on the post-war policy-making process.
of land improvement works in their regions. During the early years of Fascism the competent agronomists in charge of land improvement planning had successfully pushed through legislation that required landowners, under penalty of expropriation, to meet the private investment targets that they had committed to through their consortia. The land improvement plans, drafted by the consortia and negotiated with the state, determined within the territory of each consortium the public infrastructure investments whose cost was to be borne entirely by the state, and the improvements of private properties that owners agreed to undertake themselves, with the help of matching state subsidies.

The “integrated reform” land improvement scheme, in its final formulation codified in the 1933 law, did not claim to pursue redistribution, but only increased productivity of the marginal lands. It only forced landowners to sell the land that they could not afford to transform. Nevertheless, due to the fierce opposition that it received from the landowning class, it probably made even slower progress than the direct colonization projects of the ONC. Arrigo Serpieri, the prominent Italian agronomist of the time whose name is commonly associated with the “integral reform” scheme, stepped down from his government position when he realized he had lost the battle for the proper implementation of the scheme, relatively to the part that mandated the expropriation of the non-complying absentee landowners.

2.2 Immediate postwar events

Even before the military conflict ended on Italian soil in 1945, the agrarian situation imposed itself as one of the most urgent problems facing the new state institutions. A new wave of land invasions invested the Italian South, first starting as a spontaneous movement, and becoming progressively more organized with the assistance of the Communist Party. The movement challenged the still shaky authority of the first Italian governments of 1943-44, which brought together the different anti-Fascist insurrectionist forces, forcing them to offer policy responses that would prevent social chaos.

In the Fall of 1943, after the Italian king signed an armistice with the Allied Forces leaving the country in disarray in the hands of a hostile Nazi army, as the allied forces battled their way up from Sicily to Rome, groups of citizens in several towns of Southern
Italy started to occupy tracts of land pertaining to large estates. Typically, they would first eject the fascist municipal authorities from the government buildings, and then perform symbolic occupations of public or private lands, that they would subdivide and plough, in the hope that the new authorities to come would legalize the de facto situation (Talamo and De Marco 1976). These invasions continued all through the summer and fall of 1944, extending from the poorest areas of Basilicata and Calabria to other regions of the South, and finding weak opposition in the local military police.

Meanwhile, the Communist Party (PCI) had entered the interim government promoted by the Allied Forces, which included with them all the other major anti-fascist political groups and ruled only on the already liberated southern portion of the country. As early as 1944, the Communists had declared their willingness to operate within government institutions, and their intention to participate to a regime transition that would have consisted in a referendum on the abolition of the monarchy, and in the establishment of an assembly in charge of writing a new constitution. It is in these years that both the largest mass parties - the PCI and the Christian Democrats - started talking about a comprehensive agrarian reform plan that would have addressed the grievances of both the landless and the tenants and sharecroppers (Ibid.). But the hunger of the poor peasants and the frustration of the veterans returning from the war could not wait for such a methodic approach, and called for more immediate measures.

In 1944 the Communist minister of Agriculture Gullo of the second interim cabinet passed by decree a set of measures meant to alleviate the situation in the countryside and to satisfy some of requests of the protesters. One of these decrees allowed provincial level committees headed by a judge of the local tribunal in the areas of rural conflict, to assign “uncultivated or under-cultivated” tracts of private land to peasant cooperatives. The committees, including representatives of the peasants and landowners, could not expropriate the latter, but could only force them to rent the land to the cooperatives for 4-year periods, establishing the rental fee with the help of experts\(^\text{25}\). Other decrees of the same Minister Gullo dealt with the equally thorny issue of tenancy, mandating the

\(^\text{25}\) Decreto Luogotenenziale 19 Ottobre 1944, N.279
renewal for one year of all the expiring contracts, and raising the minimum contractual
terms for the tenants' payments in kind\textsuperscript{26}.

The first decree probably did more to stimulate new conflicts than to pacify the
existing ones, as it offered concrete reasons to perform new land invasions. From 1945
onwards it formed the basis for an increasing mobilization of the southern Italian
peasantry that through its cooperatives and rural unions became an independent political
actor for the first time in Italian history. In 1949 these cooperatives created to take
advantage of the Gullo provisions, mainly located in the depressed south, counted more
than 246,000 members, and 149,000 workers\textsuperscript{27} (Barberis 1979). As a result of an
escalation of land invasions and subsequent interventions of the local committees, by
1950 the cooperatives had been assigned approximately 200,000 hectares\textsuperscript{28}, more than
80% of which were farmed individually by their members.

The Gullo decree assigning the uncultivated lands formed the basis for an
expansionist policy of the Communist party among the rural poor of the Italian South.
Starting in 1946 the PCI sent many of its activists – mostly intellectuals from the North or
from Naples – to rural towns of the South to organize the existing cooperatives or to
create new ones (Tarrow 1972). By organizing local peasants' unions, and promoting
more land invasions to take advantage of the Gullo provisions, the PCI hoped to feed the
peasants' aspiration for land into the building of its party structure. This very simple, yet
very effective growth strategy of the Communists undermined the plan for the future
capitalist political development of Italy of the moderates and of their American allies.

At the time, the South could be considered unexplored territory for virtually all the
political forces sitting in the interim government, as it lacked territorially-rooted forms of

\textsuperscript{26} These measures were included respectively in Regio Decreto Legge N.146 N.146, 3 Giugno 1944, and
Decreto Luogotenenziale 19 Ottobre 1944 N.311. The tenancy reform only applied to the atypical
sharecropping contracts in which the landowners did not contribute to the expenses of cultivation. The
decree mandated the subdivision of the crop in shares of 1/5 in favor of the owner, and 4/5 in favor of the
tenant. In case the owner decided to bear half of the expenses, those shares would become 2/5, and 3/5.

\textsuperscript{27} This discrepancy may depend on the peasants' practice – common in the least politicized regions like
Calabria – to enroll in more than one cooperative of different political orientation. In these underdeveloped
contexts, the same peasant would have typically been convinced by political activists to become a member
of both the Christian and the Communist cooperative, in the hope that at least one of them would have
received land (Interview with prof. Marselli).

\textsuperscript{28} The estimates of the land assigned by the Gullo decree vary significantly. Tarrow (1972) talks about
180,000 ha, while Barberis (1979) reports the figures of 166,465 for 1949, and of 214,000, for 1950. The
mass political organization, and had traditionally offered support on an individual basis to political figures who lacked strong party allegiance. The Communists, who had traditionally drawn their political support from the industrial working-class of the North and from the rural workers and sharecroppers of Central Italy, by organizing rural workers in South – a region in which agriculture was still by far the largest sector - promised to become the only national-level mass party, and by far the better entrenched with the working class.

Under those auspices, the climate of political unity of the immediate postwar could not last for long. After a series of changes in the ruling coalitions, in the spring of 1947 Alcide De Gasperi, the Christian Democrat Prime Minister of the fourth interim cabinet, upon returning from his trip to Washington where he had lobbied for American financial support for the Italian reconstruction, forced the Communists out of the government. Excluded from the government that prepared the 1948 general elections and decided the terms of Italy’s participation to the Marshall Plan, the Communists would be left out of the central government for the following forty years and more. Running on a clear anti-Communist message, and strongly supported by United States and by the Catholic Church, the Christian Democrats (DC) won the 1948 elections with a share of 48.5% of the votes, that virtually allowed them to rule alone.

The DC knew, however, that it had just won a battle whose war was to be fought on the grounds of the southern Italian political “frontier”. In the South the land invasions continued, reaching another peak in 1948-49, but this time were countered in some cases by the violent opposition of the local authorities. Several land invaders lost their lives at the hands of hired gunmen and, in some cases, of the police. Under such circumstances all political parties, perhaps with the exception of the free-market oriented “Liberali”, and most notably the DC and PCI, announced their strong support for a redistributive agrarian reform program, albeit giving it a different meaning. An important sign of commitment towards the reform came from the constituent assembly, that managed to include in the

decree received application only in the Center-South of the country: with almost 58% of the land being assigned in Sicily and Calabria, and another 20% in Latium.
new 1947 constitution an article establishing the principle that private property rights on land could be limited by the pursuit of social objectives\textsuperscript{29}.

Besides intensifying their organizing work on the ground, the Communists kept the pressure for land reform high also at the central level. In 1946, they organized a permanent national level conference of their peasant unions, that they gave the resounding name of “Costituente della Terra”: Constituent of the Land. In June 1948, at its second annual meeting, this group released to the public the Communists’ agrarian reform proposal whose main features were: (1) the imposition of a national level ceiling of 100 ha to all private land holdings to be enforced for the indefinite future, (2) the expropriation without reimbursement of all the private land exceeding that limit; (3) and the assignment of this land to cooperatives with a contract of permanent tenancy (enfiteusi). Implicitly the proposal asked for the formalization of the situation on the ground, i.e. of the rights of the cooperatives already occupying land by way of the Gullo decree.

Soon afterwards, the Christian Democrats began to release to the public more details about their agrarian reform plans, that De Gasperi had been announcing as early as 1944. As these plans became more realistic, the DC abandoned the idea of a nation-wide ceiling on the size of private holdings, that initially it seemed to endorse (Cottam et al. 1949), and the plan to assign land to peasants through enfiteusì contracts. The draft reform circulated through the papers in April 1949 used the properties’ income assessed for tax purposes as the basis for determining the expropriation share of each property, and applied different expropriation formulas to different territories, depending on their level of agricultural development. This early DC plan applied to the entire country, but intervened more strongly in the extensively cultivated areas like Sicily or Calabria, where higher shares would be expropriated from properties of any given size and value, than in

\textsuperscript{29} It is the controversial article 44, that reads: “For the purpose of securing a rational exploitation of the soil and of establishing just social relationships, the law imposes obligations and restrictions on private property in land; it fixes limits to its extension according to the region and agrarian zone; it promotes and requires reclamation, the transformation of latifundia, and the reconstitution of productive units, it aids the small and medium-scale proprietor”. While most politicians agreed that this article justified the enactment of a redistributive agrarian reform, the main contested point concerned those “limits” to private land ownership, that the Communists interpreted as permanent, and the moderates as only justifying a once-and-for-all redistribution measure. The translation of this article of the Italian constitution in the only translation in this dissertation that is not mine, but taken from Shearer and Barbero (1994).
other areas. The government estimated that such a program would redistribute approximately 1.5 Million ha (Ibid.) or roughly twice as much as the program eventually redistributed (Cfr. Table 2.2).

For the second time the events precipitated the situation, forcing politicians to take action. Nineteen-forty-nine was the year of highest social conflict in the countryside, which culminated on October 30th in the killing of three landless peasants and the wounding of 15 more, who were part of a crowd occupying a latifundium in Calabria. This massacre generated a lot of indignation and protest among observers of different political color, partly because it was perpetrated by the local military police. The Communists denounced the government for siding only apparently with the peasants, while in practice intimidating them with violence. The DC needed to disprove these accusations with facts.

2.3 The Making of the Reform Laws

The Italian agrarian reform consisted of three different reform laws applying to different geographical areas: one to part of the region of Calabria, one to the island of Sicily, and the main reform law applying to six additional districts scattered throughout the rest of the Italian territory. The legislation of these three partial land redistribution measures was also influenced by the specter of a general agrarian reform program applicable to the entire country that was also on the discussion table at the time - a plan that generated hopes for the reformers and concerns for the landed classes, but that never materialized. The final product was, instead, a territorially limited reform legislation, that applied only to approximately 30% of the national territory. The apparent chaos of this fragmented legislation was mitigated by the fact that, despite their differences, each of the legislative measures created similar territorial reform agencies in charge of the program’s implementation. The final result was a relatively compatible administrative system, in which a separate reform agency was responsible for executing the program in each of the seven reform districts, and all of them fell under the authority of the national Minister of Agriculture.
The first reform law only applied to part of the region of Calabria, the southernmost of the Italian peninsula, where land invasions and severe rural unemployment threatened to create a state of utter lawlessness. The government felt the urgent need for such a measure for Calabria, after the bloody conflicts of 1949 mentioned in the previous paragraph, threatened to increase the public support for the cause of the landless, and to make the government look brutal and insensitive. This necessity to approve the Calabria law made the government put aside for the first time the more comprehensive reform plan that it had in the pipeline at the beginning of 1950. In April, one month before the final approval of the Calabria law, the government had presented to the parliament the draft of the nationwide reform bill that the DC had been announcing for months, which featured different expropriation criteria depending on the agricultural regime.

The Calabria law mandated the expropriation of the portion that was “unimproved or susceptible of improvement” of all private properties exceeding 300 hectares in size. The Opera per la Valorizzazione della Sila (OVS) - a local economic development and tourism development agency that the government had already created in 1947 and insufficiently funded up to that moment - was put in charge of the program’s implementation. The project asked OVS to draft detailed expropriation plans, that the government would give the authority of law by governmental decree before the end of 1951.

In the following October 1950, the parliament approved, instead of the expected country-wide agrarian reform program, another regional reform law, that applied to the areas where property was considered to be more unequally distributed. This measure took the name of “Stralcio” law, to indicate that it was but an excerpt (stralcio), or an anticipation of the nation-wide reform law under discussion at the time. Of that general reform bill, ‘Stralcio’ represented the set of rules that applied to the areas of higher inequality and backwardness, extrapolated from the rest. The Stralcio law differed most notably from the Calabria law in that it introduced an additional expropriation criterion: the value of the property determined for tax purposes. The taxable value determined in interaction with size the amount land to be expropriated from each property.

Unlike the Calabria law, the Stralcio law established the rules and processes of land redistribution without specifying the geographical areas where they would be enforced.
According to the preface to the law, the land reform districts would have corresponded to the portion of the Italian territory classified as “extensive” in the general reform bill under discussion. But the text of the law demanded the exact determination of the boundaries of the districts to a subsequent governmental decree. The decree, that followed shortly after in February 1951, besides identifying these districts to be added to the first one in Calabria, created five additional reform agencies in charge of implementation in each new territory. Three of the agencies were created from the scratch, while in the two cases of the southern districts of Campania and Puglia-Basilicata-Molise, the law established land reform sections within existing land reclamation or irrigation agencies\(^{30}\). Among these territories the law did not include the island of Sicily, that, in virtue of its administrative autonomy, was entitled to legislate on the matter independently. The Stralcio law thus created new reform agencies very similar to OVS in their management structure in that they were administered by a president and by a twelve-member steering board, all appointed by the prime minister. Seven of these twelve members had to be chosen among experts and representatives of rural organizations, while the remaining five represented different governmental ministries.

In December of the same year the Sicilian assembly voted a similar reform program, inspired by the same principles of the other two, that applied only to the island. The Sicilian law allowed for a few more cases of exemption from expropriation for the landlords who had subdivided their property among family members, and for the land sold on the market in the three months immediately following the passing of the law. After being postponed for a few times, the nation-wide agrarian reform was put aside without ever making it to the voting stage. The combined provisions of the three reform laws thus divided the reform area in eight districts (or seven if we consider that the small district of Fucino was administered by the Maremma reform agency).

In the same postwar period the parliament legislated two other important measures that strongly influenced the reform’s implementation, and rural development more in general, without being part of the reform package per se. Curiously, both these programs,

\(^{30}\) In the case of Campania the pre-war Opera Nazionale Combattenti who was already administering land colonization and reclamation projects in the area, took over the new Stralcio land reform responsibilities. In that of the Puglia-Basilicata-Molise district, the Government created a special Land Reform Section within
very different and unrelated to each other, shared the unusual name of “Cassa”, which in Italian means “box” or “safe”. The first one – ‘Cassa per la Formazione della Proprieta’ Contadina’ (CPC, the fund for the formation of peasant property) – was a revolving fund that the government launched in 1948 to help small owner-cultivators acquire land. It acted as an intermediary between a seller and a perspective buyer of land upon request from the two parties. CPC would buy tracts of land on behalf of the buyer, to whom it would re-sell at subsidized interest rates that would make the purchase affordable to low-income rural workers.

According to policy analysts, this revolving fund interacted positively with the direct expropriations of the agrarian reform agencies, magnifying their impact on the rural structure (Shearer and Barbero 1994; Barberis 1999). By subsidizing the purchasing power of the peasants, it facilitated the break-up of the largest properties through market transactions, helping the landowners to get rid of land that hostile policies like the reform were turning from a source of long-term status into a liability.

The second Cassa, Cassa per il Mezzogiorno (CASMEZ) – a much more high-profile initiative - was at the same time a fund and a planning agency for the development of the Italian South and islands. This government agency funded in part with loans from the Marshall Plan and from the World Bank, and staffed mostly with technical personnel, was given the broad goal of undertaking investment in the depressed South of Italy, to reduce the unbearable economic and social disparities within the country. The work of CASMEZ was tightly related with that of the agrarian reform in different ways:

- Chronologically, the law instituting CASMEZ was approved by parliament in the few months in between the two regional agrarian reform measures - the Calabria and the Stralcio law - in August 1950. This suggests that, with the reform legislation, it formed the part of a single economic development scheme.
- CASMEZ and the reform were linked to each other by the international preference of international donors for dealing with a single center of accountability. The IBRD in particular insisted that its funding of the agrarian reform did not go directly to the government onto the reform agencies, but be channeled through CASMEZ, that

the existing Ente per lo Sviluppo dell’Irrigazione in Puglia and Basilicata, a public agency in charge of promoting the development of irrigation in the region.
promised to be technically more competent, and more independent from the executive.

- The two forms of intervention – agrarian reform and the infrastructure development of CASMEZ - have in common a regional focus on the least developed areas of the country. The area of intervention of CASMEZ – basically the Italian South, known as “Mezzogiorno” represented the large majority (84%) of the territory subjected to the agrarian reform laws.

- Even though it pursued more general economic development goals, during its first years CASMEZ was mainly agriculturally-oriented. The first ten-year investment plan of CASMEZ allocated approximately 80% of its resources to rural development investment: especially to the construction of roads, aqueducts, power lines, and irrigation systems. This meant that CASMEZ represented a key partner for the reform agencies during the decade of the 1950s, providing the critical infrastructural ingredient for the viability of the reform settlements.

2.4. First step: expropriations

The reform agencies completed the expropriations in a remarkably short period of time, in part due to the effective design of the expropriation rule and, more importantly, thanks to the political pressure that the government exercised on the reform agencies to hurry up this critical part of the process. The expropriation rule had the nice property of adjusting to different rural conditions, without requiring case by case assessments of the intensity of cultivation that would have been laborious, and that could have given the landowners opportunities to unduly influence the process. As we have anticipated above, this automatic rule determined the share to be expropriated from each owner, based on the overall value of their landed property expressed in terms of taxable income, as assessed for fiscal purposes in 1943. Properties worth less than 30,000 Lira of total income were left untouched by the reform. Those above that floor were expropriated by a percentage of that excess value, that increased with the total income-value of the property, and decreased with its average value per hectare, so that the extensively
cultivated properties would be hit harder than the intensively farmed ones of the same size.

Table 2-1. Percentages to be expropriated from large properties base on their average and total income, Stralcio Law.

<table>
<thead>
<tr>
<th>Taxable income brackets in Lira</th>
<th>1,000+</th>
<th>900</th>
<th>800</th>
<th>700</th>
<th>600</th>
<th>500</th>
<th>400</th>
<th>300</th>
<th>200</th>
<th>100-</th>
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<tbody>
<tr>
<td>&gt; 30,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>30&gt; x &gt; 60,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>15</td>
<td>30</td>
<td>55</td>
<td>70</td>
</tr>
<tr>
<td>60&gt; x &gt; 100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>10</td>
<td>30</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>100&gt; x &gt; 200,000</td>
<td>35</td>
<td>40</td>
<td>47</td>
<td>55</td>
<td>60</td>
<td>65</td>
<td>70</td>
<td>75</td>
<td>84</td>
<td>90</td>
</tr>
<tr>
<td>200&gt; x &gt; 300,000</td>
<td>45</td>
<td>50</td>
<td>55</td>
<td>60</td>
<td>65</td>
<td>70</td>
<td>75</td>
<td>80</td>
<td>87</td>
<td>95</td>
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<tr>
<td>300&gt; x &gt; 400,000</td>
<td>52</td>
<td>57</td>
<td>60</td>
<td>65</td>
<td>70</td>
<td>75</td>
<td>80</td>
<td>85</td>
<td>90</td>
<td>95</td>
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<tr>
<td>400&gt; x &gt; 500,000</td>
<td>60</td>
<td>64</td>
<td>66</td>
<td>71</td>
<td>76</td>
<td>80</td>
<td>85</td>
<td>90</td>
<td>95</td>
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<tr>
<td>500&gt; x &gt; 600,000</td>
<td>64</td>
<td>70</td>
<td>76</td>
<td>78</td>
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<tr>
<td>600&gt; x &gt; 700,000</td>
<td>68</td>
<td>74</td>
<td>79</td>
<td>82</td>
<td>85</td>
<td>90</td>
<td>95</td>
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<tr>
<td>700&gt; x &gt; 800,000</td>
<td>72</td>
<td>78</td>
<td>82</td>
<td>85</td>
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<td>95</td>
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<tr>
<td>800&gt; x &gt; 900,000</td>
<td>76</td>
<td>82</td>
<td>86</td>
<td>90</td>
<td>93</td>
<td>95</td>
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<tr>
<td>900&gt; x &gt; 1,000,000</td>
<td>82</td>
<td>86</td>
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<td>93</td>
<td>95</td>
<td>95</td>
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<td>95</td>
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<td>95</td>
</tr>
<tr>
<td>1,000&gt; x &gt; 1,200,000</td>
<td>90</td>
<td>92</td>
<td>95</td>
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<td>&gt; 1,200,000</td>
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<td>95</td>
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<td>95</td>
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</table>

Source: Stralcio Law N.841 of 21/10/1950

In practice this automatic expropriation mechanism\(^3\) consisted of a table published in appendix to the law, that determined the share to be expropriated from each property as a function of the total income and of the average income per hectare of that property (Table 2.1). The table rows reported the income brackets and the columns the brackets of average income per hectare, so that the share to be expropriated from each class of property could be read off the table in the cell at the intersection of its absolute and average value per-hectare\(^3\). The main critical decision having to do with expropriation

\(^3\) The mechanism did not apply to Calabria where the mechanism already put in place by the law of the previous May employed a simpler cutoff measure for the expropriations only based on the size of the property. Similarly, the following description of the rules for the compensation of the expropriated owners, of the terms for the purchase of the land by the beneficiaries, etc. all refer, unless noted, only to the provisions of the Stralcio law in force in the large majority of the reform territory.

\(^3\) The overall share expropriated from each property was the result of different expropriation shares applied to different portions of the total value of the property. For example, if the property was worth a total taxable income of 164,400 Lira and had an average taxable income per hectare of 400 Lira, the overall value that Stralcio expropriated from it, reading the expropriation shares off the column labeled '400' in the table, was calculated in the following way:

\[(30,000 \times 0.15) + (40,000 \times 0.3) + (64,400 \times 0.7) = 61,580\]

If the average income per hectare, as it usually happens, was a number like for example 436, that fell in between two round values of the table, one had to calculate the expropriated values corresponding to the
that this mechanism left to the discretion of the reform agencies, was the selection of the specific tracts of land to expropriate from each estate, among those that would have reduced the total income of that property of the value required by the law. This selection was thus the first task that the law assigned to the agrarian reform technicians in charge of drafting the expropriation plans at the local level.

The landlords had no realistic chance of appeal against the expropriation decisions per se. In fact, because they took the form of a ministerial decree, the expropriation decisions had the force of law and thus only admitted appeal on grounds of constitutionality. The appeals of the expropriated landlords were all heard together and rejected\textsuperscript{33} in one single Constitutional Court deliberation. Similarly the law tried to close up to the landlords all the other possible ways out of expropriation. The sales of land stipulated after November 15 1949 - when the details of the law had been already released to the public - were ineffective against the expropriation decrees, and so were the donations and the other transfers without payment dating after January 1\textsuperscript{st} 1948.

While most of the ways out of expropriation were preventively closed up by the law, one possibility the landowners were left with was to propose an exchange between the tracts of land marked for expropriation, and some other property in land that they owned in the districts. The land that they offered in exchange, however, had to be equivalent in value to the one that it had to replace, that is, it needed to be larger in size if of poorer quality. Besides for those deals, for the landowners there were only two real remedies against expropriation: the first amounted to a total exemption, but there was very little that the landowner could do to increase the odds of qualifying for it; the other one was only partial, but was somewhat under his influence. The spirit of both these exceptions to the expropriation rule was to favor a more productive use of the land.

Following an amendment introduced by a pro-landowners faction in parliament, the law allowed a total exemption from the provisions of the law to properties certified as “model farms”. In order to qualify as such, the farm was required to use labor

\footnote{The constitutional legitimacy of instituting and enforcing limits to private property in land in the larger common interest, was hard to dispute, as it had been recently and clearly affirmed in article 44 of the constitution. Cf. footnote N.29.}
intensively\textsuperscript{34}, to show a productivity per hectare higher by more than 40\% than the average of the area, to be already subdivided in homesteads, and to guarantee stable employment and decent housing to the workers living on the estate. Approximately 5\% more land could have been acquired by the reform agencies, had there not existed this exemption, that benefited a total of 106 farms (King 1973).

Through a slightly different mechanism, the large landowners could take direct initiative to exempt from expropriation part of the land that they would have otherwise lost to the reform pool. What they needed to do was to commit to perform land-improving investments on one-third of the land that the agency had chosen to expropriate from them. If the agency accepted their land improvement plans, the owners were allowed to retain half of that one third they had promised to improve, or 1/6\textsuperscript{th} of their expropriable property. In practice these improvements had to be the same that the agencies were planning to do in the expropriated territories before assigning them to the beneficiaries. Through this instrument, the landowners were able to retain for themselves another 27,000 hectares of land, or an additional 3.5\% of the total amount acquired by the reform agencies (Ibid.).

The appeals to the expropriation decisions, or against the determination of the compensation, could not stop the expropriation process. The expropriation plans drafted by the agencies, after being published at the municipal level, were analyzed by a ministerial committee in Rome and subsequently became executive by means of a ministerial decree-law. The expropriations proceeded with incredible speed and were completed by the end of 1953, less than three years after the creation of the reform agencies that were responsible for starting the expropriation process\textsuperscript{35}.

\textsuperscript{34} Farms that had used more than 0.3 days of labor per hectare on average in the past three years, classified as labor-intensive.

\textsuperscript{35} Originally the law imposed to the government a very unrealistic deadline for the completion of the expropriations: December 1951. The deadline was subsequently postponed two times, to the end of the following two years 1952, and 1953. The third deadline was met.
Table 2-2. Expropriations of Land in Ha, and as percentage of reform area

<table>
<thead>
<tr>
<th>Reform Districts</th>
<th>Agricult. and Forest Land</th>
<th>Expropriated</th>
<th>Otherwise acquired</th>
<th>Total</th>
<th>Percet. of district land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Po Delta</td>
<td>260,000</td>
<td>43,767</td>
<td>5,214</td>
<td>48,981</td>
<td>18.8</td>
</tr>
<tr>
<td>Maremma</td>
<td>956,638</td>
<td>177,433</td>
<td>4,650</td>
<td>182,083</td>
<td>19</td>
</tr>
<tr>
<td>Fucino</td>
<td>44,160</td>
<td>15,866</td>
<td>111</td>
<td>15,977</td>
<td>36.2</td>
</tr>
<tr>
<td>Campania</td>
<td>121,431</td>
<td>8,328</td>
<td>8,066</td>
<td>16,394</td>
<td>13.5</td>
</tr>
<tr>
<td>Pugl-Basilic-Mol.</td>
<td>1,453,181</td>
<td>189,458</td>
<td>12,193</td>
<td>201,651</td>
<td>13.9</td>
</tr>
<tr>
<td>Calabria</td>
<td>545,379</td>
<td>75,423</td>
<td>10,585</td>
<td>86,008</td>
<td>15.8</td>
</tr>
<tr>
<td>Sardinia</td>
<td>2,321,645</td>
<td>48,352</td>
<td>52,322</td>
<td>100,674</td>
<td>4.3</td>
</tr>
<tr>
<td>Sicily</td>
<td>2,439,224</td>
<td>114,241</td>
<td>1,032</td>
<td>115,273</td>
<td>4.7</td>
</tr>
<tr>
<td>(AR Districts) Total</td>
<td>8,141,658</td>
<td>672,868</td>
<td>94,173</td>
<td>767,041</td>
<td>9.4</td>
</tr>
<tr>
<td>Italy</td>
<td>27,760,459</td>
<td>“</td>
<td>“</td>
<td>767,041</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Source: Marciani (1966), King (1973)

The expropriations concerned 673 thousand hectares, that, added to the 94 thousand that the agencies acquired on the market or in other ways, amounted to 767 thousand - or 9.4% of the total agricultural and forest land in the reform districts (Table 2.2). While the land expropriated expressed as a share of the total agricultural land doesn’t appear impressive, the program’s impact on inequality was insured by the fact that the largest private properties were hit hardest. In the districts, the reform expropriated approximately 40% of the land belonging to the properties worth more than 30,000 lira - those that were subjected to the reform laws. If we consider the entire country, the reform has expropriated almost 10% of all the land belonging to properties larger than 50 ha, and 65% of all the largest ones, exceeding 2,500 ha (Marciani 1966:83).

The law reimbursed the owners of a sum equal to the value that the state had calculated in 1947 for purposes of levying the property tax. This expedient gave the state a sort of “revenge” against the majority of the landowners who had benefited of an underestimation of the value of their lands. In fact, if the owners decided to appeal to this kind of assessment of the value of their properties in order to receive a higher compensation, they were required to pay an increased property tax for the years past. The state’s compensation took the form of special 25-years government bonds bearing a
5% interest rate\textsuperscript{36}. The owners could be reimbursed in cash up to the limit of the value of the land improvements they had done or planned to do on the land remaining in their possession after the value assessment.

2.5. Phase II: Land improvements and assignment

After the agencies acquired the land through expropriation, the following steps for them were to improve it so that it could be farmed in smaller units, to select the beneficiaries, and to assign the new farms to them. Within each property, the land improvement works almost inevitably consisted of some combination of deep ploughing, removal of stones, leveling, and digging of drainage ditches. Often they also included the plantation of trees on part of the property, and the building of a shared tube-well for irrigation. Another component of land improvement was the construction of the rural roads, power lines, and aqueducts that were necessary for the new settlements.

When the purpose was – as in was the majority of cases – to assign a complete homestead to each family, the land improvements included the building of a small farm house on each plot, featuring a barn and a stable for a couple of animals. In general, the agencies preferred to assign farms complete with a house; only in special cases like when the land was very close to the town centers, or was an already “improved” plantation of perennial trees, did they choose to subdivide and assign bare lots of land. When the new farm settlements were too distant from the existing towns, the agencies planned and built entire rural hamlets, endowed with basic services like a variety store, a church and a school, so that the settlers would find these services close to their new residences.

Two were thus the forms in which beneficiaries could receive land: lots or farms, where the farms differed most notably in that they were larger and had a house. The great majority of the land expropriated (almost 80%) was subdivided into new “farms”, that were conceived as independent productive units for one family, and provided with minimal infrastructure like electricity and drinking water. The lots (or “quotas”) were not

\textsuperscript{36} The bonds represented a good form of investment until the turn of the 1970s, when inflation remained on average below 5%. However, they did not shield from inflation those who held them to maturity. The average inflation rate over the entire 25-year period was slightly higher than 5% (5.156) due to the sharp rise to double digits level of 1973.
expected by themselves to sustain a family, but only to complement other sources of income. The agencies distributed the land between farms and lots depending on the ratio of legitimate claimants to the land available for assignment, on their previous profession, on the quality of the land available, etc.

Table 2-3. Assignment of Land: Farms and Lots

<table>
<thead>
<tr>
<th>Reform District</th>
<th>Farms</th>
<th>Lots</th>
<th>Total assigned</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>Average Size (ha)</td>
<td>% of Total</td>
</tr>
<tr>
<td>Po Delta</td>
<td>4,419</td>
<td>6.60</td>
<td>98.9</td>
</tr>
<tr>
<td>Maremma</td>
<td>8,007</td>
<td>15.50</td>
<td>76.8</td>
</tr>
<tr>
<td>Fucino</td>
<td>-</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Pugl-Basilic.-Mol.</td>
<td>16,074</td>
<td>8.49</td>
<td>77.9</td>
</tr>
<tr>
<td>Campania</td>
<td>1,696</td>
<td>6.92</td>
<td>78.7</td>
</tr>
<tr>
<td>Calabria</td>
<td>11,557</td>
<td>5.37</td>
<td>85.1</td>
</tr>
<tr>
<td>Sardinia</td>
<td>2,780</td>
<td>10.36</td>
<td>92.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,533</td>
<td>9.66</td>
<td>79.2</td>
</tr>
</tbody>
</table>

Source: Marciani (1966:88-89)

Reflecting the prevalent views of the time about the need to colonize the empty spaces of the latifundium, and the social stabilization goals, all the eight reform agencies chose to assign the large majority of the land in the form of farms. With the negligible exception of the small district of Fucino, the share of the land assigned as bare lots nowhere reached 1/4th of the total. Farms measured on average approximately ten hectares, or four time the size of the lots (Table 2.3). The variation around the average size of the farms and lots should not be considered the product of arbitrary choices but by and large the result of cogent social and physical conditions at the local level. For example the reform agency of the Calabria district chose to create relatively small farms (average size 5.37 ha), a choice for which it was strongly criticized. However this choice was in large part forced - in a situation of high unemployment of rural workers and social

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a The table reports data on the land assigned to individuals at September 1962. The column 'Total' includes additional assignments not included in the other columns: the agencies’ assignment of land to institutions, and 'collective assignments', which represented less than 8% the total. The district of Sicily is not included in this table.
emergency - by the necessity to settle on the land as many of the landless as possible. In table 2.3, the clear positive correlation between the size of the farms and that of the lots, also suggests that the man-land ratio was the critical factor in these decisions.

This tyranny of local conditions reflected in part the program’s decision not to relocate any of the assignees from one district to another and, as a general rule, not even from one municipality to another within the same district. The demands for land from the rural poor were collected and analyzed at the municipal level, where local committees including representatives of municipal governments and of the reform agencies ranked the applicants according to the selection criteria determined by the agencies. In most of the cases the reform agencies assigned the land expropriated in each municipality to residents of the same municipality. Only 10.6% of the families settled came from bordering municipalities, and an even smaller 4% was relocated from non-bordering municipalities. Under this rule it was not possible to even out through planned migrations the unequal degree of human pressure on the land.

The law gave priority in the assignment of the expropriated land to the tenants residing on the land who already held it on long-term leases involving mandatory land improvements. But this was not a common land tenure arrangement in most of the reform territories, which had been selected, among other things, because of the absence of such advanced forms of resident farming. In addition, the law indicated two main characteristics that one needed to have in order to qualify as a beneficiary: being a manual agricultural worker, and owning no land, or a quantity of land insufficient to support his or her family. Besides those criteria, the reform agencies introduced others of their own depending on the social conditions that characterized each reform district. To take the example of the two districts that assigned more land, the Maremma agency gave top priority to sharecroppers in the ranking, while the Puglia-Basilicata-Molise gave preference to the landless wage workers. As a result of these different rules, the

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37 This rule was not stated explicitly in the reform laws, but generally accepted. It was the product of the negative memories left by pre-war land reform experience. One of the major criticisms of the postwar land-colonization scheme of ONC in south Latium was directed against the resettlement of families from other overpopulated regions of the North. These families did not easily adjust to local conditions and were not welcomed by the locals.

38 Again, these choices were very much constrained by the relative power of the different classes of potential beneficiaries at the local level. Sharecroppers were more numerous and politically militant in the Maremma region, while the landless workers were more powerful in Puglia-Basilicata. The former director
distribution of beneficiaries between different classes of rural workers differed in different districts (Table 2.4). The largest group of beneficiaries was the landless rural workers, who received 65% of the farms, but this figure represents the average of very different percentages in the districts, ranging from 11% in Campania to 86% in Calabria. Those who already owned some land or farmed someone else’s land as tenants or sharecroppers, were more likely to be assigned only a lot, sometimes improved by fruit trees, while the landless rural workers were more likely to receive the complete homestead.

Table 2-4: Social Origin of the Beneficiaries, percentage distribution

<table>
<thead>
<tr>
<th>Districts</th>
<th>Farms</th>
<th>Lots</th>
<th>Farms</th>
<th>Lots</th>
<th>Farms</th>
<th>Lots</th>
<th>Farms</th>
<th>Lots</th>
<th>Farms</th>
<th>Lots</th>
<th>Farms</th>
<th>Lots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Po Delta</td>
<td>68</td>
<td>9</td>
<td>1</td>
<td>19</td>
<td>17</td>
<td>6</td>
<td>14</td>
<td>66</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Maremma</td>
<td>57</td>
<td>57</td>
<td>4</td>
<td>20</td>
<td>35</td>
<td>14</td>
<td>4</td>
<td>9</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Fucino</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Puglia-Basilic-Molise</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Campania</td>
<td>66</td>
<td>15</td>
<td>5</td>
<td>16</td>
<td>29</td>
<td>63</td>
<td>-</td>
<td>6</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Calabria</td>
<td>11</td>
<td>23</td>
<td>7</td>
<td>13</td>
<td>76</td>
<td>61</td>
<td>6</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Sardinia</td>
<td>84</td>
<td>52</td>
<td>3</td>
<td>23</td>
<td>9</td>
<td>12</td>
<td>4</td>
<td>13</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>38</td>
<td>4</td>
<td>3</td>
<td>25</td>
<td>23</td>
<td>6</td>
<td>36</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Grand Total</td>
<td>47</td>
<td>29</td>
<td>9</td>
<td>15</td>
<td>37</td>
<td>48</td>
<td>7</td>
<td>8</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: King (1973)

of the Puglia-Basilicata-Molise agency reveals that he believed that sharecroppers or other urban own-account workers like artisans, barbers or shopkeepers, despite their incompetence in agriculture, were more likely to succeed as farmers than the day-workers. The reason is that, unlike the rural wage-workers, they were already used to managing risk and postponing consumption. Despite these convictions, the agency he directed chose to give priority to the landless rural workers precisely because their increasing political organization created a situation of unbearable social emergency in the area (Interview Prof. Scardaccione). b Includes most notably mixed figures of worker-tenants in the case of Sardinia, and enfiteusis tenants in that of Puglia-Basilicata-Molise
The plots of land were transferred to the beneficiaries by means of sales' contracts, payable by the buyer in 30 annuities at the rate of interest of 3.5%. The original law explicitly denied the buyers the right to reduce the repayment period by increasing the value of the installments. It also prohibited all sales and other forms of transfers of property including bequest to relatives other than spouse and offspring for 30 years. The price determined for purposes of the repayment was set at 2/3 of the value reimbursed to the former expropriated owner, plus a share of 40 to 45% of value of the improvements made by the reform agency before the assignment. Given the already lower-than-market price paid by the state for the land, the heavy subsidization of the improvements, and the convenient repayment schedule, it is fair to say that the price and conditions were favorable to the beneficiaries. Starting in 1967 the law was revised to allow the anticipated repayment of the debt.

<table>
<thead>
<tr>
<th>Districts</th>
<th>General Infrastructure</th>
<th>Improvement of Private Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Roads Km.</td>
<td>Acqueducts Km.</td>
</tr>
<tr>
<td>Po Delta</td>
<td>124</td>
<td>12</td>
</tr>
<tr>
<td>Maremma</td>
<td>139</td>
<td>434</td>
</tr>
<tr>
<td>Fucino</td>
<td>155</td>
<td>14</td>
</tr>
<tr>
<td>Puglia – Bas. - Mol.</td>
<td>548</td>
<td>120</td>
</tr>
<tr>
<td>Campania</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Calabria</td>
<td>654</td>
<td>632</td>
</tr>
<tr>
<td>Sardinia</td>
<td>85</td>
<td>473</td>
</tr>
<tr>
<td>Sicily</td>
<td>191</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1896</td>
<td>1748</td>
</tr>
</tbody>
</table>

Source: Marciani (1966)

For the reform agencies the compensation of the expropriated owners was never an important item of expenditure. They spent the majority of their budget on capital investment that was meant to bring the newly created farms as close as possible to a fair

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39 The real interest rate on this payment turned out to be negative over the 30 years period. Average
playing field with the rest of Italian agriculture. While there is a good record of the physical output of the agencies within the reform districts (reported in Table 2.5), it is difficult to estimate with accuracy the relative weight of the different categories of expenditure, because of the broad accounting categories that the reform agencies used, and their sharing of expenditures with other organizations like irrigation consortia, or CASMEZ. Marciani (1966) reports that in their first ten years of operation (during which they completed most of their intervention), the agrarian reform agencies allocated 55.8% of their expenditure to “rural transformation”, 22.7% to their overhead costs, 6.9% to “assistance and co-operation”, 6.3% to the purchasing of machinery and inventory, and 4.3% to “credit to beneficiaries and cooperatives”.

Only 12% of the major item of expenditure - “rural transformation” - covered the building of public facilities: schools, nurseries, churches, and other public buildings and infrastructure. The rest of the “rural transformation” funds were used for improvements of private properties: 35% went to the building of private houses within the “farms”, and 53% to the improvement of the land, including plantation of trees, hydraulic works, mechanical plowing, removal of stones, etc. This indicates that the quality of the majority of the assigned plots of land, in their original form, was not good enough to support modern agriculture. Settlers were included in some cases in the process of upgrading their own assigned plots, but on this issue the orientations varied in time and space.

“Assistance and cooperation” included general and professional training, promotion and assistance to cooperatives, technical and veterinary assistance. The training courses covered, among other things, topics of household economics, civic education, rural techniques, and cooperativistic culture. Technical assistance cost the program approximately as much as training. The agencies employed a total of 1,139 extension agents, including those with a university degree, high school diploma, or none. The ratio of these agents to the farms was on average of one to 93.

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inflation rate in the 1951-1981 period was 6.8%.
2.6. **Phase III: assistance to the reform beneficiaries and cooperation**

While the reform agencies had their headquarters in regional capitals like Naples, Bari and Florence, they also opened dozens of local offices in minor towns, and in the new rural hamlets they built, so that their workers were generally close to the beneficiaries, and to the land they tilled. The new settlers—who had in many case no previous experience as own-account agriculturalists—needed as much support as possible from the reform agencies in confronting the new and challenging rural environment in which they operated. The technicians of the reform agencies advised them on crops and rotations, persuaded them (more or less coercively depending on the case) to take out working capital loans and/or to buy livestock from the agencies, and collected the payments. Moreover, for the first few years, the agencies provided them services that went well beyond pure technical assistance. A group of employees of the agencies, generally described as “addetti sociali” (social workers) to stress their difference from their “technical” colleagues, provided counseling on the several different problems of family life in the countryside: health, schooling, etc. The agencies operated rural schools and hospitals, and offered even entertainment with mobile movie theaters.

In order to facilitate the delivery of these services to the reform beneficiaries, the agencies organized them in cooperatives. Clearly the choice to create cooperatives among the beneficiaries—like other choices that the agencies made having to do, for example, with the selection of beneficiaries or the planning of the farms—could be explained equally well with the pursuit of exclusively political, instead of technical, goals. Given that this research will offer ample political interpretation of these events in the following chapters, the present account of the reform cooperatives will try to treat them as much as possible as politically “neutral” tools of rural organization.

Initially, participation to the cooperatives was made mandatory for the beneficiaries for 20 years. If the beneficiaries refused to join the cooperatives, the agencies had the right to take back from them the land already assigned. Nevertheless, in 1959 more than
one third of the beneficiaries had not joined any of the cooperatives\(^{40}\) (Botteri 1961: 209). Through the initial mandatory cooperatives the beneficiaries could buy seeds and fertilizer, rent agricultural machinery like tractors and shredders, and usually market their product. A separate form of cooperatives also promoted by the agencies provided insurance to the beneficiaries against the risk of losing their livestock. These mutual livestock insurance coops had a certain success in the Maremma district and in other areas where the settlers were assigned a cow, whose value was included in the price of the farm that they had to pay back to the agencies.

The reform agencies had a such a high degree of administrative control over the early multi-purpose cooperatives, that the beneficiaries in most of the cases did not understand them to be a tool for their own self-organization, but rather saw them more as offices of the agencies themselves. Understandably so: the agencies had provided them with start-up capital, agricultural machinery, credit, and had staffed each one of them with technicians and accountants who remained on the agencies’ payroll, while working for the coops. The statutes of the reform cooperatives gave to the reform agencies the right to appoint part of their board members and usually their president\(^ {41}\), such as to avoid the possible takeover by groups of beneficiaries hostile to the agencies. But the cooperatives’ direct dependency on the reform agencies and their paternalism towards the reform beneficiaries had a flip side: the coops were rarely able to support themselves economically.

In many cases the cooperatives required periodical influxes of cash from the reform agencies, to compensate for operating losses (Signanini 1979). Many services that these cooperatives provided or intended to provide, were not competitive in terms of cost with those offered by private local firms. The scarce degree of member participation in the

\(^{40}\) The share of the beneficiaries who had joined cooperatives was 61% in the districts subject to the Stralcio law. It was 76% among those who occupied farms, and only 46% among the recipients of lots. It was even lower (44%) in Sicily.

\(^{41}\) Typically the statute imposed that two out of the five board members – one peasant beneficiary and one technician - be appointed by the agency. It also required that the president be chosen by the board among those two members. As a corporate member of the cooperative subscribing a big chunk of the capital, the reform agency also was entitled to five votes in the cooperative assembly. Given that a qualified majority of 98% was necessary in order to introduce changes in the statute, these 5 votes amounted to a virtual veto right of the reform agency on the decisions that would modify the cooperatives’ internal procedures. The leftist unions legally contested these statutory provisions for being against the laws regulating cooperation, but the Constitutional Court rejected the claim.
cooperatives and their inefficiency prompted criticisms from many different sides. Unhappy with the performance of these early cooperatives, in the second half of the 1950s, the Italian government changed its policy towards cooperation in the reform areas in several ways.

- A 1957 law allowed the reform agencies to provide their services also to non-reform beneficiaries, and allowed those to join to the reform cooperatives.
- The reform agencies created new cooperatives among the beneficiaries that focused exclusively on processing the members’ product. These coops operated wineries, cheese factories, tomato processing plants, olive oil production plants, etc.
- The agencies shifted their primary interest away from the production problems of the new farms, and towards the marketing of the beneficiaries’ products. For this reason, besides the processing cooperatives, they created industry-based second-level cooperatives among them, whose goal was market and promote the product of their members, and to exploit the existing economies of scale and scope in this area (Scardaccione 1959).

<table>
<thead>
<tr>
<th>Table 2-6. The Reform Cooperatives (Sicily Excluded)</th>
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<tr>
<td><strong>Cooperative Type</strong></td>
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<tr>
<td>Multi-Purpose</td>
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<tr>
<td>Specialized:</td>
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<tr>
<td>Olive oil</td>
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<tr>
<td>Wineries</td>
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<tr>
<td>Fruit Storage</td>
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<td>Livestock</td>
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<td>Cheese</td>
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<td>Livest, Insurance</td>
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Sources: Botteri (1961), and (1979)

Table 2.6 summarizes the dramatic changes that the cooperative movement underwent after the 1950s as a result of these new policy trends, by comparing data available for 1959, and 1976. By the mid-1970s, many of the early multi-purpose service
cooperatives had closed down, and others existed only on paper. On the other hand, the specialized cooperatives grew impressively in number and in membership, attracting largely new farmers from outside the reform districts.

This mushrooming of food-processing cooperatives was largely the product of a new line of financing made available by CASMEZ, the fund for the development of the Italian South, that could cover with loans and grants up to 85% of the construction of collective processing facilities. This financing of agriculture-related production and storage facilities represented a diversification of the investment policy of CASMEZ, originally focusing on rural infrastructure (CASMEZ 1965). Each one of the new specialized cooperatives, therefore, came into being already highly capitalized, as a result of CASMEZ financing the construction of a new processing or storage facility. It shouldn’t surprise us, therefore, that in 1965, 78% of these specialized cooperatives happened to be in the Southern part of the country (excluding Sicily) where CASMEZ intervened, when this area represented only 54% of the reform territory, and was certainly poorer (King 1973). It is also worth noticing that the reform beneficiaries, who represented the large majority of the members of these specialized cooperatives in 1959, had become a small minority (15%) seventeen years later (Table 2.6).

During this period, the reform agencies had been incorporated in the larger apparatus of public rural development policy which had in CASMEZ an important piece, and whose focus were no longer the reform areas, but the depressed Italian South more in general. The scope of intervention of the reform agencies was thus extended from the reform districts to the larger administrative units in which the agencies operated – the regions. Their name was changed into “Enti di Sviluppo Agricolo” (Rural Development Agencies), and their functions broadened correspondingly, to include all forms of promotion of agriculture.

The change in the goals of the agencies after the 1960s reflects a certain loss of interest in the events of the reform settlements, a significant economic progress experienced by the reform areas and their surroundings, and probably the decreasing importance of agriculture vis a vis other sectors of the economy. The economic developments of the reform areas in the 20-25 years following the reform cannot in any ways be characterized as one single social or economic story. Some of the areas
experienced the type of agricultural development that the reform program had planned for them, made of rapid output growth and increasingly collective marketing; others stagnated for decades and were plagued by out-migration. Others again found their economic vocation outside agriculture, in sectors of activity like tourism or manufacturing that proved probably more lucrative than any form of agriculture could have been for them.

The demographic trends of the residential communities that the reform program had carefully planned, represent only in part the economic fate of the reform districts. The Italian agrarian reform is often denounced as generally unsuccessful along the important dimension of the colonization of previously uninhabited land. Many of the newly built houses were soon abandoned by families that, for economic or social reasons, preferred to live in towns than isolated in their rural homestead. According to a research conducted in 1975, only 36.6% of the beneficiary families lived in the homesteads they had been assigned by the reform more than 20 years before. However, many of them still used the rural houses for leisure or agricultural purposes given that only 29% of them were found to be completely abandoned, and 27% had been improved (INSOR 1979:210). This occupancy rate moreover, varies dramatically between the Italian regions, ranging from figures around 90% in the northern districts and in the Campania district, to only 5% in Sicily, so that the average figure appears to have little meaning\(^{42}\).

Many observers have denounced the phenomenon of out-migration from the reform districts as a sign of the reform’s failure, but others found it more acceptable in light of other concurring developments. The 1950s and 1960s were years of unprecedented industrial development for the Italian economy, that provided highly attractive employment opportunities to the poorest rural classes of the South in the cities of Northern Italy (and Europe). The choice to abandon the assigned houses as residences did not mean, in most of the cases, that the families, or the remaining family members, stopped farming the land. Selling the land was illegal, as we have mentioned, but this

\(^{42}\) In fact, if we exclude – following the elaborations of the Istituto Nazionale di Sociologia Rurale (Vol.2 1979) - the regions of Sicily, in which, as we know, the reform followed different rules and performed more poorly, and the negligible Abruzzi, the national level occupancy rates of the farms becomes a much higher 57%.
legislation that was meant to regulate the static pre-war rural society could not bridle for long the local economic forces. The agencies, after the ban on sales was lifted, legalized many transactions and re-assigned other plots that had been outright abandoned. INSOR found that in 1979 the number of the reform farms had decreased by 22% and their size increased by 25% to more than 13 ha.

The model of land colonization planned in the 1940s involving self-sufficient family farming certainly did not materialize in the reform districts. The low quality of some of the land and the choice to give preference in most of the cases to the largest families who owned no land, favored out-migration. But many of the beneficiaries kept farming the land, though sometimes in a part-time way. At the end of 1975 66% of the land was still owned by the original beneficiaries (Barberis 1999:448).

To conclude this chapter, I would like to pinpoint some of the critical factors that have increased the chances of economic success of the reform settlers, and thus their likelihood to remain on the assigned plots. Probably the most important, and more obvious, was the quality of the land they received in assignment. One observes that the program has reached the best results in the settlements where land is more fertile, more accessible, and is irrigated. The land quality variable was not entirely outside the sphere of influence of the reform agencies. The agencies invested a great deal on land improvement works whose goal was precisely to make the plots more productive and more accessible. Probably the most important component of land quality was the availability of irrigation water. One can observe that the reform has obtained radically different results in villages - like those on the hillsides of the Puglia-Basilicata districts - that were in many ways very similar before the program reached them. The better performance of the most successful settlements most often depended on their having been reached by the large scale irrigation projects of CASMEZ at some point during the 1950s.

A second critical factor that operated at the level of individual families of settlers was the availability of additional, often non agricultural sources of family income (Cavazzani 1979). As we have seen, the Italian reform has sometimes put into being farming units that did not provide to their occupants a standard of living considered decent under the new standards of a rapidly developing postwar economy. While this was true of many areas where the quality of the soil was bad, in those same areas, the reform farms could
become self-sustaining productive units when some members of the beneficiary family could count on other sources of cash that could complement the scant farming product, and could help make productivity-enhancing farm improvements.

For this reason the solution of the smaller lots, at the time considered a second-best form of land distribution, turned out to be more effective under the new economic conditions. The lots (or "quote"), were smaller, often nearer to the town centers and sometimes planted with trees like olives or grapes, and because they were not meant to be the sole source of family income, were usually assigned to those who did not qualify for a full farm because they could count on other small assets or non-rural occupations. It is thus not surprising that 25 years after the assignment the percentage of the assigned units that was still occupied by the original beneficiary was slightly higher for the lots (74%) than for the farms (70%).

The presence of one or more young people working on the farm is also a good indicator of its economic well-being. The reform farms in which two or more young people work, were the ones that had grown the most in size since assignment, and had a 36% higher than the average productivity per hectare (INSOR Op.Cit.). This higher presence of youth in the best performing farms, however, could be a result of their success as much as a cause.
Chapter 3 - Political Tactics: From Political Will to Redistribution

3.1. Introduction

The road to agrarian reform in the developing world is riddled with political and administrative obstacles. In its quest to promote a more equitable distribution of the land, the reformist movement finds few friends, and many enemies amidst the forces representing the interests that a redistributive reform is going to hurt, the equilibria that it is going to destabilize. Considering these difficulties, we would not expect that under normal circumstances the interests of the reform movement would prevail over those of reaction, which agrarian reform hurts in a very immediate and measurable way.

Based on the comparative study of empirical cases, the literature on the politics of land reform has been able to identify the special political conditions under which such controversial redistributive programs become feasible. In essence, these conditions can be reduced to one: survival. When their very existence is at stake, even democratic regimes can undertake agrarian reforms in an attempt to transform the masses of the rural poor from a potential threat, into a force for stability. The present research does not contradict this general finding, but puts under the magnifying lens the process through which such a political will, embodied in the men and women occupying positions of power, successfully brings the reformist drive to its ultimate conclusion of improved rural equity.

For difficult that it may seem, in fact, coalescing a political majority committed to agrarian reform is not the most difficult aspect of getting the reform done, as it does not guarantee that the reform will really take place on the ground. The following steps of drafting a workable reform program, getting it approved, and implementing it under the political pressures of different interest groups, are far from trivial and unproblematic. History teaches that the political will of some government coalitions that appeared committed to agrarian reform has rapidly waned, once it has been put to the test of policy-making and implementation. Successfully legislated agrarian reforms have failed on the ground, when public administrations did not have the capacity or the autonomy from the landed powers, to enforce the substance of their rules.
The difficulties of enacting agrarian reform at the legislative-political level, can hardly be separated out from those of implementing it. In fact, the difficulties that agrarian reforms encounter at the level of implementation often depend on weaknesses and loopholes that the political opposition has been able to write into the text at the legislative stage. A reformist political will, genuinely interested in the redistributive outcome of a reform program, during the more political process of drafting the legislation and pushing it through congress, will have to anticipate the possible counter-measures that the landed class could take to undo it during implementation. It is thus only for reasons of opportunity that this research will address the policy-making strategy of the reform front in this chapter, separately from the choices and the struggles of implementation, which are covered in the following one.

This chapter asks how the Italian ruling coalition of the late 1940s was able to pass an agrarian reform measure characterized by a strong redistributive component, that has been able to resist the inevitable and powerful attacks of the conservative forces at all stages in the game. “Resisting” these attacks here does not mean that the Italian reformist front has obtained only unconditional victories over the conservative agrarian forces. In a democratic context this would not have been possible. In fact, it had to strike compromises with these forces at different stages in the reform process, resulting in a much less comprehensive program than it would have otherwise been. The previous question can thus be formulated in a more specific way: how was the reformist government able to limit the concessions to the reactionary front to those that would only reduce the scope of redistribution, but not make it less likely to happen?

The factors that favored agrarian reform in other countries like a mass rural-based movement demanding redistribution, a regime transition temporarily cutting off from power the landed aristocracy, and the support of foreign powers, were also at work in the Italian case. But the following account of the reform-making process does not put too much emphasis on the initial political will and on its political determinants because these factors are less under the control of policy makers, and because they alone could not determine the concrete outcome of the program. Other countries could count on similar political conditions favorable to reform, but have not been able to bring this reformist process to its end.
Italy has become a more equitable agrarian society and has pacifically solved an escalating rural conflict thanks to a clever reform-making tactic that, in the negotiation with the landed classes, has renounced part of the original reform objectives, but obtained in exchange a higher likelihood of achieving the reduced goals. This necessary sacrifice has not weakened the inescapable reform mechanism invented by the reform technicians, but only reduced its geographical area of application. The Italian reformist government has been able to reach this compromise solution by taking advantage of the weaknesses and divisions of the landowners’ front. These divisions, which depended on the internal regional disparities and on the individualistic habit of much of the private sector opposing reform, are the very same that economic analysts have repeatedly blamed as social handicaps that have impaired Italy’s economic development. In this case, they have constituted the focal points of a state-led reformist strategy that has few parallels in the world.

The effective Italian reform-making strategy shows that at critical points in the economic development process, the government can be better organized than certain conservative branches of the private sector. This state of affairs offers unique opportunities to government coalitions interested in introducing progressive social legislation, but may not last for long. The speed of the expropriation process, therefore, that the Italian reform administration completed in less than 3 years, was also instrumental to the program’s effectiveness in that it has prevented the gradual decline of the political will from neutralizing the reform plan. Simple, automatic redistribution rules like those adopted in Italy serve the purpose of securing the redistribution result before the landed forces re-organize.

After a comparative discussion of the political economy of the reform at the beginning of the reform process, this chapter focuses on the negotiations on the content of the reform laws. It argues that the government’s choice to accept a reduction in the territorial coverage of the original reform plan, but to defend firmly the automatic expropriation measure has been key for the subsequent effectiveness of the redistribution plan.
3.2. The Delicate Political Will: when the moderates become redistributive, and stay so for a while.

3.2.1. The Political Economy of Land Reform

Agrarian reforms entail by definition a power shift in the countryside, that, in societies that still rely heavily on agriculture, amounts to a general social and economic re-organization. For this reason, these reforms cannot be part of the ‘business as usual’ of any country’s government, but are associated with extraordinary political conditions. The changes that an agrarian reform aims to introduce in a pre-industrial society are so dramatic, that, according to many analysts, they can happen only when power is highly concentrated. Agrarian reforms that are universally recognized as being successful like the Japanese, the South Korean, and the Taiwanese, have taken place under relatively authoritarian governments. The promise of land redistribution has been the driving force of almost the totality of the revolutions of the twentieth century: certainly of the Mexican, the Russian, the Chinese, and the Cuban, just to cite some of the most important ones.

Few, on the other hand, are the cases of agrarian reforms that democratic governments have brought to a satisfactory completion. In the 1960s and 1970s, when the cause of agrarian reform was at the peak of its popularity in the development field, several Latin-American countries embarked on ambitious reform programs, which have eventually accomplished much less than they hoped to. Many of those programs - started with so much enthusiasm - have remained only formal declarations of intention (Dörner 1991). By the end of the 1980s the game of the Latin American land reform had been declared to be “lost” to the class of large landowners, who had been able to regain power and escape expropriation by modernizing their properties with the help of the state (De Janvry 1989). A shift to the right of political regimes in countries like Colombia, Chile, and Peru in the course of the 1970s definitively did away with the objective of redistribution through expropriation, and led to the opposite outcome of a partial re-concentration of land that had been previously subdivided. When the dust settled, many observers were disappointed with the picture they saw in the reform settlements: the reforms had distributed “poorer than average land to richer than average campesinos”,

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and failed to support them with the credit, technical assistance, inputs, and education they needed once settled on the land (Thiesenhusen 1995:159).

This evidence has led some analysts to the pessimistic conclusion that agrarian reform is very unlikely to take place in democratic societies; especially in those in which, like many developing countries, the large landowners hold a great deal of economic and political power (Bell 1990). This conclusion – that Herring (2000) calls the “impossibility theorem” – has been of no small consequence. The new market-based approach to land reform, currently endorsed by the World Bank, that limits government intervention to the promotion of land market transactions from large to small holders through subsidies and incentives, is predicated on this pessimistic analysis of past practice (Deininger and Binswanger 1999).

This chapter presents empirical material that contradicts the assumption on which this new model of intervention is based, that redistributive land reforms are unfeasible under democracies (Binswanger and Elgin 1998). The impossibility theorem can be challenged, and has been challenged, in two ways: one is to question the empirical truth of the statement that recent history knows of no successful land redistribution happening within a democratic context; the other is to question the usefulness of the distinction between democracy and authoritarian or revolutionary rule for the purpose of studying the feasibility of land redistribution.

Agrarian reforms may have been less common or less effective under democracies, but one cannot say that they did not happen at all. If one looks back to the 19th century, both the United States and Britain have undertaken circumscribed agrarian reform programs in an effort to mitigate the social disruption generated by industrial development (Bronstein 1999) and later by the depression. In the twentieth century, several democratic countries in Latin America and Asia have experienced agrarian reforms. Early evaluations of some of these programs have left observers dissatisfied, but this is not true of all the cases. In India, the states that have been more committed to agrarian reform – most notably Kerala and West Bengal – are also those that have made more progress in reducing poverty and improving equality (Herring 2000; Besley and Burgess 2000). The Italian agrarian reform of the 1950s – the object of this study - provides an additional example of a well-performing reform program undertaken under a
newly democratic regime, that the impossibility point of view simply disregards. An unconditional pessimism about the chances of reform within democracies does not seem justified also in light of the fact that agrarian reforms may take longer periods of time to display their full effects than evaluators usually care to wait (Salamon 1979; Whitehead and Grey-Molina 2001).

Moreover, the choice to disregard the land redistribution programs that took place under non-democratic rule or in the course of revolutions on the grounds that these regimes are not desirable, may result in a loss of valuable information about the conditions that facilitate reform. If we accept the idea that democracy is a matter of degrees and that the distinction between these forms of government is not clear-cut, we open the door to lessons in reform-making that may come from unsavory regimes, but that can be useful for democracies. Albert Hirschman (1963: 254) defended the reformist position with a similar line of reasoning against the contention that agrarian reform was possible only through revolutionary means. He argued that it is our inability to imagine social change - a messy and unpredictable process - that makes us more inclined to picture it as happening inside the black box of a revolution. Revolutions in this simplistic view are an expedient device that instantaneously and un-problematically transforms the old order into a new one, exempting us from asking the question of how that change came about.

At the opposite end of the political spectrum, one could probably argue that the stylized category of ‘authoritarian regimes’ – pitured as those in which all is effortlessly possible to the ruling group - performs the similarly simplifying role of exempting the social scientist from investigating the conditions that have allowed the reformist front to win outside electoral democracies. Although the authoritarian regimes that have successfully performed agrarian reforms like those of Korea and Japan, may not have been captive of the landed elites as much as other pluralist democracies, they were not entirely free from the influence of agrarian interests (Dore 1984; Orme 1995). The long-term evolution of the agrarian reform policies in Italy in the twentieth century also contradicts the argument that agrarian reform is more feasible under authoritarian rule than under democracy. The Fascist regime also tried to solve the problem of large
concentrations of unproductive land through agrarian reform policies, but was never able to enforce them because of the opposition of the landed classes\textsuperscript{43}.

A comparative study of the conditions under which agrarian reform has taken place aimed at producing knowledge relevant for democratic policy-making, should not limit to the democracies the number of cases from which it draws. Those who have looked for regularities across a broad range of cases of international agrarian reforms – more or less democratic, more or less successful – have concluded that these redistributive reforms tend to be associated with the following political conditions.

\textit{Regime transitions}. The large majority of the agrarian reforms of which history has kept a record have taken place during the periods of instability that have preceded or followed an important change in regime (Tuma 1965). This is true of the most celebrated and comprehensive reforms of the twentieth century, that took place in the aftermath of Communist revolutions, and of the East Asian cases of Japan, South Korea and Taiwan, that immediately followed World War II. In the Communist cases, urban intellectuals have used the revolutionary potential of the rural poor to overthrow regimes that denied the latter access to land and power\textsuperscript{44}. The governments that immediately follow a regime change – it has been argued for example in the case of Chile or Taiwan - are more capable of carrying out an agrarian reform because their power is less dependent on the landed elites, than other more established regimes (Hayami 1990).

\textit{Insurrectionist rural-based movement}. The Communist-led revolutions of Russia (1919), China (1948), and Cuba (1958) are probably responsible for the redistribution of land also outside their national territories, in the sense that they have induced reforms in

\textsuperscript{43} The primary goal of the Fascist agrarian reform policies – as we have seen in the previous chapter – was the intensification of production rather than direct redistribution. These policies consisted in two separate approaches. One involved the expropriation and direct reclamation of the undercultivated areas by state agencies like ONC and the Sicilian Latifundia Agency. In the other approach, favored by most agronomists expropriations were only supposed to hit the landowners who refused to perform the mandatory improvements of their properties that they had collectively agreed to through their consortia (Cfr. p.45 and following). Yet, unlike the openly redistributive plan advanced in postwar times, these policies received only very limited implementation. A modernizing faction within the government strenuously fought the conservative landed group all along the Fascist period, but the regime proved to be more dependent on the support of the landholding class than the democratic one that followed it. (Villari 1976).

\textsuperscript{44} In every one of these cases, the revolutionary movements drew their revolutionary force from the promise they made to the rural dispossessed to give them access to private individual property in land. But then, almost inevitably delivered to the rural poor only collective property at the end of the revolution (Prosterman 1987:23).
many developing countries of the western block, by providing vivid examples of what could have happened to them if their unequal distribution of assets had not been improved. The specter of a Chinese-like rural uprising became more worrying in countries like Peru, the Philippines, and, again, Italy, where an organized popular movement embraced the cause of the rural poor and threatened to overthrow the government. The second half of the twentieth century witnessed the odd phenomenon of capitalist countries that, precisely to secure their loyalty to the western block, undertook redistribution policies similar to those forcefully imposed by the Communist ones through revolution. While the presence of popular and organized movements of the rural poor is not sufficient to guarantee a successful redistribution (Kohli 1987), the absence of it has weakened the reform front (Grindle 1986).

_Foreign support._ In the 1960s, the experience of the Communist, rural-originated revolutions was taken very seriously by the United States, which took action to prevent more of them from happening in Latin America. At that time western countries considered agrarian reform an appropriate tool to prevent political instability because it improved the conditions of the poorest peasants that - according to the predominant diagnosis of the time, were the primary revolutionary force in developing countries. The Alliance for Progress, the well known initiative that conditioned US aid to the enactment of agrarian reforms in Latin America, was but the institutionalization of a pre-existing model of intervention that the United States had tried with success in South and East Asia, and in Italy. The East Asian showcases of agrarian reform of Japan, South Korea and Taiwan in particular, had all received a strong initial input from the United States, that, according to many observers, was key for their success. To make this argument even more convincing one could cite the cases of countries to whom the US denied the same support like Chile, Nicaragua, Guatemala, and the Philippines, in which agrarian reform returned more mixed, and in general much less satisfactorily results (Thiesenhusen 1995).

The Italian agrarian reform of 1950 could count to a certain degree on all the three political circumstances listed above, that this literature - largely ignorant of the Italian case - has proclaimed to be conducive to agrarian reforms. It was initiated by the first
elected government of a newly republican regime, that a bloody conflict degenerated into a civil war, set apart from twenty years of dictatorship. It was preceded and accompanied by the increasing mobilization of the rural poor under the flag of Communist ideology demanding the fractioning and distribution of the latifundia. And finally, it was backed politically and financially by the United States, who also had an interest in seeing the revolutionary potential of that rural mass movement extinguished.

These political conditions alone, it will be argued if the following pages, certainly go a long way towards explaining the formation of a reformist political will, and the initial redistributive spurt. But they cannot by themselves explain why the Italian reform administration was so effective in reaching its expropriation targets; why it resisted many of the external pressures to allocate the benefits of the reform through networks of patronage, or why it complemented the land transfer program with massive rural infrastructure and land improvement works that contributed to the positive outcome.

Many other countries in the second half of the twentieth century have found themselves under these same political conditions. The Brazilian government has been challenged for decades by a highly organized movement of the landless (Movimento Trabalhadores Rurais sem Terra, MST), politically affiliated to the leftist ‘Workers’ Party’, and actively performing land invasions. The Philippines and Peru have confronted for years similar left wing movements struggling for land redistribution. In this period, all these countries have undergone regime transitions in and out of democratic rule, and some have also received external support from the United States and/or international organizations. None of them, however, has been able to offer as effective a policy response to the problem of rural landlessness, as Italy did. In order to explain the Italian exceptionalism in the international context one needs to understand better the institutional nature of the communist threat in Italy, and the reform-making tactic of the moderates in power at the end of the 1940s.
3.2.2. The Political Will as a Dynamic Resource

In conformity to the international political economy literature, one can read the entire history of the Italian agrarian reform as a policy reaction to a political threat posed by the rural landless through the Communist party. As we have seen in the previous chapter, the needs of this social class came to be taken very seriously by the state when the PCI started to organize the peasants in cooperatives and rural unions and to promote land invasions. In the South, this practical activity was part of the Communists’ strategy to broaden the spectrum of the social groups that they tried to represent. It was not in itself a revolutionary strategy, but worried the Christian Democrats all the same because of its manifest political effectiveness, proved by the escalation of land invasions and by the electoral success of the Left.

Palmiro Togliatti, the leader of the PCI, represented a political unknown for his opponents. The fact that he had spent the wartime years in Russia made his moderate adversaries suspicious about his true national loyalties. On the other hand, the conciliatory tone of his first political speeches upon his return, represented a disappointment for the more extremist members of his own party, who hoped he would lead a frontal attack on the fledgling state institutions. His political line called instead for a national reconciliation with the other democratic forces, for the eradication of the remains of Fascism, and for a national policy of reforms and international peace. Without ever questioning the party’s affiliation to the Soviet block, from which the Italian Communists derived authority and reputation, Togliatti kept the revolutionary forces within PCI in check by arguing that the peculiarities of the Italian situation required a gradual approach to socialism. According to him, important steps of this evolution were a bourgeois transition in the backward South and the break-up of all monopolies (both justifying agrarian reform).

The major political turning point in the immediate post-war time, which framed the rules of the game for the following years, was the May 1947 move with which the Christian Democrats interrupted their collaboration with the Communists, excluding them from the interim cabinets. That event definitively shattered the illusion that a progressive Christian-Communist coalition could be possible. After it the political strategies of the two mass parties took shape for what they really were: a strategy of organizing dissent
that of the PCI, aimed at transforming the economic grievances of the lower classes into political support for the Left. And a strategy of using power to build power that of the DC, that hoped to drive those classes away from the temptations of the Left with the promise of stability and economic well-being.

In such a polarized political scene, as Tarrow (1966) has argued, the agrarian reform issue represented a double edged sword for the PCI, in that it promised a large political payoff as long as it remained open, but could have sedated the socialist spirits of the peasants, had it been brought to its natural conclusion with the assignment of private property to all the landless. This paradox explains the real substance of the disagreement between the DC and the PCI in the late 1940s on the issue of agrarian reform, and why the latter voted against a reform bill that seemed to differ only by a matter of degrees with the one they proposed. The PCI proposal was different, among other things, in that it meant to redistribute only permanent rights of use on the land (through a traditional Italian contract called ‘enfiteusi’), but not property. The Christian democrats, with Medici, pointed out that, by doing this, the Communists preferred to leave the large landowners in their place, though deprived of all power, rather than giving property to the landless.\(^{45}\) The Communists also criticized the DC plan for the excessively large size of the plots, that would not have accommodated all the claimants, but, more importantly, feared the reform’s possible impact on the cooperatives that had occupied land through the Gullo decree, and that formed the basis of their expansion in the South.

In other words, the Christian Democrat agrarian reform promised to do many of the things that the Communists advocated for, but, in doing so, also to take away from them an important tool for consensus-building. Besides satisfying the hunger for land of large part of the peasants, it promised to render their cooperatives useless, and to create alternative government-friendly centers of aggregation in the countryside, that would have been more appealing to the rural poor because they would have provided access to government resources.

The Christian Democrats, at the same time, cannot be accurately characterized as an exclusively passive force when it comes to the agrarian question; only reacting to the

\(^{45}\) Parliamentary debate preceding the vote on the Calabria Law in the Senate (Senato Della Repubblica 1953)
destabilizing initiatives of the Left. Their commitment to agrarian reform did not materialize only when the favorable conditions – the regime transition, the US support, and the communist threat - came about, but was an important building block of their political ideology since the party was founded in 1919\(^4\). However, the progressive social goals that the DC had championed during Fascism and earlier as a left-leaning centrist party, became much harder to pursue after coming to power, when the party, in the truncated political system of the early post-war years, increasingly became the receptacle of conservative agrarian and industrial interests. Despite its shift to the right determined by its new anti-communist role and government responsibilities, the DC remained committed to land redistribution for a period of time that was long enough to prepare the reform bill, and to get through the phase of the expropriations without giving away too many concessions to the landlords.

The early resolution of the new Italian ruling classes to perform some sort of land redistribution is documented by their initiative to improve the data on land distribution before the reform draft was even presented to the public. The availability of accurate data on the distribution of landholdings – a very important precondition that made the expropriation process work\(^4\) - required an ad hoc research that betrays the premeditation of the DC plan. The government commissioned this national survey of landholdings to the Istituto Nazionale di Economia Agraria (INEA) in April 1946. INEA performed this study with a certain degree of secrecy under the direction of Giuseppe Medici, a prominent agronomist affiliated with the DC, who advocated agrarian reform (Medici 1946), and who would have taken charge of its implementation first as a director of a reform agency, and, after 1953, as the Minister of Agriculture. This survey carried out in the national and local cadasters, and published in 1948 (Medici 1948), allowed the reform to do two important things:

- To learn in which areas, down to the municipal level, land distribution was more highly concentrated. The government used this information to draw the boundaries of

\(^{46}\) Up until wartime, the party had a different name, Partito Popolare (Popular Party), which it changed to Democrazia Cristiana in 1943, when the political process resumed.  
\(^{47}\) It is the opinion of key actors involved in the program’s implementation, like Mr. Paolo Buri, former director of land improvements of the Calabria agency, and Eric Shearer, agricultural attaché of the American Embassy in Rome (1949-1954), recorded through personal interviews.
the reform districts, limiting them to the areas where land distribution was more unequal.

- To measure accurately the overall holdings of landowners who owned land in different provinces and regions. The automatic expropriation rule, based on each landowner’s property value and size, needed this information in order to work.

The timing of this survey reveals that the ruling coalition had already a serious redistributive intent four years before the laws actually came into effect, which survived till three or four years after. The literature on the conditions that facilitate agrarian reforms seems to neglect the importance of this factor by describing the political conditions above in a simplistic “timeless” way. Too often the discussion of the political factors facilitating reform, and of the consequent political will, describes it as something that either you have or you don’t have, when it could be better described as a delicate political resource that has a limited duration, and often wears away in the political struggle against the anti-reformist movement. It is not sufficient that the political conditions that favor reform be aligned in the right way when the reformists need to overpower the conservative front in parliament. Whatever conditions put it into existence, the political will, or the political need for an agrarian redistribution if one wishes to describe it as the product of some other constellation of factors, has to survive for long enough for the plan to be successfully devised and executed.

In Italy the formation of a concrete political will to perform some kind of land redistribution can be dated back at least to 1946, when the De Gasperi government, still including the leftist parties, gained some autonomy from the allied forces and decided to undertake the ‘Medici’ survey of landholdings. Starting in 1947, with the ejection from the cabinet of the Communists and Socialists, one can also talk about a working political majority committed to such redistribution that lasted until around 1953-54, when De Gasperi abandoned the political scene and the DC evolved into more of a coalition of different political clans. During these 7 years or so, the government was able to devise a workable agrarian reform program, to push it through the legislative process with a few concessions to the landed class, and to successfully perform all the expropriations. One

48 For an example of how political will is often described as a largely static resource, see for example the discussion of political commitment in Tai (1974:266).
can look at these events and ask how the DC-led government has been able to accomplish so much in such a short stretch of time. The remaining of this chapter and the following two will explicitly take on this question, and focus on the tactical and administrative choices that have made all this reformist activity possible.

Taking an alternative perspective on the same course of events one could ask, instead, why the political consensus in favor of redistribution has survived so long; or why it has survived long enough for all of this to happen. In fact this has not been true of many countries in Latin America in which apparently solid reformist coalitions have been short-lived. In the Italian case, the answer must have to do with the interplay of two circumstances: the rural mobilization of the Communist Party, and the disconnect between the political lobby of the large landowners and the DC. The first of these political circumstances represented the life blood that kept the reformist political will alive, while the second was a momentary advantage, whose gradual disappearance eroded it from the inside.

The reformist movement took advantage of a moment of political and economic disarray of the class of agricultural landowners, reflected in their weak political ties with the DC. In the immediate aftermath of the war, the landowners did not recognize in the DC the political actor that would have dominated the political scene of the following 25 years. They distrusted the DC because of its strongly reformist discourse and the support it granted to the lower-income agricultural groups: the small farmers and the rural workers (Rogari 1999). In the occasion of the key 1948 elections the larger landowners, through their national level association, established different party alliances in different electoral districts. They often supported candidates of the Liberal Party, of the populist (or neo-fascist) party “Uomo Qualunque” (Any Man) in the South, and in other places tried the improbable experiment of running their own ‘Agrarian Party’ candidates: all parties that proved to be of little influence in the following years.

Their political weakness had an economic and an ideological dimension. In economic terms, the long-term process of decline in the power of large landowners was accelerated by the Fascist expansion of state intervention and state building (D’Attorre 1991). Especially in the second decade of Fascism, the large landowners lost relative power within the corporatist system at the expense of industrialists and workers. Barberis (1979)
reports that the landowners’ share of the total agricultural income had gone down from 55.3% in 1911, to 26.4% in 1951 as a result of the increasing organization of the rural workers.

At the same time, this decline reflected their decaying political reputation in the public sphere. Landowners had been the first and the most convinced supporters of Fascism before the war, and thus had a hard time finding a place in the post-war political landscape dominated by the opponents of the previous regime. Moreover, and this is a point that leftist historians working in the Gramscian tradition like to stress in particular, they lost the support of intellectuals, lawyers, and humanistic scholars like Croce, that legitimized their authority (Villari 1976). In the post-war period, the agronomists linked to the academia who used to collaborate with the association of capitalist landowners (Confagricoltura) for the most part cut off their ties to it, migrating to the government, where they could partake in the modernization action. A new class of intellectuals came to the forefront of the policy debate, that despised the inhumane material conditions in which the agrarian class had left the peasants for decades by refusing to modernize their working conditions and farming practices, and that largely embraced the notion of a quasi-punitive redistribution. Confagricoltura reacted to this isolation by radicalizing its position even more, to the effect of having to start the agrarian reform race from behind (D’Attorre Op. Cit.).

This whole discussion of several concurrent political and economic factors facilitating the victory of the reformist front should not mislead us into thinking that they all carry the same weight: the Communist politicization of the economic grievances of the southern Italian peasants was by far the most important one. The weak representation of the landed interests, partly dependent on the regime transition, was only a transitory phenomenon. The US support was certainly important in that it provided financial resources and a moral endorsement of the government’s plans, that were critical to sustaining the reformist coalition against the attacks from the right. But this outside support was the product of the political threat posed by communist organizing, and would not have existed independently from it.

The communist organizing of the peasants had a particular force because it was at the same time a clear and highly visible policy plan at the central level, and a day to day
practical activity in the areas of social conflict. Its long duration, starting in the early post-war times and continuing for a few years when the reform was underway, required that the reformist front countered it with a redistribution effort that lasted at least as long: not a merely symbolic response, but one that would bring results.

In the post-war years, the policy stance of the PCI on the agrarian question was at least as definite as that of the DC, a party that was new to any major government responsibility. Unlike the DC plans, the Communist agrarian reform plan could find a clear reference-model in the land collectivization performed in Russia, and ongoing in China, which at that time were held in a much higher consideration than they are today. A the same time, the party’s practical organizing activity on the grounds stirred up the expectations of the rural workers, and made its general reform plan more credible. Under these auspices, the DC felt constantly behind in the race for capturing the favor of the peasants.

Basically all the Italian policy analysts agree that the main goal of the DC in carrying out the agrarian reform program was to try to prevent the further growth of the PCI among the poor peasants. Were it necessary to prove it, the empirical evidence would be abundant:

- The DC declared it had selected as reform districts the areas in which land distribution was more concentrated. The districts, however, happened also to be the areas in which rural conflict over land was rampant, and Communist organization was most successful.
- The order in which the government chose to intervene\textsuperscript{49} (giving priority to Calabria), and the order in which the agencies started the reclamation works and built the settlements within the districts, also went from the more politically turbulent to the least.
- In Calabria the reform expropriated virtually all the land that cooperatives of rural workers had invaded, and that the Gullo decree had temporarily assigned to them (Pezzino 1977). The same thing happened in the other reform districts. The reform

\textsuperscript{49} The exception to this general rule would be Sicily, that legislated its reform only after the Stralcio Law, even though it had been the scene of violent land struggles. The reason for the Sicilian late coming to reform could be the different balance of power, more favorable to the landowners, in the island, and a general desire to legislate autonomously from the central government on the matter.
agencies by expropriating the absentee landowners, also solved the open problem of the land invasions, thus resolving a state of uncertainty that the Communists were taking political advantage of.

- While the reform was in progress, the DC monitored very closely the results of the 1953 elections in the electoral districts where most of the reform beneficiaries voted. One can make sense of this activity as an evaluation of the program results—similar to those that modern development agencies do, or should do—against its real goals.\(^{50}\)

In conclusion, the experience of Italy provides empirical support to the view that agrarian reforms are undertaken for eminently political reasons. In particular it confirms the finding that the social movements of the landless can induce the ruling classes to undertake rural redistribution measures when they become so well organized and powerful to represent a political threat to their permanence in power. While this point is not new or surprising, the Italian variation on this empirical regularity gives at least as much credit to the political growth of the rural movement within democratic institutions, as to the threat that it poses to violently subvert those institutions. In this case, in fact, the United States may have granted support to the reform because they were genuinely concerned about the possible outburst of a Chinese-like revolution in Italy. There is evidence that the reformist forces in power in Italy tried to make this threat look more serious than it actually was in the eyes of the US, in order to garner a stronger support for the redistributive plan. But the Christian Democrats in power were much more afraid of the growth that the PCI was showing within the democratic institutions, than of its revolutionary intentions. They did the reform to stop a process that was happening more or less within the boundaries of law, and not to prevent a violent uprising.

While this finding is certainly good news for those who fear that agrarian reforms don’t have a space within the democratic context, it is our opinion that even the most

\(^{50}\) In order to better monitor the results of the elections among the beneficiaries, the government in some cases opened new electoral sections where only the reform beneficiaries would cast their vote. The DC was quite disappointed with the results of the 1953 elections in the reform districts, where the balance of power with the Left remained basically unchanged. This negative evaluation led many analysts to reflect on the possible mistakes that prevented the reform from working as an anti-communist tool especially in the
important political factor - the political mobilization of the landless – cannot by itself guarantee that reforms will be successfully brought to conclusion. Countries like Brazil or the Philippines, for example, where an organized movement of the landless has been able to put agrarian reform on the political map, have not for this been able to perform effective redistribution policies. Their reform programs have lasted for decades, and yet have not been able to satisfy the requests of the rural poor or to undermine the political base of that movement. The Italian government’s ability to effectively follow through its promises of redistribution depended also on the tactics with which the DC approached the political negotiation with the landowning lobby, and on some technical features of the reform bill that made it work at the implementation stage.

3.3. From a “general” to a regional agrarian reform program

As one would expect from a democratic society, the reformist ruling group - in this case the Christian Democrat party – had to subject its reform proposal to a series of changes in order to garner support from moderate political forces, and to neutralize some of the opposition. Theoretically, between 1948 and 1953 the DC could have ruled almost single-handedly, thanks to the almost 50% of the seats that it occupied in both branches of parliament. But in practice the reformist leadership that headed the party had to come to terms with conservative forces and local interests that were increasingly infiltrating its own ranks. The final outcome of the legislative process was a compromise between the aspirations of the reform movement and the interests of the landowners. The substance of this compromise, the limitation of the territorial coverage of the reform, appears to us today the most natural outcome, given the layout of the Italian political interest groups at the time. However, the negotiation strategy through which the reformist group overcame the resistance of the conservative interests inside and outside the DC is rich in lessons for the scholars of social reform-making in the developing world. These lessons have to do

South. On the disappointing results of the 1953 elections and their interpretation, see for example Osti (1957) and Panerai (1955).

51 This section relies mostly on secondary historical sources. In particular it draws heavily on a recent volume on the history of the Italian landowners’ association Confagricoltura edited by Sandro Rogari (1999), that uses original unpublished documentation from the public archives of Confagricoltura. Of
with the two related issues of (1) how to create divisions within the reactionary front that can enhance the reform’s political viability, and (2) what should and what should not be negotiable in the content of a reform plan. The current paragraph looks at the first, the following one at the second of the two issues.

The initial reform plans of the DC were much more comprehensive than the agrarian reform bill turned out to be at the end of the legislative process. First of all, they included the issue of tenancy reform, that was generating at least as much political turmoil as the question of the landless. Second, the land redistribution plans concerned the entire national territory, although employing different expropriation criteria for different macro-regions. Such a broad reform plan that would have amounted to a real restructuring of the entire agricultural sector was subsequently and repeatedly narrowed down, to reach its final proportions of a land redistribution, improvement and colonization plan focusing only on the most backwards 30% of the national territory. The two broad slices that were slashed away from the original plan – land redistribution in the areas of more advanced agriculture, and tenancy reform – were independent enough from the redistribution scheme in the areas of extensive agriculture, that their absence did not compromise the workings of the reduced reform program.

The first quite abstract agrarian reform plans that political leaders and technicians affiliated to the DC advanced at the end of the war gave almost as much importance to the issue of tenancy reform as to land redistribution (Medici 1977: orig. 1946). At that time both those areas of rural conflict appeared to be equally explosive: the tenants and sharecroppers of central Italy were as riotous and vocal as the landless of the South, but also more organized and politicized. The sharecroppers – organized in unions affiliated to the Communist and Socialist parties - started their struggle earlier than the rural workers, demanding a higher share of the agricultural product. They claimed they had been squeezed under fascism and that they needed economic compensation from the landowners for the damages of war. The DC showed sympathy for their cause more than for the landowners because it was in its tradition to be on the side of the weaker rural

greatest interest for our story is the third part of that edited volume that covers the postwar events, written by Alessandro Spinelli.
classes like the smallholders and because this could have helped the party break into the sharecroppers' exclusive relationship with the Left.

As we have seen in the previous chapter, the sharecroppers had obtained a first partial result with the 1944 decrees of Communist Minister Gullo, that automatically renewed for one year all the sharecropping contracts and, limited to the case of atypical tenancy, mandated higher minimum contractual terms in favor of the tenants. The landowners' association accepted without much complaint these first reforms, that did not concern the standard tenancy contracts that prevailed in the regions of capitalist agriculture, in the hope that showing some public-mindedness in times of war would have helped them establish a rapport with the new ruling forces at the end of the conflict. But the struggle of the sharecroppers was far from over, as it intensified in the spring of 1945 with the tenants' request for a 10% increase (from 50 to 60%) in their share of the product. The Communist union incorporated this demand within the framework of a broader tenancy reform plan that would have also limited the landowners' rights to evict tenants, and introduced farm councils.

This time the landowners responded by firmly rejecting the basic requests of the sharecroppers, which seriously limited the owners' freedom to exercise their property rights. The national association of large farmers (Confagricoltura) in this occasion reaffirmed the landowners' right to discontinue the contractual relationship at will, and offered only a temporary one-year re-adjustment of the tenants' share, limited to the regions where the sharecroppers' unrest was stronger. Prime minister De Gasperi, who was called upon by the two parties to arbitrate the dispute, after recognizing the irreconcilable differences, decided to release in June 1946 a merely advisory ruling on the matter. The ruling was more favorable to the sharecroppers than to the landowners, who

52 Cfr. note 26 in Chapter 2 for a description of these atypical contracts and of the mandated increases in the tenant's share. Atypical tenancy existed in some regions of the Italian South like southern Puglia, but not in regions like Emilia Romagna and Tuscany where agriculture was more modern and sharecroppers more organized politically.

53 The internal politics of Confagricoltura in these critical years, as described by Spinelli (1999), reflected the very different balance of power between owners and tenants in different regions, that resulted in a different willingness to negotiate. The Confagricoltura representatives of the regions where tenants were more organized and belligerent were more willing to offer concessions that would settle the dispute, while the representatives from southern Italy—where very little action was going on—were in general more intransigent.
refused to underwrite it at the national level. Only in Tuscany and Romagna, where the power of the tenants was greater, did the ruling get enforced.

The dispute thus continued into the following year when the parties agreed to appoint a mixed government committee for the reform of tenancy, which recommended more moderate reforms than the left was aiming for. The report precluded to a “tenancy truce” agreement between the parties of June 1947 that ended their standoff with the relatively minor concession of a 3% raise to the sharecroppers, initially considered temporary, but that was never to be revised in the following years. The agreement came immediately after the expulsion of the left from the interim governments, that identified the DC as the main center of power that the different economic groups had to come to terms with. The “freeze” on the tenancy question imposed by the truce agreement, and by a series of government-mandated renewals of the expiring tenancy contracts, allowed the DC to focus its reformist efforts on the requests of landless workers.

The tenancy reform remained formally in the government’s agenda for years but to little avail, except that it played the role of a threat pending on the landowners’ head during the process that led to the land reform laws of 1950. Some Italian observers blame the poor results obtained on the tenancy front relative to that of the landless workers, on the delay with which the left unified the struggles of the different rural classes into a single reform plan (Pezzino 1977). In fact, until the 1946 creation of Federterra - a unified federation of four rural unions affiliated to the PCI - the rural workers and the sharecroppers fought completely separate battles against an enemy that had a single peak organization in Confagricoltura. Others argue that it was the DC that chose to give priority to the objective of breaking up of the latifundia, because it had more hope of gaining support from the landless than from the sharecroppers, already entrenched with the leftist parties (Barberis 1999:478).

In fact there is clear evidence that the specter of tenancy reform worked as a threat, and the promise to postpone it indefinitely as a reward, that together induced the landlords to be more flexible on the land redistribution plan. In October 1948, under the brand new DC-dominated legislature, Minister Segni - the same who was later responsible for the land reform bill - partly to counter a similar initiative coming from the Left, presented a new tenancy reform bill that would have severely restricted the owners’
right to discontinue the contract. The reaction of Confagricoltura was very firm, ranging from a fraudulent petition to obtain that the measure be voted in a secret ballot, to all sorts of pressure exerted on the apex of the DC through landlords-friendly party members, through the American mission to Italy, and even through the Vatican (Spinelli 1999). Among these initiatives, that of Congressman Rivera, a member of the DC considered close to Confagricoltura, indicates the direction in which the negotiation was going. Rivera...

..addressed a letter to prime minister De Gasperi to inform him of the divisions that were present within the parliamentary group, explicitly suggesting to put aside the reform of tenancy contracts and to move on to agrarian reform. (Ibid. :521)

In any overt ballot the DC could have probably forced the tenancy reform on its most recalcitrant party members, but the political costs could have been great. De Gasperi decided to follow the advice of congressman Rivera, and moved on to the issue of the landless and of the latifundia, where the opposition appeared weaker. Though never entirely abandoned, the tenancy reform was placed in a slow track on the parliamentary floor, and was thus overtaken by the land reform plan that congress approved in 1950. Later on, in April 1951, when the Stralcio law was in its expropriation phase, the president of Confagricoltura met with De Gasperi to express his concerns that the government would transcend the limits of its parliamentary mandate in the implementation of the plan. In that occasion the Prime Minister reassured him that the government would postpone to an undefined future date the parliamentary debate on tenancy reform.

Historiography has not clarified whether the DC used the issue of tenancy reform deliberately as a token of exchange, dropping it from the agenda to buy the landowners’ acceptance of the land reform plan; or if the two parties stumbled on this solution by accident. Certainly, however planned in advance this solution may have been, it makes rational sense that the DC would have chosen to focus its scarce political capital on the problem of landlessness for the following reasons:

- At that time, the interests of the owners of the least productive properties were harder to defend for Confagricoltura because, given its already low legitimacy in society at
large and the high rural poverty and unemployment, the association did not want to be identified with the absentee subset of its membership.

- The economic power of the “backward” landowners of the South was weaker than that of the landed rentiers of the areas of capitalist agriculture. Culturally, the two groups had little in common. This regional disparity in the wealth and reputation of landowners was reflected within Confagricoltura, where the landowners from the center-north had more clout, and the feudal-like landowners of the south were only “tolerated”.

- Unlike the tenancy reform, the plan to break up and subdivide the latifundia promised to bring on board politically influential actors like the agronomists, much of the professional and industrial middle-class, and the modernizing medium-sized owners: groups who could swing on either side in the struggle between peasants and large landowners. The break-up of the latifundia, in fact, could be incorporated in a broad notion of land reform that included much needed land improvement and rural infrastructure works that the agricultural technicians and other middle-class stakeholders had long advocated for.

With the tenancy issue temporarily out of the picture, Minister Segni and the government thus turned to agrarian reform, now more restrictively defined as the expropriation and redistribution of the largest properties. The reform plan that the government leaked to the press in July 1949 generated a lot of anxiety among the landowners at the national level because it promised to partially expropriate not only under-cultivated latifundia, but also efficiently run capitalist farms. The plan introduced the principle that each large property would be partially expropriated based on the combination of its value and size, with higher expropriation coefficients being applied to the regions where agriculture was more extensive and land more unequally distributed. According to the original plan, the expropriation share would have reached 100% of the portion of each property exceeding 1,000 ha in size, or 500,000 Lira in value. The estimated total amount of land changing hands under this national-level plan would have been 1.5 million ha. The landowners’ association officially reacted by rejecting this plan.
unconditionally (Confagricoltura 1948), but in practice demonstrated to be open to compromise.

The resurgence of rural violence in Calabria revealed that Confagricoltura was more inclined to accept a redistribution mechanism of this sort in the areas of latifundium. Calabria was already considered by the Italian agronomists a good place to start an agrarian reform because it not only presented the most unequal land distribution in the nation, but also very extensive farming techniques, land erosion, and high population pressure. Reading the political signs that pointed to a regional solution of the agrarian controversy, agricultural economist Manlio Rossi Doria anticipated that the government would have needed accurate and updated data for Calabria. Therefore in the summer of 1949 he carried out with a group of his assistants a field-based survey of land use in the most depressed areas of this region. The survey followed techniques used by the American Tennessee Valley Authority, and produced a very detailed and reliable land use map, that constituted an important data source for the subsequent Calabria law 55.

The Melissa massacre of October 29 in which the military police opened fire on unarmed land invaders, ignited an already charged political environment. The left jumped on this event to bring the social conflict to a higher level, describing the government as the cruel enemy of the peasants. The DC had to react quickly to this effective political attack by showing that its commitment to land reform had not gone away. It thus decided to add on the side of the general agrarian reform plan, whose progress towards becoming a law was too slow, an emergency land reform bill for the most depressed areas of Calabria, where the Melissa tragedy had taken place and land invasions were rampant.

While the general reform was following a lengthy procedure involving the appointment of a congressional committee in charge of drafting the law, which in its turn requested the technical advice of a team of specialists, the Calabria Law was accorded an emergency procedure that led to its parliamentary approval of May 1950. Given the homogeneity of

54 Interview Giulio Leone, former Director of the Calabria Agency, Former Director of Land Improvements for Cassa per il Mezzogiorno, Director of the Land Reclamation Consortium of the Volturino and Garigliano basin, 19/7/00.
55 Interview with prof. Marselli, who was one of the assistants of Rossi Doria in that field-research. Marselli still owns one copy of the large colorful maps of Calabria that the Rossi Doria team prepared in 1949. In these maps each plot is painted in a different color depending on the agricultural land use. Rossi Doria had learned about the techniques of the TVA and other reclamation agencies during Fascism from secondary sources. His first trip to the US, and visit to the TVA, would have only taken place in 1951.
agricultural backwardness in this region, the Law - written by Rossi Doria with Segni and the prominent chemist and DC member from Calabria Vincenzo Caglioti\textsuperscript{56} - adopted a simpler expropriation rule than the larger nation-wide plan, only based on size.

Confagricoltura did not obstruct this project in any way. It could not easily justify opposing the redistribution of an expected 57,000 hectares of barren underused land from a handful of absentee landowners to thousands of half-starved and riotous peasants. It would have meant repudiating the association’s often declared aversion to absentee ownership and extensive cultivation. Confagricoltura’s de facto acceptance of the Calabria law also reflected the scarce participation or contribution of the latifondisti from Calabria to the association’s life. These landowners – declared Confagricoltura’s president Rodinò the following year – “decided almost always on their own to take the actions and the steps that they thought would protect their legitimate rights, and only occasionally and late did they approach the Confederation, when the law was about to be approved”\textsuperscript{57}.

In the occasion of the Calabria law, the landowners spared their forces for the imminent battle on the nation-wide agrarian reform bill, against which Confagricoltura put up a stronger and much more organized opposition. The opposition started off with an alternative reform proposal that a DC congressman close to the landowners presented to parliament at the end of December 1949. The main goal of this initiative was to provide a conservative alternative to the general reform bill in the making, and that Minister Segni presented in January 1950. Despite the fact that it was labeled an “agrarian reform”, the landowners’ friendly bill followed more in the tradition of the productivity-enhancing measures of the Fascist period, which gave priority to land improvement over redistribution. A group of congressmen from the DC and from the Liberal party expressed their support for the bill.

\textsuperscript{56} Caglioti, a professor of chemistry and DC member from Calabria, was to be appointed by Segni as the first President of the Opera per la Valorizzazione della Sila, the agency in charge of agrarian reform in the district. Giulio Leonc, the first director of the Calabria agency, recalls that the three wrote the draft bill in the office of minister Segni. Rossi Doria’s contribution to the design of the reform bill was key because the direct knowledge he had of the terrain in Calabria – based on his team’s field research – allowed him to predict the amount of land that would have changed hands under each different policy arrangement.

\textsuperscript{57} This is an excerpt from a 1951 speech of Pres. Rodinò extracted from the archives of Confagricoltura, also cited by Spinelli (op. cit.:532, footnote 116)
Similarly to what had happened two years before in the case of tenancy reform, the
government coalition in congress found itself again at risk of breaking apart at the hands
of a dissident group that sympathized for the agrarians. This time, however, the
government did not entirely back off from the plan, but found a compromise solution to
the stand-off in the reduced ‘Stralcio’ bill that promised to be politically more viable.
Stralcio, which in Italian means ‘excerpt’ was literally a piece of the general reform
under discussion presented, largely unaltered, as a stand alone law. It was the piece of the
general reform bill that concerned the geographical areas more in need of reform from the
point of view of distributive justice, marked as the “B region” in the general bill.
Stralcio’s expropriation rule was the same that the general bill proposed for the more
backward areas. The estimated amount of land that would have changed hands under this
reduced version of the reform was 700,000 hectares, about half of the 1,400,000 that the
general law aimed for, and corresponding to the acreage that the general law intended to
redistribute in the areas of extensive agriculture.

A feature of critical strategic importance in the Stralcio bill was that it did not identify
in detail the areas where it would apply, but, after establishing the rules of expropriation,
redistribution and settlement, it authorized the government to specify them in a
subsequent decree. The preface to the reform bill only indicated the most likely areas of
intervention of Stralcio in the regions identified as B in the general reform law where
property was more unequally distributed, but that preface, not being part of the text, did
not legally bind the government. More importantly, with the law the parliament
preemptively approved the delimitation of the reform districts that the government would
have made later by decree. This way the ‘Stralcio’ reform not only reserved for the
government the right to subject other areas to the expropriation rule without needing
parliamentary approval, but also did not guarantee to the opposition that the government
would abandon the broader nation-wide project. The ambiguous meaning of the Italian
term “stralcio”, excerpt, left open the question whether the government would have
insisted on introducing the reform measures in the other Italian regions, bringing the
broader agrarian reform plan to completion.

The more radical policy-makers have pronounced the Stralcio law to be a
disappointing outcome for the years of political struggle of the peasants; others have
regarded it as a necessary outcome, given the balance of the political forces on the ground and the regional segmentation of the landed interests. The almost totality of this literature has taken for granted the ingenious aspects of the Stralcio Law that allowed the government to bring about a significant redistribution in a political context in which the conservative forces were slowly but steadily regaining ground.

First, and more obviously, the Stralcio Law identified the most important crack in the coalition opposing redistribution - the divide between the North and the South - and used it as a basis to strike a compromise. This solution leveraged the strong regional disparities in the levels of economic development, of class consciousness, and political culture within the class of the large landowners, that was reflected also in the lower level of participation of the southerners in the peak organization Confagricoltura. Fearing the more comprehensive “general” reform plan that would have invested all the country, the more organized landowners of the Center-north sacrificed the interests of their colleagues of the South in exchange for the government’s endorsement of the reduced Stralcio plan that exempted most of them from the expropriation measures. Of the Center and North in fact, only some areas of Tuscany and Emilia in which rural class conflict was radicalized and land was unequally distributed, were expected to fall under the provisions of the Stralcio law.

The government’s choice to leave the boundaries of the reform districts unspecified in the text of the law facilitated the fractioning of the class of the landowners in different ways. The open mandate that the Stralcio bill gave to the government in setting the boundaries of the districts softened the opposition of Confagricoltura, who feared that the government would have extended the expropriation rule outside the underdeveloped areas of latifundia. The Liberal and conservative DC congressmen close to the agrarians renounced using all the weapons that they had lined up against the bill – the amendments they had prepared and their plans to filibuster – in exchange for a declaration from the government’s that it would not have exceeded the boundaries of the mandate (Ibid.: 542).

At the same time, the separation between the setting of the expropriation rules – voted in parliament - and the choice of the areas where they would apply – entrusted to the government - created fractions also within the group of the landowners of the areas of latifundia. Once the approval of the Stralcio law took away from congress the power to
set the boundaries of these districts and entrusted it to the executive, it was natural for them to try to exert pressure on the decision-makers individually, to escape expropriation. Once they realized that their interests were not protected by their more advanced colleagues, and unaccustomed to acting collectively, the southern landowners were induced by the decision-making apportionment of Stralcio to fight an individual battle against expropriation. Not being well integrated in the peak organization, they fragmented their opposition into a disorganized series of attempts to influence the delimitation of the reform districts so that the lands they owned would not be subjected to the reform.

But this largely did not happen. According to some of the direct participants in the process, only in the one case of the western coast of Calabria were territories that deserved to be included in the reform perimeters left out due to the alleged influence of local landowners. The January 1951 decree that delimited the boundaries of the districts did not bring big surprises to either camp. Despite the constant pressure of Confagricoltura, that feared the excessive discretion left to minister of agriculture Segni in setting the boundaries of the perimeters, and the promise of restraint it had made to the recalcitrant DC congressmen, the government did not exercise its authority restrictively. With the exception of parts of Calabria, all the areas where property was most unequally distributed, that were expected to fall in the orbit of the reform, were indeed included. Confagricoltura was particularly unhappy for the unexpected inclusion of some areas in the northern district of the Po delta.

Finally, the Stralcio compromise left the general reform plan in its place in the agenda of the government for all the duration of the program’s implementation. Having the project of a general reform still standing represented a weapon in the government’s arsenal that helped keep the counter-reformists in check. It meant that the landowners could not afford to break the tacit agreement that linked the government’s promise not to

58 Interview with Eric Shearer, Cit.
59 The government’s use of the parliamentary mandate in setting the boundaries of the PO Delta district prompted the reaction of the famous A. Serpieri – the doyen of the Italian agronomists – who criticized the decision to include areas of advanced agriculture within that district. Serpieri, too compromised with the old regime to occupy public positions in the post-war years wrote the critical commentaries on the reform from the columns of the “Corriere della Sera” under the pseudonym “Rusticus”. Serpieri’s criticism is indicative of the agronomists’ dominant orientation to avoid at all costs the break-up of already improved enterprises, especially in the productive North of Italy.
extend the provisions of the law to other territories, to their acquiescence to the regional redistribution plan.

Of course, not all the factions within the two sides of the large landowners and of the government were aligned on a single position in this simplified scene. For example, Antonio Segni the prominent reformist within the DC whose name is most commonly associated with the Stralcio reform, insisted for years after the approval of Stralcio, on pushing forward his plan of a general reform, even after in 1951 he had been replaced in the Ministry of Agriculture by the more conservative Amintore Fanfani. But, this time he clashed with the lack of political will of his party members. In his new capacity of minister, Fanfani was put under much pressure from the Left and from the reformists like Segni to enlarge the reform perimeters or to put back on the floor for discussion the proposal of the general reform. His 1952 response to the interrogations regarding this matter made it clear that the season of structural reforms for the Italian government was over (Fanfani 1952). While the political will was largely disappearing, by that time the machine of the reform was operating at full speed, bringing home the redistribution results. How come the declining commitment to redistribution of the ruling class in the course of the 1950s did not seriously hurt the implementation of the Italian agrarian reform?


In the years immediately following the legislation of the reform one observes in the government coalition a slow but steady shift towards the political right. The Fanfani ministry of 1951-52 in particular, reversing the previous inflexible approach of Segni, encouraged the reform agencies to be more generous with the expropriated landowners in approving their improvement plans that would allow them to retain the residual one-sixth, and the land swapping deals in which they traded the expropriated plots with others of equal value. However, there wasn’t much that the government could do at that stage, short of breaking the law, to stop the machine of the reform from working. Two were the factors that prevented the government from undoing the reform in the making. One was the automatic nature of the expropriation rule on which the entire construct relied. The
other was embodied in the agronomists that occupied the key decision-making positions, who resisted to large part of the pressures from inside and outside the public administration. The latter will be the subject of a subsequent chapter.

The automatic expropriation rule was an attempt to put away the redistributive content of the law from the possible human intervention that, under mutated political conditions, could have tried to soften the reform. Probably realizing from past experience that the reform was the product of exceptional circumstances, and that the reformist impetus could have been short-lived, with the expropriation rule the government tied its own hands for the years to come. The expropriation rule left little margins of maneuver to those within the government who hoped to reduce the harshness of the law by interpreting the rules favorably to the landowners. The table in appendix to the law (here table 2.1 p.59) worked with minimal human intervention: it only needed to be fed with the cadastral data on each individual property, to return the amount to be expropriated expressed as a percentage of that property’s value. This straightforward arithmetic operation that the technicians of the local reform agencies could do very rapidly provided them with the first figure on which the entire expropriation process relied – the value to be expropriated from each property. The following steps for them were to choose tracts of land from each landowner’s holdings that amounted to that automatically determined value.

This more discretionary decision on the part of the reform technicians had to take into account the suitability to human settlement of the tracts, the expected costs of improving them and equipping them with rural infrastructure, both depending on the proximity to the nearest towns and to other expropriated lands. These decisions could be more or less favorable to the landowners, but only at the margin, in that they could not overturn the basic determination of the expropriated value, nor did they allow the re-assessment of each tract’s value, which was taken from the cadastral value of 1943. In other words, if the reform agencies decided to expropriate a less productive tract of land within a property in order to favor the owner, they would have to choose a larger one, so that it would have had the same value. A similar principle would apply to all land swapping deals subsequent to expropriation. The reform agencies rejected some of the deals

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60 The mechanism is explained in more detail in chapter 2, footnote N. 32.
proposed by the landowners because they involved tracts of lower value, and others because they were more inconvenient in light of their broader land improvement and colonization plans.

Certainly, other stages of the expropriation process could have provided opportunities for a slowdown, if not for a complete breakdown of the process. In fact, the need to safeguard the basic principles of fairness and transparency burdened the process of expropriation with a series of additional procedures. The detailed expropriation plans — indicating the tracts that the reform agency had chosen to acquire from each property — had to be posted at the local city hall for twenty-five days, during which the landowners could demand the correction of “material errors”. The reform agencies would then transmit the plans to Rome where the approval of a six-member congressional committee was required, before the government could order their expropriation by governmental decree. In fact the government was obliged by the law itself to issue the expropriations within the deadlines, and theoretically could have been found legally liable in case of inaction. The decree, having the force of law gave to the expropriated no right of appeal except on grounds of constitutionality. Other landowner-initiated litigation could concern the amount of the compensation, but would not have slowed down the expropriations.

The Calabria law of May 1950 allowed the reform agency a maximum of six months to formulate the expropriation plans, and gave the government an almost unrealistic deadline, December 1951, to issue all expropriation decrees. The Calabria agency and the congressional committee, both placed under strong pressure from the government to produce results quickly, turned out to be particularly speedy and efficient. Ten days after the reform was legislated, the Calabria agency had already posted at the local level the expropriation plans for the first 16,000 ha, that concerned the properties of the most prominent landowners, showing to a skeptical rural population that the government was serious about redistribution. By November 1950 all the expropriation plans had been posted and, against all expectations, by the end of 1951 the government had virtually completed all expropriation decrees, totaling 73,000 ha, or 16 thousand more than estimated at the time of its approval (Pezzino Op. Cit.). All the land in excess of the size

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61 Cfr. Chapter 2 paragraph 2.4, where I cover these appeals.
limit of 300 ha, that had not been improved by the construction of houses or the planting of trees, entered these plans. Only the preparatory work that Rossi Doria and his team had already done in Calabria at the time the law came out, and the government’s pressure to produce results can explain this remarkable performance.

The Stralcio law introduced the more complex value-based expropriation rule for the determination of the expropriation share, but left in place the same procedural sequence as the Calabria Law for the selection of the plots and their actual expropriation. The five agencies regulated by the Stralcio reform, subject to a similar pressure from the government to produce results quickly, also performed efficiently during the expropriation phase. By the end of that same year 1951 in which they had been created by governmental decree, they had already published the large majority of the expropriation plans. Following careful instructions from the Ministry of Agriculture, the agencies avoided all kind of local level litigation with the landowners requesting corrections to the expropriation plans for material errors. Most of the revisions to the first reform plans that were necessary were formally taken upon itself by the congressional committee. This facilitated the process locally and slowed it down at the central level. The government had to extend two times the deadline set for completing the expropriation decrees, first to the end of 1952, then to the end of 1953, the latter of

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62 According to the direct participants to the expropriation process, the subjective nature of the distinction between “improved” and “non improved” land was never a problem in Calabria. It was resolved by interpreting improvements in restrictive sense. The land that was sparsely planted with trees, but mostly used for extensive growing of grains or pasture was considered not improved and thus entered the reform pool, while only true tree plantations or homesteads in which the tenant lived on the land were exempted as “improved” (Interview G.Leno). This reductive interpretation of land improvements may be in part responsible for the larger than expected expropriated area.

63 For example by December 7 1951, the largest reform district of the South, the Puglia-Basilicata agency, had already published expropriation plans for 160,470 ha, or 85% of the total area it would have ultimately expropriated (SSRF 1951). The decrees instituting the reform agencies date February 7 1951.

64 A letter of the Ministry of Agriculture (N.3696 of July 14, 1951) instructed all Reform Agencies, incase they received such appeals:

1) Not to give in any case any response to the requesting parties, even in the case they were intimated to do so by an attorney, however grounded the requests may seem, in order not to give them the possibility to use such documents to appeal or dispute the agencies’ decisions.

2) To transmit instead those requests, accompanied by the reform offices’ critical evaluations of the claims, to the congressional committee.

3) In case from these requests there would arise the possibility to expropriate different tracts from those indicated in the plans, the Agencies should proceed to the publication of a new expropriation plan.

4) In no case should the agencies re-publish an expropriation plan they had already published, unless they found the previous publication to be faulty in ways that led to its being considered null or never happened.
which it was able to meet. In less than three years’ time from the issuing of the decrees that got the process started, the government had put behind its back the most contentious part of the reform process, the expropriations, and could thus focus on the distributive part of the plan.

It is quite clear from this account of the events, that the pressure to deliver results that the government imposed on itself was key to the program’s efficiency. What was the reason for such haste in performing the expropriations? There are at least three independent factors that motivated the government to accelerate the expropriations and to conclude the process in the shortest possible time. First, the threat of Communist-ignited rural unrest was an important determinant. The new wave of land invasions of the Fall of 1949 - carefully planned and supported by the Communist party - had showed to the ruling forces that peasant unrest was not only the episodic product of hunger and social chaos, but could be directed against the government by an organized political force. Even excluding the possibility of a violent revolution, it made sense for the DC to give top priority to the policies that were expected to arrest the expansion of the Communist Party among the poorest peasants - a phenomenon that posed immediate threats to the fragile political equilibrium. The need to cut off the links that the Communists were in the process of establishing with the poorest peasants provided a powerful incentive to try and settle people on the land as soon as possible, and thus create consensus in the shortest possible time. The haste to reach the phase of the settlements, however, may not have been the only reason to accelerate the reform in general.

A second explanation for the haste can be found in the deep aversion of large segments of the government coalition to the idea of interfering so heavily in the working of the market. While one segment of the DC was imbued with Christian social values of compassion and justice that justified a limited redistribution, other groups within the

(Archivio Riforma Fondiaria in Toscana)

65 An additional source of pressure to speed up the process, not discussed here, may have been foreign. Ongoing research by historian Emanuele Bernardi, of which I have been informed through personal conversations, uncovers the under-researched role that the United States have had played in the early stages of the reform, especially during the phase of the expropriations. The US State Department through technicians and observers repeatedly manifested its concerns to the Italian government that the expropriations were not proceeding with enough speed. Some US diplomats went as far as proposing that the US purchased land for redistribution directly, so as to accelerate results. These plans never realized and in general the role of the US diplomats in the process seems to have remained that of active and informed observers.
government coalition were moderates who believed in free-markets, like for example the Liberal Party. Though these political groups felt forced to undertake the reform by the need to compete with the Communists for the primacy on social issues like rural poverty, they also wanted the program to end as soon as possible, so that the “natural” rule of market interaction would re-establish itself as soon as possible.

The most prominent representative of this view was the President of the Republic Luigi Einaudi who described the reform as “a battle ram whose first hit would initiate a process of partition”\(^{66}\). To an economist like him, only the objective to break up monopolies of all kinds could theoretically justify the reform, and only a timeless duration would have made the program look less dangerous. In today’s language we would say that the moderates were worried that an agrarian reform lasting too long could have created a costly uncertainty over property rights. Probably in those years the ruling classes conceptualized the same attitude as the fear that the use of socialist-type planning could have raised the expectation for more redistribution, or could have in other ways served the purpose of Communism.

A third good reason for acting swiftly had to do more specifically with the phase of the expropriations, that could politically hurt the DC. The previous experience with rural development programs that some of the technicians had been involved in before the war, taught them that time is never on the side of the government in rural development projects that hurt the interests of the landed class. The frustrating years of the Integral Reform and of the colonization projects of the Opera Nazionale Combattenti were still very present to the mind of many agronomists, who were put in charge of policy-making positions under the new regime. Those were years in which the agronomists felt that the gap between their plans for rural modernization, and the political reality, was widening more and more. This experience told them that the political conditions of the first postwar government were uniquely favorable to a program that would redistribute rural assets, and put them to a more productive use.

Take for example Manlio Rossi Doria, the most prominent agricultural economist of his time. In 1947 Rossi Doria described the Italian political situation as uniquely open to
change in that the “agrarian block” who had prevented every modernization from happening in the first half of the century had been shattered by the fall of Fascism. This block – he said - “has broken down, is breaking down, despite the fact that in the Mezzogiorno there is eagerness to tie it back together, to reorganize it. They haven’t made it so far, maybe they won’t make it, but beware: it is up to us to make sure that they don’t succeed; if we fail, in one year or two they will make it; maybe they are making it already” (Rossi Doria 1977b: 192). His fiery colloquial tone betrays the intention to spur everyone to action, and the reference he makes to the landed forces that may be reorganizing soon, reveals an additional reason for acting quickly: the need not to let this favorable moment slip away. It was not only the enemies to the left that gave the DC a reason to rush, but also the conservative forces to the right, that could have been overpowering only if taken off-guard.

The first-hand experience of some with the difficulties of expropriation, and the concerns of others for the rapid rise of Communism, thus conspired in favor of the solution of a short program, perhaps limited in its coverage, but implacable in its methods. The cornerstone of this approach was the automatic expropriation mechanism, which allowed little margin for interpretation and very few chances of escaping expropriation to the large landowners. The preface to the general reform bill presented to the senate in 1950 justified the choice of this expropriation mechanism by making clear reference to the failed attempts at land reform of the past, whose weakness and slowness depended on the fact that they relied on subjective and qualitative evaluations made by “fair and decent” individuals. In contrast with this ineffective approach, the quantitative and objective rule introduced by the Stralcio (and by the general) reform law promised to be unstoppable by the countermeasures that the landed class was expected to take67.

66 Einaudi’s analogy between the reform and the hit of a battle ram recurs often in the accounts of this program. The longer sentence of which it is part, alluding to the expected indirect market-based effects on the largest properties, is not cited as often. I report it as quoted by Barberis (1979:116).
67 “The fundamental flaw of this system [the past reform plans] is that it aims to resolve the problem of the land transfers with individual judgments of the fair and decent, whose judgments will be countered by all the resources of the technical and legal defense, aimed at demonstrating that in that specific case, the conditions for applying the mandatory improvements, or the expropriation sanctions, were not met. … Therefore, the expropriation criteria cannot be qualitative, individual, implying a sequence of judgments on the individual cases that, by their own nature, have always stopped, and will always stop whatever reform
However, while the previous experience with attempted land reforms explains the ability on the part of the technicians to devise such an effective expropriation mechanism, it doesn’t quite tell us how the measure made it into law basically unchanged.

How was the government able to protect the redistributive content of the law, while subjecting it to the democratic process, i.e. to the attacks of its powerful enemies? This crucial part of the Italian story represents a real departure from the experience of other democratic countries of the developing world, and could thus be of interest to those among them who intend to discuss their agrarian reform plans within parliamentary institutions, but wish to protect at least in part their redistributive content from the inevitable political opposition. If we accept the idea that the reformist government could have neutralized the conservatives’ opposition with two alternative types of concessions: the softening of the rules of redistribution, or a reduction of the territorial coverage of the law, then the choice of a geographically reduced program explains the permanence of hard expropriation measures in the bill at the end of the debate.

Focusing the negotiation on the territorial coverage of the program was not only a way to set the stage for a feasible compromise solution, given the landowners’ internal divisions, but may have also protected the government’s plan from being modified in other ways that could have de facto emptied it of all redistributive content. On this point, the experience of Italy differs markedly from that of a country like the Philippines at the beginning of the Aquino presidency, where the conservative interest groups inside the government coalition have been able to influence very significantly the government’s original reform plans. After a series of revisions, a proposal that was initially quite radical transformed itself into a final law that was not only less redistributive, but also more unlikely to pass the test of implementation. 

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68 Riedinger (1990) reports that the landed opposition was able in the first few months of 1987 to significantly reduce the redistributive content of the cabinet’s agrarian reform proposal through a series of successive changes concerning the maximum amount of land that each landowner could retain, the differential treatment of different cash crops, the temporary exemption of commercial farms, etc. These measures not only cut into half the acreage that the government agrarian reform plan was expected to redistribute from 5.34 to 2.57 million ha, but also increased its administrative complexity, reducing the likelihood that even the reduced targets would be met (Ibid. p.32).
In the Italian case, instead, before the tacit agreement described above arrested the counter-reformist lobbying of Confagricoltura, the conservatives managed to introduce in the text of the reform law only two amendments that went in the direction of the landowners’ interests. One allowed the landowners to retain half of a portion of their property on which they had performed land improvements mandated by the reform agency. Given that the portion they could improve was only one-third of the land marked for expropriation, the maximum amount of land that the landowners could retain under this rule was one-sixth of what the state had expropriated from them. The other exemption from the expropriation rule introduced after the parliamentary debate concerned the “model” farms that met objective criteria of higher than average productivity, intensity of use of labor, housing and working conditions. Only 106 properties eventually qualified as “model farm” at the national level, subtracting an overall 39,000 ha from the reform pool. The “residual one third” rule was responsible for the loss of another 27,000 ha, but the two exceptions combined only reduced the overall amount of land entering the reform pool by 8.6%.

The instance of the two landowners-friendly amendments seems to contradict in part the argument that we have presented in the previous pages: that the territorial concessions to the landlords allowed the expropriation mechanism to survive unmodified the negotiations preceding the bill’s approval; and that the simple objectiveness of this mechanism is responsible for the program’s effectiveness during implementation. Indeed, the negotiations with the more conservative coalition members did not yield to the landowners only the reduction of the territorial coverage of the program, but also introduced the two mentioned exceptions to the expropriation rule, that gave some hope to the landowners whose properties fell within the districts. According to proponents of the law, the two amendments were acceptable because they did not subject the expropriation process to excessive risks. First, the objective criteria that defined the “model farms” did not reintroduce the hated discretionary judgments in the process; second the “residual one-third” exception only rewarded the landowners who were willing to invest, and within insurmountable limits. Nevertheless, it is undeniable that the two measures re-introduced a certain degree of human autonomy of decision in the process, albeit involving only a limited portion of the expropriable land. This autonomy
involved in particular in the procedure of the “residual one-third”, fell on the technicians of the reform agencies, that could have been more sympathetic to the local powers.

The expropriation table itself did not sail through the negotiation process completely untouched. Some of the expropriation shares in the table originally presented to parliament did receive marginal downward corrections, namely those (in the leftmost cells) that referred to the most intensively cultivated properties (Table 2.1), and those (of the top rows) concerning the smaller properties. However, these alterations to the original text of the law do not fundamentally undermine the argument we have been trying to present: that territorial concessions in the areas of application have spared more fundamental modifications to the basic expropriation rule, that could have undermined the program’s very viability.

The episode of these cracks introduced in the shell of the reform mechanism also indicates that the goal of the Italian reformist group to create an agrarian reform program that, as if on automatic pilot, would need no discretionary decision making at all, for all it contributed to the program’s success, proved impractical and idealistic right from the start. For the two amendments, while they did not revolutionize the content of the law, certainly introduced possibilities for fraud at the administrative level, had they not been enforced rightfully. The dream of the Italian reformists to remove all subjective judgments form the picture, which greatly helped devise a workable program, makes all more clear the critical importance of being able to count on quality civil servants at the implementation level, to work out the inevitable complexities and controversies involved. The sparse application of the two exceptions and the general efficient performance of the reform agencies in the first phase of their operations, points precisely to the critical importance of the program’s human resources in the overall performance of the reform on the ground. It is to this human ingredient and to the administrative organization of the Italian agrarian reform that we turn next.
Chapter 4 : Implementation and the local Level

4.1 Introduction

Many evaluators of agrarian reform programs have come to the conclusion that the autonomy of the state and of its bureaucracy from the influence of the landed classes is key to their proper performance (Hayami 1990). This independence of the state must exist both at the central policy-making level, and locally at the implementation stage, where landowners too often have been able to escape expropriation through individual exemptions, court appeals, fictitious sales, and other similar expedients\textsuperscript{69}. Added up, these individual exemptions from expropriation amount to the defeat of the reform movement and to the frustration of all the hopes for redistribution.

In Italy this did not happen for several different reasons. In part because of the smart design of the reform law that, learning from the experience of previous mistakes, had removed discretionary decision-making as much as possible from the expropriation process, leaving it to be regulated by objective criteria and automatic procedures. However, as we have seen in the previous chapter, the input of local bureaucrats was impossible to eliminate completely from the expropriation process. These cracks in an otherwise automatic procedure could have given opportunities to the landowners to undo the reform at the implementation stage, had the bureaucrats sided consistently with them. This largely did not happen at the critical stage of expropriation because the local landed forces could not easily infiltrate or influence the reform agencies, which represented the higher power of the central government.

Centralization is an important dimension of the Italian reform administration that contradicts a fundamental tenet of current policy thinking. The principal implementation arms of the reform, in fact, the territorial reform agencies, were decentralized only in a physical sense, but responded only to the central government that appointed their

\textsuperscript{69} It is for example the case of Bangladesh where “notwithstanding laws enacted to place ceilings on the size of landholdings, little has been redistributed; landholders have exercised every means, including fictitious transfers of land, to thwart attempts to limit the size of holdings by means of ceilings legislation” (Tomasson Jannuzzi and Peach 1990: 84). Or of Colombia, where the law “permitted landowners numerous opportunities to forestall action by the state. Clearly, it gave an advantage to those who had the
managers. It was precisely the relative centralization of the whole reform process - a feature that current development thinking usually associates with insensitive administration, inefficiency and corruption - what allowed the reform agencies to isolate themselves from local reactionary groups, allowing them to redistribute land and power.

Later in the course of implementation, the less controversial nature of the tasks that the reform agencies had to perform, like subdividing the land, planning and performing the land improvement works, and selecting the beneficiaries, made them more responsive to local pressures and needs. It was again the central level administration of the state that pressured the territorial reform agencies, more and more openly as time went by, to use the allocation of benefits to create local level political consensus. Nevertheless, in the first few years of life, their operations did not slow down, and the outcome of their work did not deteriorate dramatically.

Two major forces kept them from turning into mere clientelistic tools of consensus-building. One was the challenge that the political organizations of the Left posed to the government both at the central and at the local level. The other was the independence of many rural development technicians in charge of implementing the reform, whose technical values and strong professional identity enabled, at least in part in the critical initial stages of the reform, to escape the political polarization between the Left and the Catholics that pervaded all aspects of Italian society in those years. This chapter focuses on the first of these two forces - the Communist challenge – describing the way in which the reform agencies coped with all the pressures that they were subject to at the implementation level. The role of the technical values and professional identity of the rural development technicians will be covered in the next chapter, which will also deal with the broader rural investment plan, that influenced the land redistribution scheme.

The Communist political organization of the peasants, besides being the original cause of the entire reform experience, helped the reform perform better in the course of implementation in two ways. First of all, the objective to conquer to the moderate coalition the peasants siding with the Left, forced the reform agencies to distribute the benefits of the land reform more widely and fairly than they would otherwise have.

time, financial resources, influential connections, and knowledge to pursue their cases through legal and administrative machinery” (Grindle 1986:145).
Second, the constant criticism coming from the Left, and in part from other more conservative segments of society, aimed at discrediting the work of the reform agencies, forced them to keep the corruption and the waste in check. The net effect of this external criticism was positive, although it imposed also unnecessary costs on the reform agencies, related exclusively to the defense and promotion of the agencies’ reputation.

The agencies operated at the intersection of different forces, under the pressure of conflicting demands from different social groups. In the poorest regions that derived much of their livelihood directly or indirectly from agriculture, the agrarian reform agencies had to fill the vacuum left by the latifundia, as the engines of the rural economies. As such, they were asked to dispense clerical jobs and work contracts to the local middle class; to distribute land and manual jobs to the rural poor, and to hurt as little as possible the landed classes by allowing land-swapping deals. Criticized from the opposite fronts of the left and the right with a variety of arguments ranging from inefficiency, incompetence, technical mistakes and graft, the reform agencies tried hard to push forward their colonization and land improvement plans against all these critical claims, but had to compromise with some of those forces in the interest of political survival.

The agencies are the main actors of this chapter, which narrates from their vantage point the events of the reform’s implementation in the districts of the South. The first paragraph that follows illustrates how the relative centralization of the program’s administration allowed the reform agencies to win the resistance of the local landed elite in two districts of the South, in contrast to the district of Sicily, where a more genuine decentralization yielded very different results. The following paragraph describes the positive influence that the Communist Party had on the program’s performance, through the constant challenge it posed to the forces in power with its vigilance, advocacy, and criticism. The final paragraph places the reform agencies at the intersection of conflicting economic pressures, which they tried to satisfy as much as possible by catering in different ways the needs of different social groups: the rural middle class, the urban professionals, their own employees, and even the expropriated landowners.
4.2 Centralization as a challenge to local landed power

There is an ample consensus among development scholars that land reform programs - much like every other development project - should be administered as much as possible in a decentralized way with the input of local actors. The model of land reform currently espoused by the World Bank reflects this preference for local decision-making in that it recommends the decentralized administration of the subsidy scheme for landless buyers (Deininger 1999). In the case of land reform, the alleged advantages of this decentralized administrative set-up lie in the better knowledge that the locals have of the de-facto land rights and in their higher commitment to local development. Empirical evidence often cited in support of this view comes from the Japanese village committees, including both landowners and tenants, that successfully and efficiently implemented the Japanese post-World War II land redistribution scheme.

However, logic leads us to expect also that devolving the powers to expropriate and redistribute land to local institutions may present high risks for the programs’ performance, because these institutions often represent the landed class more than the peasants (Montgomery 1979). When local institutions truly reflect the strong hierarchies of rural societies, decentralization may be the wrong way to go for programs aimed at redistributing land and power, as it may amount to putting the fox in charge of the chicken. This seems to be what happened in the Philippines, where evaluators of the land reform program have concluded that the Japanese model was not suitable because its proper functioning critically depended on human resources that the Philippine state

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70 Section 4.2.1 in this paragraph relies on unpublished documents from the private archives of Antonio Segni, the Minster of Agriculture of the time, that I have been able to consult thanks to the generosity of Emanuele Benamati, a historian who is also researching the early years of the Italian agrarian reform. The following section 4.2.2 uses documentary material from the personal archives of Communist leader Giuseppe Capobianco and from the archives of the Prefettura of Caserta, which I have consulted at the National Archives of the province of Caserta. The last section 4.2.3 on Sicily relies mostly on the secondary sources that have evaluated the results of agrarian reform in the island. All the sections use additional information from secondary sources and from my direct interviews, cited when appropriate.

71 In Japan, these land committees at the local and prefectural level comprised an elected membership of 5 tenants, 3 landlords, 2 owner-operators, and 3 disinterested members. Their main function was to enforce the ceiling rules set at the central level by selecting the tracts of land that the landlords would be forced to sell, and the beneficiaries among the tenants that would acquire the right to buy them. To learn more about the processes of redistribution in Japan cfr. the early articles written by Wolf Ladejinsky (1949; 1951) on ‘Foreign Agriculture’, and Ronald Dore’s (1984) classic evaluation of the Japanese reform.
lacked, like the capacity and independence of civil servants (Hayami 1990). The same risk that local institutions will be unduly influenced by the landed interests can apply to programs that involve no expropriation, like today's market-based agrarian reforms. Decentralization could thwart the outcomes of these programs as well, if local government institutions acting under the influence of the landed elite overestimate land values in the interest of the sellers, making large-scale redistribution fiscally unaffordable.

The Italian case indicates that these kinds of concerns are justified. Specifically, it warns today's policy-makers against the risks of indiscriminate decentralization in agrarian reform programs whenever it is at the central level of the state, and not at the local, that the political will in favor of redistribution has come to power, and the necessary capabilities to carry it out reside. In Italy the redistributive spurt originated from the central administration of the state, which turned it into a concrete reform plan that public agencies de-concentrated on the territory implemented against the resistance of local reactionary forces. The authority of a competent bureaucracy, central and local, appointed and supported by the central government, has succeeded where many other developing countries have failed, in defeating the resistance to change of the rural society.

It is not my intention here to suggest that the current consensus around decentralization should be replaced by the view - equally extreme but of opposite sign - that centralization is the only approach that can succeed against rural inequality. All that this Italian case study intends to do is to provide an empirical opportunity to unpack the issue of decentralization, that too many policy analysts approach through simplistic or absolute formulas, thus promoting a more nuanced conceptualization of this issue. Hopefully it will help guide the decision of how to subdivide authority and responsibility in land reform programs under different political and administrative circumstances.

In the case of the Italian agrarian reform the devolution of administrative powers to local government was functionally limited: six out of the seven territorial reform agencies

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72 Hayami argued that the best policy to achieve a real redistribution in the Philippines would have been a simple regulatory approach based on a single general land ceiling and on progressive taxation.
73 This is what is happening, according to Borras (2000/2001; 2001), in the pilot projects of the new "negotiated agrarian reform model" sponsored by the World Bank.
were only physically decentralized in the territory, but depended on central level orders and guidelines. They tried to adjust their intervention to local conditions, but pursued rural development objectives that fundamentally originated from the central government. Their margins of discretion were very small in matters of expropriation, but they enjoyed a larger autonomy in the less controversial tasks that followed the expropriation phase, like land reclamation, colonization, and the selection of the beneficiaries. It was precisely in the initial expropriation of private land - the task in which their actions were largely dictated by central level procedures and less influenced by local demands - that the agencies performed better in comparison with land reforms internationally. Using the authority that was bestowed upon them by the reformist central government and by the clear, automatic expropriation rule, in performing the expropriations the agencies were able to resist the anti-reformist pressures coming from local landed powers. Their independence gradually declined as they moved on to the ensuing rural development tasks, less controversial in nature, that the agencies were increasingly induced to use as consensus-building tools.

It is reasonable to argue that if there had been more participation of local forces in the management of the Italian reform agencies and less centralization of power, the redistributive outcome would have been much smaller. One can infer this, for example, from the harsh conflict that arose in Calabria between the local elite and the management of the reform agency - the first to publish expropriation plans in 1950. The conflict was solved by the intervention of the central government in support of the Opera per la Valorizzazione della Sila (OVS), whose authority was challenged by local politicians. One could find a similar situation in Campania, where all local institutions, public and private, were lined up against the enforcement of any redistribution policy, and where local branches of the government endorsed the large farmers’ contention that land reform would have harmed productivity and employment. A piece of counterfactual evidence in support of this thesis comes also from the experience of Sicily, that was allowed to legislate a separate reform program, which had smaller distributive outcomes due to the stronger influence of landowners on the regional government.
4.2.1 Crisis in Calabria

In Calabria, as soon as the expropriations began, local level politicians and professionals linked to local landowners started a strong campaign of opposition to the reform agency. They slandered the management of the reform agency and every aspect of its operations through newspaper articles, private letters and public appeals addressed to national government leaders. These criticisms appeared quite vague and at the same time seemed to come too early in the process, to contradict themselves, and to invest too many aspects of the agency’s activities, thus betraying that their real motivation was to protect the local landed interests.

The critics denounced, among other things: (1) the authoritarian style of the president and of the director of OVS, who did not involve enough the board members in decision-making, (2) the very different share expropriated from different properties, whose uneven treatment appeared arbitrary, (3) the slowness in drafting land improvement plans and in performing the infrastructure works, (4) the absence in the agency of a real technical office responsible for those plans, (5) the delays in assigning the plots, (6) the mistakes made in executing some of these infrastructure works, (7) the disproportionate hiring of Communist workers in the execution of these projects, (8) the excessive travel expenditures, (9) the excessive use of consultants and their high fees.

The first in the list of these criticisms was probably the most indicative of the real motivation behind the attacks. In an effort to gain local acceptance, the government had appointed local political leaders of the DC as board members of OVS, instead of the experts of rural development and representatives of the rural classes that the Calabria law required\textsuperscript{74}. However, OVS president prof. Vincenzo Caglioti, a DC member originally from Calabria, close to the Minister of Agriculture and committed to redistribution in his region interpreted restrictively the board’s rule, limiting it to approving the major acts of the agency’s management, like the annual budget. In the case of the expropriation plans, for example, the technical staff of OVS led by the young but already experienced director

\textsuperscript{74} The Calabria Law established that the board of directors of OVS was to be composed of 12 members selected by the Minister of Agriculture and appointed by the Prime Minister. The government had to choose six of them among “experts of land transformation and colonization, and representatives of agricultural categories”. The other six included the representatives of four different ministries, and of the two provincial governments touched by the reform intervention.
Giulio Leone\textsuperscript{75}, and assisted by Prof. Rossi Doria in the capacity of a consultant, prepared them without any input from the board members, and only submitted them to the board for approval too late for the board to be able to review them.

The DC-affiliated board members who felt excluded from the basic decision-making of OVS led the attacks against Caglioti and leaked to the press the wide array of mostly unfounded criticisms listed above. They also repeatedly sent their complaints to the Minister of Agriculture and to other government members, requesting the replacement of Caglioti. In April 1951 four of the five board members from the region stepped down from their position, creating a void in the board that stopped the operations of the OVS pending their replacement. At this time, the former board members’ critique of OVS became the official line of the local chapters of the DC to which these politicians belonged, bringing to surface the ongoing conflict between the center and the periphery of the DC. An official statement of the DC chapter of the province of Catanzaro of June 1951, critical but quite vague, requested the replacement of Caglioti with a person coming from the ranks of the DC that would “know better the needs of the party”\textsuperscript{76}.

Minister Segni’s reaction to these attacks was twofold. On the one hand, he requested to the critics that they clarified and specified these complaints in writing. Then he sought his experts’ advice on these accusations, asked Caglioti to respond to them, and to account for the most controversial decisions of OVS. On the other hand, he tried to convince Caglioti to take steps that would improve his agency’s relationship with the local DC. Pressured by the center and attacked by the locals, OVS tried indeed to earn the friendship of the local DC powers by making contributions to local Catholic unions, by selectively hiring from the loyal to the DC, and helping out the DC municipal administrations of the area. Later on, Caglioti pointed out to Segni all the actions that OVS had taken in favor of the DC in the district, knowing that the minister needed signs of his loyalty to the DC in order to defend his tenure.

\textsuperscript{75} Before the war Leone had worked for Opera Nazionale Combattenti in the African colonies. After the conflict, before arriving at OVS, he worked again for ONC in various capacities in the reform settlements of Campania.

\textsuperscript{76} In a letter to minister Segni and to the national leader of the DC dated June 13 1951, the secretary of the DC in the Catanzaro province argued that further delaying the replacement of Caglioti would have hurt the DC in the subsequent political campaign, and went as far as suggesting a possible substitute. (Segni Private Archives N.6538)
The Minister’s plea not to alienate the local DC, however, did not involve the softening of the expropriation criteria, which he wanted to remain impartial and inflexible. On matters of expropriation Segni’s approach was perfectly in line with that of the agency managers: both understood that, in order for the program to succeed, they needed to act swiftly and decisively, closing off every escape way from expropriation. Worried by the word that some landowners were selling their properties to local peasants in an attempt to escape their expropriation, in a wire to local provincial government offices and to OVS, Segni asked them to warn the buyers that such contracts were invalid. Director of OVS Leone, promptly responded that all buyers had been advised that the agency would not have recognized those contracts.77

This inflexibility of the OVS managers was critical for the success of the reform operation in Calabria where the expropriation process, unlike the system put in place by the Stralcio law, critically relied on discretionary judgments, in order to be effective. The Calabria law subjected to expropriation the “privately owned land susceptible to transformation” belonging to properties larger than 300 hectares. It was thus up to the technical staff of OVS to determine whether each tract of land within those properties was to be considered already transformed, susceptible of transformation, or non-improved but non-improvable. In making this assessment, we would expect that OVS technicians could have been induced by local powers to be ‘easy’ on local landowners, but they were not.

In the district, the agency expropriated more than half of the 145 thousand hectares that made up the 137 expropriable properties. Different and sometimes conflicting goals needed to enter the complex expropriation decisions. The expropriation plans that OVS drafted usually tried to leave the landowners with organic farming units including all the land they had already improved with rural buildings, roads, wells, and fruit trees. They also tried to make sure that the new properties and those left to landowners included a similar proportion of lands of different quality and destination. In the high lands, where

77 In addressing this problem Leone showed great competence on matters of expropriation, which came from his previous work at ONC in Italy and in the colonies. After confirming that all perspective buyers had been warned, he added that he was not planning to undertake a public information campaign, that “appears unnecessary, given the episodic nature of the problem and the knowledge that peasants already have of the ongoing expropriations, as it could generate a feeling of insecurity in the actions that OVS has
population pressure was higher, the plans had to expropriate more intensively from the existing properties, sometimes including the clearing of wooded areas, that as a general rule were excluded from expropriation. This set of decisions clearly involved a great deal of discretion on the part of the technicians, but, thanks to the relative isolation of these OVS technicians, this discretion did not hurt the effectiveness of the expropriation process.

In the spring of 1951, after the resignation of the DC board members, when Caglioni came under severe attack from within the DC, minister Segni only apparently took the critiques seriously, but in practice sided with the leadership of OVS. The minister was fundamentally convinced that OVS, whatever its mistakes, was persecuted for pursuing its rural development plan in good faith. For this reason he stood behind Caglioni and, in a letter to the national political leader of DC he expressed the opinion. 

..that what we are facing is not an attempt to replace Caglioni for himself, but to arrest the operations of subdivisions and assignment, hoping that the reform will never take place. \(^{78}\)

Segni himself was not going to be able to protect Caglioni and his staff much longer, because in July 1951 he was himself replaced as Minister of Agriculture by Fanfani, a man who was to become known as a great party builder and organizer of the DC. OVS director Leone had already resigned at the end of the expropriation process, "disgusted\(^ {79}\) by the continuous preposterous attacks; under the new ministry, Caglioni soon followed him.

Through a series of subsequent replacements, the new management of OVS gradually became more lenient to the needs of the local DC, and more partisan in the implementation of the reform. However, by the summer of 1951, the Segni-Caglioni-Leone axis, by completing the expropriations and starting the subdivision and assignment

\(^{78}\) "The critiques for the delays in these assignments in fact, --continues Segni -- have arisen only late in the course of the current crisis, that is, when they were less justified because the assignment plans were being prepared". In the same letter, in which he asked the national secretary of the DC to take action against the riotous local party chapters, he also informed him "that respectable foreign bodies are following the Italian events and are getting the impression that we are about to give in to the pressures of the agrarians". This personal letter dated June 10, 1951 comes from the personal archives of Antonio Segni (N.6545)
of the land had secured the basic redistribution outcome, defeating the reaction of the local powers. The task of the managers who followed them was an easier, merely distributive one. The Calabria reform, which could not count on the advantage of an inflexible expropriation rule as much as the six districts subjected to the Stralcio law, timely met its expropriation target against the local opposition thanks to the commitment of its technicians, and to the support they received from the center, from the reformist group of the DC.

4.2.2 Conservatives in Campania

The effectiveness of the expropriation process in Calabria surprised many Italian observers, who didn't quite believe that land redistribution would have ever become a reality. When the government delimited by decree the other reform districts in February 1951, conservative forces similar to those that had tried to resist expropriation in Calabria, and that dominated local politics in the same way in the other Southern Italian regions, started to mobilize. But it was too late for them to escape the same fate of the large landowners of Calabria.

In Campania, for example, the February 1951 decree extended the provisions of the Stralcio law to the lower basins of three small rivers (small dark areas N.6 in Figure 1). These were areas where agriculture was certainly more advanced than in Calabria, but where large properties were still present, among other things, because the poor drainage created periodical flooding and the presence of malaria prevented stable farming settlements. Only the basin of one of those rivers had been expropriated, reclaimed and subdivided by ONC in the last few years before the war. The prevalent agricultural practice in the remaining territories included in the reform perimeter was the raising of buffalos, whose milk was used in the production of the valuable mozzarella cheese. Buffalos pastured in the swampy lands where they were considered to be the only viable agricultural use for the poor natural environment.

In the province of Caserta, which included the two river basins to the North of the city of Naples, in the immediate postwar the largest landowners, all buffalo ranchers, had

79 Personal interview with G. Leone.
started to mobilize against the provisions of the Gullo decrees\textsuperscript{80}. These 1944 decrees meant to alleviate rural unemployment, allowed local committees chaired by a judge to forcefully rent out “uncultivated or under-cultivated tracts of land” to cooperatives of landless workers. It was the responsibility of the government representative in the province – the ‘Prefetto’ – to create this local committee in each province, inviting representatives from rural unions, farmers’ associations, and local government authorities.

In Caserta these authorities – the Prefetto himself, the president of the tribunal, and the delegate of the Minister of Agriculture (Ispettore Agrario) – all clearly sided with the large landowners in the controversy concerning the pasture lands and whether they should have been considered “under-utilized”. All the public authorities sitting in the committee espoused the ranchers’ thesis that their livestock-raising practices were only apparently extensive, but in practice represented the most efficient use possible for that land. With a majority of the committee in their favor, and despite the increasing rural unrest of those years, in 1946 the landowners were able to force the workers’ unions to settle in a deal stating that only the properties that used more than one hectare of high quality land, or more than 1 and 2/3 of poor quality land per head of cattle, were to be considered “under-cultivated”.

Based on this criterion, in Caserta the committee was able to order only 422 ha to be rented out to the cooperatives. When a second wave of workers’ unrest hit the province in 1949, the public authorities participating in the Gullo committee lined up again against the cooperatives requesting the assignment of more tracts of land. The Prefetto and the judge of the tribunal rejected all the new cooperatives’ applications, arguing that, in light of the 1946 pact, no additional assignment of land was justified.

This local alliance of conservative forces, however, could not do much against the new agrarian reform plan emanating from the central government in 1950. The local conservative compact reacted to the February 1951 decree establishing the Campania district, in the same way as it had done in the previous years, but with much less success. The association of large farmers wrote a report claiming that the river basins in the province of Caserta had nothing in common with the depressed areas of Calabria and that

\textsuperscript{80} Cfr. Chapter two, p.49-., for a more exhaustive description of these decrees.
therefore there was no reason to extend to them the provisions of the Stralcio law. Of the
73 thousand hectares of agricultural land - the farmers argued - after the pre-war
reclamation and colonization intervention of ONC, only 4,000 were still left to pastures.
Other croplands were used to grow fodder, which was very necessary, and indeed
insufficient to feed the existing cattle. According to them, a new reform and colonization
would have de facto reduced employment in the area, and evicted many small tenants to
give way to a smaller number of larger farms. What they thought was needed was,
instead, a new land reclamation program, along the lines of the land improvement plans
that the farmers’ consortia had drafted, and that the war had interrupted. The same plans,
one could add, that had never been implemented completely due to the landowners’
failure to honor the private component of the land improvement agreements.

These same arguments and data in support of the view that it was wrong to extend the
Stralcio law to this area, were adopted without any change by the Ispettore Agrario in a
memo he wrote to the Prefetto, and by the Prefetto writing on March 11 to the Minister of
Agriculture, to defend the cause of the local large farmers. All this concerted action
proves the clear commonality of intent of the large landowners with the local authorities,
that would have stopped the reform in this district, had those authorities been put in
charge of redistribution. However, given the strong centralization of the Stralcio reform
program and the rigidity of its rules, whose implementation in the district was entrusted
to a new Special Section of the existing ONC, this local level reaction proved futile.

In Campania the reform eventually expropriated a total of 8,000 ha, and took over the
administration of 8,000 more on which the ONC had already performed the rural
transformation before the war (Table 2.2, p. 62). In the two river basins in the province of
Caserta, where the high level of development of agriculture, according to the landowners,
did not justify any new redistribution, following the new Stralcio rule the local reform
agencies published expropriation plans for more than 2,000 additional hectares. After a
few adjustments, the new Special Section of ONC could settle 955 new beneficiary
families on approximately 1,500 ha of land.  

81 In the post-war period, this region experienced a high increase in productivity thanks to the introduction
of new, more productive agricultural techniques for the raising of buffalos. The new techniques involve a
ratio of 7 heads of cattle per hectare, which is much higher than the one-to-one ratio that the landowners
declared to be the threshold of efficiency in the post-war years. These dramatic technological changes
4.2.3 Sicily: the dangers of devolution

The only important piece of the agrarian reform program whose control the central government was forced to relinquish to the local administration, concerned the island of Sicily. Like most of the other reform territories, Sicily had witnessed numerous episodes of land invasions organized by Communist unions, which often encountered the brutal repression of hired gunmen (Arata 1998). The localized conflict over land of the immediate postwar years had also resulted in a widespread use of the Gullo decrees for the assignment of a large amount of land to landless workers\textsuperscript{82} - a situation that demanded to be settled definitively through an agrarian reform. Thanks to the administrative autonomy it was granted by the new post-war constitution, the Sicilian assembly claimed the right to legislate its own agrarian reform independently from the rest of the nation. However, in the Sicilian assembly the DC, with only 20 seats out of a total of 90, depended critically on the support of other right wing groups like the \textit{Uomo Qualunque} and the \textit{Liberali}, to stay in power\textsuperscript{83}.

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accompanying a sharp increase in the overall production of buffalo milk and of the demand for the final product of it, mozzarella cheese, turned the buffalo ranching industry into a great generator of wealth in the Campania region (Bianchi 2001). This improvement in the productive techniques that turned out to be so beneficial to the local economy has resulted at least in part from the forceful break up of some of the properties induced by the reform, which forced the expropriated landowners to use more efficiently the smaller properties they were left with, and from the private investments induced by the residual one-third rule. For example, the farmer who is recognized as the greatest innovator in the buffalo ranching industry because he first introduced the mechanical milking of buffaloes and other innovations, was among those expropriated by ONC. In order to reduce the acreage that the reform planned to expropriate from his farm and to preserve the technical unity of his ranch, he bought and offered land to ONC in partial replacement of the expropriated lot, and performed land improvements on one-third of the property to the same effect. In other words, the reform induced him to invest and gave him incentives to maximize productivity. While the role of the reform in determining the technical changes of this industry, after all these years, can hardly be separated out from other factors like, most notably, the sharp increase in the product’s demand, these technological advancements prove the short-sightedness of many allegedly technical efficiency arguments that the landowners use to oppose the reform. The ranching technique that the landowners declared to be the most efficient was soon surpassed, under the new policy-created conditions, by more capital intensive ones, compatible with much smaller farm size.

\textsuperscript{82} Renda (1976) reports that before agrarian reform the cooperatives of landless workers had received in assignment 86,420 ha in Sicily – or more land than in any other region, and more land than in the entire mainland, where only 65,907 had been assigned.

\textsuperscript{83} The Communists had won ten more seats than the DC in the Sicilian assembly, where they held one third of the 90 seats. This did not make their position stronger, however, as the DC had decided to join forces with the right in order to reach a majority that would exclude the Communists. For the first couple of years

The large landowners thus enjoyed a higher degree of influence on the Sicilian regional government than they did at the national level, that allowed them to obtain a more favorable reform law at the regional level. Apparently similar to the Stralcio, in practice the Sicilian program gave the landlords a larger number of opportunities to escape expropriation. The law identified the expropiable properties based on their size, employing a cutoff threshold of 200 hectares. The intensively cultivated areas of the coast, however, were not included in the measurement of the property’s size which basically reflected only the large extensions of the interior used as pasture or for the production of grains (Piazza 1972). Moreover, an important provision favorable to the landlords exempted from expropriation the tracts of land that peasants had bought from landowners using the subsidies of the Cassa per la Formazione della Proprieta’ Contadina (CPC) up to three months after the passing of the law (Renda 1976). This critical article of the Sicilian reform law, which explicitly predisposed an interaction between the two pieces of pro-peasant legislation - the reform law and CPC - was responsible on the one hand for a significant reduction in the land subjected to expropriation, on the other, for a break-up in the latifundia through different means, i.e. subsidized land market transactions (Amata 1988).

Based on these different rules, the Sicilian reform agency expropriated only 4.7% of the total agricultural land in the district, a much lower share than all the others except one (Cfr. table 2.2). The smaller amount of land redistributed depended in part on a less unequal distribution of land in Sicily, but was also aggravated by the fact that the percentage of viable owner-operated farms created by the reform was even smaller than on the mainland. In fact, the quality of the land expropriated was also on average worse than in the remaining districts, possibly because the better quality lands that could have been expropriated, were either exchanged on the market with the subsidy of CPC, or completely exempted. The infrastructure and services that the Sicilian reform agency provided to the new farmers were also scarce, with the result that the assigned plots were less viable as independent residential settlements. The INSOR survey of the mid-1970s reports that by that time in Sicily only 3.9% of the assigned plots were used as permanent
residences— the lowest number in the report— against a national average of 36.6 for the farms and 8.1% for the lots (INSOR 1979).

The experience of Sicily, where local elected institutions were indeed put in charge of agrarian reform thus provides counterfactual evidence in support of the claim we are making, that a truly decentralized administration of the reform would have accomplished less redistribution. Decentralizing the legislation and the administration of land reform to the regional government where the balance of power, much like in other Southern Italian regions like Calabria or Campania, was less favorable to the reformists, has turned out a regional agrarian reform that the local public administration was less eager to implement. However, in Sicily the threat of expropriation interacted with the provisions of the CPC land bank program, to the effect that the program reached much of its redistribution effect indirectly, through market transactions, and did not turn into a complete failure. But this threat was made credible only by the experience of the rest of Italy where the centralized reform administration had already overpowered the local landed elites, through its territorial reform agencies.

4.3 The Reform Agencies and the ‘Local Cold War’

The Communists’ mobilization of the poor peasants in the Italian South, as we have argued before, has been the main determinant of the entire reform drive, as it has created the political emergency that the reform was designed to address. After the Christian Democrats came to power, in order to consolidate their rule, they had no choice but to address the aspirations for land redistribution that the Communists had first generated, and then channeled against government institutions. The positive influence of the Communists’ activity on the reform, however, did not end with the passing of the reform laws. Even during implementation, the rural organization of the Communists pressured

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84 The Sicilian reform did not adopt the same distinction between ‘Farms’ and ‘Lots’ in the same way as the Calabria and the Stralcio reform programs did. It is thus unclear, in the absence of a good evaluation of the Sicilian reform whether all the plots assigned comprised a house or not.
85 Amata (1988) reports that the landowners sold to peasants on the free market a much larger amount of land than the Sicilian reform agency was able to redistribute directly. The regional-level estimates that he quotes put the market sales to peasants during the reform years at 150,000 ha - a much higher amount than the approximately 100,000 redistributed by the reform. CPC alone in the period 1948-1952 immediately
the newly created administrative machine of the reform to perform rapidly and efficiently, keeping it constantly on its toes with the force of its political mobilization of the peasants, of its accusations, and of its alternative proposals.

The threat of this Communist rural organization had both good and bad effects on the fairness of the operations of the reform agencies. In the initial stages of the reform it induced the reform agencies to accelerate the expropriation process and prohibited them from being partisan in the assignment of the land. The DC in fact needed to offer a quick response to the hunger for land of the rural masses and needed to satisfy in particular the claims coming from outside its political constituency, in order to stop the growth of the Communists and to expand its political base. At the same time this threat caused injustice, as it induced the reform agencies to selectively favor the organizations affiliated to the DC at the expense of those hostile to the government. The same force that pressured the agencies to produce results quickly - the hostile challenge of the Communists - also justified negative behavior like the political discrimination of the leftist employees of the agencies and reform beneficiaries.

The reform agencies did not start out their operations with such a partisan agenda, but were gradually induced by the central government to take on the active political role to strengthen the rural institutions friendly to the forces in power. Largely staffed with technical personnel pursuing extra-political rural development goals, the reform agencies had to be gradually convinced by the pressures of the central government to interact more closely with government-friendly local powers. These pressures that the DC exerted on the agencies’ technicians to pursue a consensus-building agenda became more effective as the Communist threat started to decline. Somewhat counter-intuitively, in fact, the political challenge of the Communists kept much of this inefficiency and partisanship in check. As the reform progressed on the ground, the most competent technicians left the agencies and were replaced by less impartial persons, and the agencies gradually evolved into consensus-building tools of the government. However, by the second half of the 1950s, when the agencies had completed this process of identification with the ruling

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preceding the implementation of the Sicilian reform was responsible for the acquisition of 175,000 ha by small owner-operators in the island.
political party and destroyed much of their original human capital, the redistributive outcome of the reform had been in large part secured.

The PCI’s ability to stimulate and monitor the institutions in charge of planning and implementing the reform depended:

a. on its complex organizational nature, at the same time of a political party and of a social movement, that allowed it to collect records of grievances and misgivings from civil society, and to make them the object of national level political debate;

b. on its structure of a centralized organization with a highly visible leadership but with diffuse regional ramifications, that allowed it to rapidly exchange information from the center to the remote periphery and vice-versa;

c. on its choice to pursue simultaneously two apparently inconsistent courses of action: to present alternative, more radical reform proposals, while at the same time pressuring the authorities for the proper implementation of the existing policies in the interest of all the rural poor.

4.3.1 The reform under attack from the Left

Before they were excluded from the interim governments, the Communists were the first to bring land redistribution into the institutional picture with the 1944 decrees of minister Gullo - already mentioned several times - that allowed the compulsory assignment of under-cultivated tracts of lands to workers’ cooperatives. The land invasions that the Communists kept organizing in the following years created such political concerns that the following cabinets, in which the Communists were first marginalized and then excluded, did not disavow these measures. Much to the contrary, the Christian Democrat Segni, upon becoming Minister of Agriculture in a De Gasperi cabinet, revised those decrees to speed up the processing of the cooperatives’ requests and to expand the categories of lands that could be transferred by the local committees. In September 1946, Prime Minister De Gasperi himself wrote to the Prefetti of all the provinces to recommend that the local committees accelerated as much as possible the

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86 In the cases in which the provincial-level committees headed by the president of the tribunal showed to be unable or unwilling to timely process the cooperatives’ requests, the new decree allowed the Prefetto to set up new committees that they would themselves chair.
analysis of the cooperatives’ demands and the consequent assignment of land. This activity should have been accompanied by the repression of all new land invasions and by the promise of a new agrarian reform plan, to re-establish the order of law.\textsuperscript{87}

Later on, the PCI contributed indirectly also to the definition of the DC’s general reform plan of 1949, as this proposal was in many ways a policy response to the agrarian reform plan that the PCI had disclosed to the press in 1948. This comes out quite clearly from a 1948 memo addressed to Prime Minister De Gasperi, in which Minister of Agriculture Segni articulated the basic points of his approach to agrarian reform by contrast to the recently publicized Communist plan. Of the two central points of the Communist plan, a proposed increase from 50 to 60% of the sharecropper’s share of the product, and the expropriation of absentee owned property, Segni strongly rejected the first, and criticized the second for being too open-ended\textsuperscript{88}.

The approach to land reform that Segni started to delineate in this document involved expropriations only in the worse cases of land monopoly and mismanagement, and only within the framework of a larger plan aimed at re-vitalizing land markets also through incentives to peasant land acquisitions on the market. By identifying the properties to be expropriated as the ‘absentee-owned’ as the Communists do – Segni argued – “the reform would hit not only the properties, but also the rural enterprises of the tenants, in which (especially in Northern Italy) large technical means, significant capital, and not easily replaceable managerial capacities, have been invested”\textsuperscript{89}. Such an open definition of the rural enterprises to be expropriated was too subversive, and thus forced the DC to find a more conservative and more selective expropriation criterion that would have allowed them to exempt the efficient capitalist farms of Northern Italy. The government eventually found this solution, as we know, in the territorially limited reform law using taxable income and size as expropriation criteria.

\textsuperscript{87} Telegramma (cable) of Prime Minister De Gasperi to the Prefetti, of 29/9/1946 (Archivio di Stato di Caserta).

\textsuperscript{88} This memo is published in appendix to Silvana Casmirri’s (1989) “Cattolici e questione agraria..” (p.240).

\textsuperscript{89} The distinction between property and rural enterprise was a recurring theme in the work of many agronomists. The fact that Segni used it in this important policy memo suggests that his ideas were influenced by agricultural technicians like Bandini and Mazzocchi Alemanni, who often insisted on the need to subject to the reform only the unproductive enterprises, and not necessarily the large concentrations of property, if they were subdivided in a multiplicity of efficient tenanted enterprises. Cfr. Mazzocchi Alemanni (1955:45).
The influence of the Communists on the design and implementation of the reform was the greatest earlier in the reform process and in particular it was significant in the case of the Calabria law, which preceded the Stralcio reform law by a few months. The pre-existing situation on the ground in Calabria, where 35,000 hectares had been temporarily assigned to workers’ cooperatives, induced the government to be open to the input of the Communists, who could have done a lot to oppose the reform or to stir more peasant unrest. The original government plan accompanying the text of the Calabria bill anticipated the expropriation of 55,000 ha, and their distribution to approximately 5,000 landless families, and to another 4,000 who already owned microscopic properties. After a meeting with the opposition leaders, these estimates seem to have been revised upwards to, respectively, 68,500 ha, 6,000 landless families, and 5-6,000 micro-owners.

The Communists criticized this plan for not settling all the 27,000 landless peasants of the district, thus creating a privileged group within them, and for intending to evict the cooperative members from the plots they had been already assigned ex Gullo decrees. Their alternative plan would have confirmed the cooperative members on their land, giving them permanent titles, and distributed another 53,000 ha, to the result of settling all of the 27,000 landless families on 3 ha plots, and each one of the 10,000 micro-owners on 1.5 ha. For the Communists, the total acreage required under this plan could have been reached through the integral expropriation of the properties exceeding 300 ha. Based on this disagreement, the PCI deputies voted against the bill, while the Socialists, who were also critical, voted in favor.

While Rossi Doria and Caglioiti on the government side formally rejected the Communist plan, proclaiming the technical superiority of their solution, in practice during implementation they had to partially accommodate the Communists’ views. First, in order to satisfy as many as possible of the claimants, they had to acquire more land than they originally anticipated. This was done by enlarging the boundaries of the district to include the small territory of Caulonia, and by expropriating properties more intensively than originally planned. These adjustments resulted in the expropriation of

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90 This debate took place within the Senate committee in charge of drafting the Calabria bill, which included DC, Communist and Socialist deputies. I have learned the basic content of the Communist counter-proposal and of the governmental rebuttal, from a memo (N.6413 in the private Segni archives) that the OVS technicians sent to the leader of the majority group in the committee.
75,400 ha, or 7,000 ha more than anticipated in the revised plan, that, integrated by another 10,500 ha purchased on the market, allowed the agency to settle 11,500 families on farms, and to assign integration quotas to another 6,700. This allowed the government to ‘settle’ 5,500 more landless families, and to integrate the possessions of at least 1,000 more micro-owners, than originally planned.

The social pressure that the Communists were able to exert on the agency led the OVS technicians to abandon also their original colonization plans, reducing significantly the size of the farms. Notwithstanding this reduction, the Communists remained very critical all along the process, arguing that not enough land had been expropriated and not enough of the peasants were benefiting from it, with as many as 7,000 legitimate claimants excluded (Pezzino 1977). The politically motivated decision to create smaller farms to include more of the landless generated much criticism later on, when it became clear that the size of many of these farms was insufficient to support a family. In light of this, the most objective evaluators of the Calabrian reform, have suspended their judgement on the outcomes of this program, in recognition of the inescapable trade-off between redistributive and productivist goals in a district where population pressure was so strong.  

Despite their rejection of the Calabria bill, the Communists tried to get their voice heard also after the law’s approval. They carefully monitored the reform’s implementation with particular attention to the fairness of the process, and to the reform’s impact on the cooperatives. With respect to those, the DC members of the Senate committee had vaguely promised to evaluate case by case whether to confirm the cooperative members in their assignment, had the lands they were farming been expropriated from their owners. Unsurprisingly, OVS did expropriate almost the totality of the lands that the cooperatives had received in assignment from the Gullo committees, with the result that the older rights of many cooperative members came into conflict with those of the new beneficiaries selected at the town-level.

Resolved to protect the rights of the cooperators, Communist and Socialist deputies organized the occupation of those lands, but were forcefully evicted by the police, that
also made some arrests. In the compromise deal that ensued, OVS did confirm many of the cooperative members in their original assignment, but basically refused to recognize any authority to the cooperatives themselves. In order to delegitimize them, for example, OVS denied the cooperatives the right to re-subdivide among their membership the plots that some of their members had received, and rejected the cooperatives’ request to provide technical assistance and credit also to those among their members who would not be chosen as reform beneficiaries. In doing this, the government basically was making the existing leftist cooperatives completely useless for their members.

While the DC was using the reform to destroy the institutions that directly linked the peasants to the Left, the Communists tried to enhance their moral reputation in society at large, by presenting themselves as the advocates of a broader distribution of the benefits of the reform in favor of all the rural poor. From the columns of the leftist press, they repeatedly denounced the delays and the limitations of the reform process, urging the agencies to accelerate the assignment of land. They uncovered an alleged conspiracy of the president of the parliamentary committee in charge of approving the expropriation plans, who delayed his office’s operations, in order to be able to blame the opposition members for the slowness. They collected evidence of alleged mismanagement, waste and partisanship that the reform agencies were guilty of, that they later used to try to discredit their work at the central as much as at the local level.

This relentless monitoring culminated in a set of parliamentary interrogations regarding the activity of the agencies, in which the Communists brought up to the attention of the public a very large number of episodes of wrongdoing, always citing the names of the people involved. The accusations involved:

1) The expropriation of insufficient extensions of land, that illegally left high amounts of property in the hands of several landowners.
2) ‘Generous’ land swapping deals modifying the original expropriation plans, that unduly favored several landowners.

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91 This was the line of defense used by high ranking technicians involved in the planning of the reform. See what Rossi Doria wrote in 1951 (as quoted in Pezzino (1977:105), and Bandini (1956), to justify the lack of economic self-sufficiency of many of the new farms.

92 See, for example the articles on “La Voce del Mezzogiorno” of 15/09/1950, of “L’Unità” of August 26 1952.
3) The payment of an excessively high price for the land that the agencies had purchased on the free market, and for other farm implements.

4) A few episodes of injustice, often politically motivated, in the selection and in the ranking of the beneficiaries.

5) A few episodes of bribery and embezzlement involving employees of reform agencies.

6) Delays in the assignment of land to the beneficiaries, allegedly motivated by the agencies’ intention to earn from the temporary cultivation of those lands.

7) Delays in the assignment of full title of property motivated by the agencies’ intention to prolong the state of vulnerability and subordination of the beneficiaries.

8) The authoritarian nature of the agencies’ relationship with the beneficiaries, who were forced to buy goods and services relating to land improvement without knowing their price, thus getting into unwanted debt.

9) The agencies’ constant refusal to recognize autonomous organizations of the reform beneficiaries of any sort, or to interact with their leadership.

10) The general politicization of the reform agencies, demonstrated by their symbiotic relationship with the DC and its organizations.

Of course, we have no way to establish the validity of these accusations. Common sense leads us to expect that not all of them were warranted, although many were. The point we would like to make here is that, irrespective of how well founded these accusations were, or how representative of the performances of the agencies, they certainly had a positive impact on the agencies’ activity by inducing the national government to monitor them more closely. Almost inevitably, public accusations of this sort would lead the Ministry of Agriculture to send written inquiries to the management of the reform agencies or, in the worse cases, to conduct direct inspections on the agencies’ work. Given the relative centralization of the system, there was a lot that the Minister could do or threaten to do to force the agencies to act more responsibly. In

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93 The following list summarizes the main recurring points in the parliamentary interrogations of the opposition deputies Messinetti, Miceli, Assennato (1954), and Francavilla (1955).
several cases, the employees of reform agencies who were found responsible of wrongdoing, were let go.

4.3.2. The decline of technical independence.

To be sure, the Communists' influence on the performance of the reform agencies has not been always positive. The strong political polarization of Italian society in the years in which the reform took place also imposed heavy costs on the reform agencies, and introduced inefficiencies. These costs and inefficiencies caused by the political struggle of the time, however, according to many observers, started to burden the reform administration more as the Communist threat became less real. If this were true, it would mean that the same political antagonism that led to bias and clientelism in the reform administration, initially helped to keep this malfeasance in check.

The immediately measurable costs introduced by the antagonistic political climate of the time related, for example, to the activity of political propaganda that the agencies considered necessary to counter the negative campaign that the Communists were conducting at the local level, and that the reform agencies had to finance out of their own budget. The Puglia reform agency, for example, in the years 1951-52 paid several journalists each month between 15,000 and 20,000 Lira per each article published on the local press, or a little more for other propaganda services.

The time and resources that the agencies spent protecting their reputation and controlling the information on their activities that they released to the public, also represented a cost imposed on them by the hostile political environment. The reform agencies never made public, until they basically disappeared very recently, any of their internal formal documents, land improvement or colonization plans, instructions to local offices, etc (Panerai 1955). The only official documents that they periodically published were their annual budgets, whose categories appeared lumpy and confusing, and pamphlets, in themselves quite expensive, containing data on their output such as the number of trees planted, the number of hectares expropriated, and the number of families settled. The inefficiencies, on the other hand, consisted, for example, in the uneven
treatment of beneficiaries, employees, and local organizations, based on their political loyalty. These practices, initially episodic, became almost the norm when the reform entered the phase of the ‘ordinary administration’ of the settlements through the cooperatives of beneficiaries. Besides causing inefficiencies in the economic sense of not leading to the most productive use of the resources, the unjust allocation of the program benefits and jobs hurt the program’s outcomes by generating disaffection and hostility all around it.

These practices were motivated by the political goal to weaken the organizations of the Left and to empower those linked to the Center within the reform districts. This was not a goal that the management of the reform agencies originally intended to pursue, but one that the central government tried to impose on them, at first only to the extent that it could have facilitated the operations of the reform, then gradually more and more explicitly. The first instances of such partisanship can be recorded in the case of the Calabria agency, which faced a hostile local environment in which the rural organizations of the Left were disproportionately more powerful than those friendly to the government. Under such conditions, the official bi-partisan, technocratic approach of the OVS had little practical meaning. The agency’s initial openness to negotiation with the leftist rural unions attracted to it strong protest from central and local DC politicians, triggering the resignation of the DC board members.

At this point, OVS president Caglioti, whose DC membership was not sufficient to protect from internal party accusations, received pressures from the centerto document his agency’s contribution to the Christian Democrats in the region. In response to these requests, on May 5th 1951 - the day before a DC meeting in which the issue of his appointment would have been discussed - Caglioti sent Minister Segni, together with a detailed report on the ongoing land improvement works, a separate list of the more political accomplishments of OVS. These included the financing of local Christian labor unions, the hiring of personnel recommended by DC personalities, the funding of a position in charge of liaising with the local DC and of political propaganda. This document\textsuperscript{94}, which Caglioti submitted to his political credit, on the one hand gives a clear picture of the extent to which in the Spring of 1951 the agency had already accepted to

\textsuperscript{94} Segni Private Archives N.6552
play a non-neutral political role, on the other shows that the source of this pressure to accommodate local interests was the same central government on which the agency founded its authority to redistribute land and power.

Later on, the government subjected the other reform agencies to similar pressures to establish preferential relationships with local level organizations linked to the DC, and to delegitimize the existing rural network of the Left. Minister Medici, for example, in August 1954 warned the president of the Puglia-Basilicata-Molise agency that members of the “Sindacato Autonomo Assegnatari” (the Independent Union of Reform Beneficiaries) would have tried to create workers’ cooperatives with the apparent intent to perform plowing works for the agency. Their real goal, according to a report that the Minister had received, presumably from the police or the secret service, was to take advantage of the daily contacts with the beneficiaries to stir up their discontent, and to determine a state of permanent unrest against the agency.

Three months later, in November 1954, the same minister wrote again to President Ramadoro, this time to recommend that the Puglia agency entertained tighter relationships with a Catholic rural union called “Comunita’ dei Braccianti”, promoted by a local Bishop. In doing this, Medici was responding to the Bishop’s complaint that the agency had assigned land by preference to the workers who had previously occupied the same land, organized by the “Reds”. In doing this, the Agency was penalizing those who, following the advice of their leaders, had not responded to the Communists’ appeal to act illegally. It is this type of political bias, involving the systematic exclusion and ignoring of all independent organizations of the reform beneficiaries, that the Communist deputies were denouncing in point N.9 of the list above.

A similar marginalization of the Left-leaning, or even of the politically independent, elements, took place also within the reform agencies. The degree of independence of the agencies gradually but steadily declined in the course of the years, as their ranks expanded. Their technical competence and independence of the early 1950s depended on the fact that their top executives and cadres had been chosen among middle aged people, who had accumulated some rural development experience before the war. Gradually, all
of the new hires, especially at the lower levels, were chosen among individuals recommended by DC politicians or clergy.

Apparently after the elections of June 1953, the partisanship of the reform agencies became worse. The Christian democrats probably interpreted their unsatisfactory electoral results in the reform districts as a sign that an impartial implementation of the reform measures, left to the technical judgment of non-political, rural development experts, would not have served well their anti-Communist goal. At least this was the opinion of a highly respected, impartial intellectual like Francesco Compagna (1955) who denounced that after the elections, the agrarian reform was on a “dangerous downward slope” whereby the reform agencies showed increasing weakness against political pressures.

Our interviews with direct participants to the reform process confirm that around 1953 the penetration of the DC in the reform agencies reached an unprecedented level, which became unbearable for those who wanted to remain politically independent. A technician of the Puglia agency recalls that, in 1953, the general director sent a note to all the territorial offices of the agency asking all of those who had been hired without a political recommendation, to produce a letter of reference from a Catholic personality providing information on their political background. Implicitly the note warned the leftist elements within the agency and those who wanted not to take political sides, that from that moment onwards life was going to be made harder for them.

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95 The first letter N.37253 addressed to the President of the Puglia-Basilicata reform agency by the Minister of Agriculture is dated Feb.11.1954. The second note of Minister Medici is dated Nov. 2nd 1954. Both can be found at the State Archives in Bari. (Fondo ERSAP, Serie Segreteria Generale, Busta 33, Fasc.2.)

96 Compagna represents a uniquely independent observer and judge of the reform’s performance in those years of extreme political polarization, among other things, because he belonged to the free-market oriented Liberal party. His 1955 short piece on Mondo Economico identifies the 1953 elections as a turning point in the DC reformist strategy, that led to the agencies’ loss of independence. “Before June 7 1953 – he wrote – the agencies applied, with few exceptions, objective criteria of good administration in the first phase of technical implementation of the reformist effort. It is also thanks to the enforcement of these criteria that, on June 7th, there has not been the kind of electoral crash that someone would like us to believe. To the contrary, the Communist expansion, in the towns included in the reform districts has been contained and sometimes slowed down. But, after June 7 we have noticed, instead, a certain slack of the agencies, a general weakness in facing the political pressures, an increasing bureaucratization of the services, a deplorable indulgence towards political, or even electoral, patronage”. His attempt to convince the Christian Democrats that their electoral results should not have been interpreted as an outright defeat, shows the causal link that he made between the electoral results and the increasing politicization of the agencies. The disappointment of the DC for the electoral results, in his mind, may have resolved the DC leadership to inform all aspects of the reform’s implementation more directly to political consensus-building.
What happened afterwards to this employee of the agrarian reform agency, who had indeed been hired without such recommendation, is also instructive of the struggle that went on in those years within the ranks of the agencies. Despite the fact that he had never been interested in politics, this technician asked a friend from his hometown to obtain a letter from the local DC leader, stating “that he was not a Communist”. In an excess of zeal, his friend sent along with the letter a membership card of the DC in his name. When the technician, who didn’t want to join any party, refuse the membership and rejected the card, the episode gradually became a “case”, reaching the higher levels of the agency and of the DC. Here, some politicians accused the technician of insulting the party, causing the general director of the Puglia agency to intervene, re-assigning him to a new destination. In that occasion general director Prinzi, who came from a pre-war experience at ONC, tried to console the technician by telling him that he could relate to what he was going through. “Try to let go, and be cool – Prinzi told him – I trust you very much. Unfortunately they say similar things about me, that I am a Fascist. But how can they prove it, if I always do right what I am supposed to do?”

The technical backbone of the reform agencies that people like Prinzi represented, could not resist much longer this kind of relentless pressure coming from the party in power. In 1957, Compagna denounced even more strongly than he had done two years earlier, the surrender of the reform agencies to the invasion of politicians. He mentioned examples very similar to the one we have just told, in which politicians used a mix of threats and rewards to induce the recalcitrant reform technicians and beneficiaries to join the DC. This attitude of the party in power, he argued, was even less justified now that the Communist pressure was weaker than it had been before. Implicitly, the political dynamics in the reform districts that Compagna described, suggests that the Communist threat and monitoring represented a force that kept this reprehensible behavior in check.

97 “Now we have to say with deep bitterness that, right now that the Communist pressure has declined – allowing more freedom to pursue the democratic objectives of the reform and narrower chances to claim extenuating circumstances to justify certain discriminations or favoritisms – the Christian Democrat pressure has exceeded any tolerable measure, overflowing from the reform agencies to the reclamation consortia. It imposes the threat of the membership card to whoever has business with the state or with one of its agencies, using very different methods, we should say, from those that Segni started, followed by Colombo, with undeniable democratic inspiration”. (Compagna 1957)
To what extent did political partisanship enter the process of selection of the beneficiaries? It is today impossible to get an accurate sense of the incidence of politically-based injustice in the ranking of potential beneficiaries, because this activity was done at the town level, in a truly decentralized way, under the supervision of the reform agencies. The situation may have varied very much depending on the place and on the sense of fairness of the public authorities involved. However, the picture that one gets by reading the documents of the time and by interviewing reform beneficiaries from different political sides in different reform areas, is that the Communist peasants, as a general rule, were not excluded from assignment only based on their political beliefs. This conclusion makes sense also based on pure logic: if its goal was to defeat the Communist movement in the countryside and to gain consensus among the peasantry, the DC could not afford to leave the Communist peasants in the same state that had facilitated their falling prey of such extremism (Barberis 1999:482).

In the town of Lavello, for example, where the Communists and Socialists held control of the city government and where they had one of the longest traditions in the region, locals have a mixed view of the fairness with which the reform beneficiaries were selected. Minister Fanfani, speaking to a local crowd in December 1951 had announced with much fanfare that: “the government will give land to those who militate under the white flags and to those who militate under the red flags, so that, with the green of the fields, their colors will compose the national flag” (Osti 1957). According to the Communists, however, the local reform committees discriminated against the leaders of the leftist movement, who were excluded from the assignment of the land, but included all the other militants who met the requirements of landlessness and family size. The only

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98 That’s why many evaluators of the Italian reform that have criticized the assignment process – especially from the Left - for being unfair, seem to contradict themselves when they accuse the reform at the same time of being a fundamentally political operation and of discriminating the opposition. A good example of the confusion that results from these simultaneous criticisms can be found in the otherwise quite reliable King (1977:57). “The political intrigues had a double aspect;” - he wrote on this subject - “apart from the Po Delta, where practically the entire peasantry was Communist and where there was no room for discrimination, the reform agencies attempted simultaneously to favor DC (Christian Democratic) supporters and to placate communist agitators by including them in the reform too.” The passage, on the one hand reflects well the set of conflicting pressures that the reform agencies were subjected to, without clarifying how they were resolved in the assignment decisions. On the other, coming from what appears to be a non Communist writer, it suggests that evaluators in general, and not only those influenced by ideology, may be giving too much credit to the multiple criticisms that they collect in the field, that end up biasing their overall judgment in a negative sense.
Communist leaders who were included in those ranks of beneficiaries were those who "presented themselves to the DC people with their hat in their hands"\textsuperscript{99}.

The lack of consistent Communist complaints denouncing irregularities in the formulation of those lists, in contrast to all the protest they voiced concerning other aspects of the reform, also appears to be in itself evidence that the selection of the beneficiaries excluded the Leftist elements only occasionally, hitting only on particularly visible agitators. As a general rule, the real discrimination started after the assignment of the land, with the threat of eviction, the discriminatory delivery of the services, etc., hurting selectively the overtly Communist elements. The electoral results in sections like Gaudiano in the same town of Lavello, that had been especially created to include only reform beneficiaries, also point to a similar conclusion. Here, in the first local government elections of 1952 the Communist and Socialists garnered together more than 50\% of the votes, indicating that large number of Communist workers had been chosen as beneficiaries. Later on, in just four years, their share had declined to less than 1/3\textsuperscript{rd}, indicating that the post-assignment favoritism had been politically more effective for the DC than the land transfer itself.

4.4 A Strategy of inclusion: landowners, employees, and the middle-class

From the previous paragraph one could get the wrong impression that the reform agencies, by directing resources disproportionately towards one privileged group that they were trying to empower at the expense of the others, only had the effect of creating divisions within Italian society. In fact, their role should be described more accurately as that of spreading the benefits of the reform as widely as they could within the agrarian society, in order to prevent and neutralize the potential opposition of all political color. The reform agencies had no other chance but to play this role within the reform districts, after the rural movement guided by the Left had brought into the political arena new and

\textsuperscript{99} Personal interview with Mr. Finiguerra, former Communist Mayor of Lavello and local politician. Taking off the hat is a sign of respect towards authority and here stands to represent the Communist leaders' submission to Christian Democratic rule.
traditionally excluded groups, and after the reform intervention had definitively destroyed the traditional hierarchies that organized social interaction.

In this newly open social context, the reform agencies acted on behalf of a new coalition in power that needed to establish its authority over the numerous social groups and individuals claiming the right to public resources. In the last paragraph we have tried to argue that the reform agencies did not exclude the Communist peasants from the land, but, to put it simplistically, welcomed them in the reform system as long as they did not 'act out' their Communist faith. The DC-dominated agencies, however, did not only need to satisfy some of the demands of the Left, but needed also to discourage from joining the opposition other segments of the middle class that had been hurt by the reform, or that used to live off the old concentrations of landed power. Many of the decisions of the reform agencies that involved the distribution of resources can thus be interpreted as self-preservation tactics aimed at buying off potential opponents.

Far from restricting them to a privileged elite, the reform agencies tried to extend the benefits that they had control over, to the largest number of firms and households for consensus-building purposes. However, these purposes, in the case of the allocation of jobs, contracts and other benefits, much like in the case of the decisions regarding the size of the plots and the number of beneficiaries, often collided with the efficiency of the reform intervention. The deals that the reform agencies struck with expropriated landowners in many cases added to the land improvement cost of the intervention, and reduced the sustainability of the newly created farms by reducing the quality of the land entering the reform pool. The welfaristic use of hiring, procurement, and work contracts also represented a liability that the reform agencies willfully took on themselves in order to gain acceptance in the rural community.

4.4.1 Landlords

First of all, the reform agencies tried to temper the hostility that they had generated in the group of the expropriated landlords themselves. As we know, there were two lawful ways in which the agencies could try to mitigate the negative impact of the expropriations on the landowners:
• they could stipulate individual deals with the landowners, that would allow them to substitute the tract of land that they had been expropriated of, with others of similar value;
• or they could allow the landowners to retain half of a portion of their expropriated land on which they had agreed to perform land improvement works. These improvement plans could concern up to 1/3rd of the expropriated land, and had to be preventively approved by the reform agency.

Another type of favor that the reform agencies could do to the landowners - be they among the expropriated or not - was to offer to buy some of their land at its market value, but this type of transactions only happened occasionally.

Table 4.1 shows that the amount of expropriated land that the landowners were able to retain through the “residual 1/3rd” rule was in general smaller in the areas where agriculture was more backward\textsuperscript{100}. Column ‘d’, the share of the total agricultural land of the district that the landowners were able to retain through the residual 1/3 procedure, was highest in the districts where agriculture was more advanced like Campania and Maremma. This finding does not surprise us as the procedure of the ‘residual one-third’ was designed to benefit the more progressive, investment-oriented landowners. It required landowners to execute the same land improvement works, including the construction of houses that the reform agency would have performed on the land before assigning it to the beneficiaries, had it been expropriated. In the most backward districts like the two islands or Calabria, landowners more often resembled the traditional absentee figures that do not have the means or the interest in improving their properties, and that’s why they did not generally take advantage of this provision.

\textsuperscript{100} From the same table we can also infer that the free-market acquisitions of land from private landowners and the land-swapping were not correlated in the same way with the level of development of agriculture. Other variables like the degree of population pressure and the availability of purchasable lands belonging to other public agencies, led the agencies to acquire land in addition to the expropriated lot. The figures we have available on column (e) of table 4.1 only indicate the amount of land becoming available to the reform agencies as a net result of all these transactions (free-market purchases from private owners, acquisitions from other public administrations, and land swapping). The transfer of large areas of land from pre-existing reclamation agencies to the new territorial land reform agencies represented at least one half of the cumulative figure of column (e), inflating in particular the total acreage acquired by the Campania and by the Sardinia reform agencies.
Table 4-1: Modifications to the Amount of Land Expropriated, through acquisitions and the rule of the residual 1/3

<table>
<thead>
<tr>
<th>DISTRICTS</th>
<th>(a) Agricultural Land (ha)</th>
<th>(b) Expropriated (ha)</th>
<th>(c) Residual 1/3 Kept (ha)</th>
<th>(d) % Kept by Landowner (c/a)</th>
<th>(e) Acquisitions (ha)*</th>
<th>(f) Acquired Land% (e/a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Po Delta</td>
<td>260,000</td>
<td>43,767</td>
<td>1465</td>
<td>0.56%</td>
<td>3263</td>
<td>1.26%</td>
</tr>
<tr>
<td>Maremma-Fucino</td>
<td>1,000,798</td>
<td>193,299</td>
<td>13520</td>
<td>1.35%</td>
<td>2644</td>
<td>0.26%</td>
</tr>
<tr>
<td>Campania</td>
<td>121,431</td>
<td>8,328</td>
<td>745</td>
<td>0.61%</td>
<td>8040</td>
<td>6.62%</td>
</tr>
<tr>
<td>Pugl-Basilic-Mol.</td>
<td>1,453,181</td>
<td>189,458</td>
<td>11125</td>
<td>0.77%</td>
<td>7693</td>
<td>0.53%</td>
</tr>
<tr>
<td>Calabria</td>
<td>545,379</td>
<td>75,423</td>
<td>46</td>
<td>0.01%</td>
<td>10494</td>
<td>1.92%</td>
</tr>
<tr>
<td>Sardinia</td>
<td>2,321,645</td>
<td>48,352</td>
<td>107</td>
<td>0.00%</td>
<td>52959</td>
<td>2.28%</td>
</tr>
<tr>
<td>Sicily</td>
<td>2,439,224</td>
<td>114,241</td>
<td>0</td>
<td>0.00%</td>
<td>893</td>
<td>0.04%</td>
</tr>
<tr>
<td>(AR Districts)</td>
<td>814,1658</td>
<td>672,868</td>
<td>27,008</td>
<td>0.3%</td>
<td>859,861</td>
<td>1.06%</td>
</tr>
</tbody>
</table>

Source: King (1977) (some calculations performed)

The same table suggests that in most reform districts, despite what the Communists denounced in their parliamentary interrogations, the land swapping deals and the residual one-third rule did not revolutionize the outcomes of the reform, as they all together covered a relatively small share of the total district area (columns (d) and (f) in the table), that surpassed 2% of only when large transfers of public lands were included. Had they been more common, the land swapping deals in particular could have had a negative impact on the reform's performance. In fact, while these swaps certainly determined an increase in the acreage of land that became available for assignment, they also reduced its quality, because landowners usually offered poorer or more inconveniently-located land, that, in order to have the same value of the one it had to replace, necessarily had to be larger in size.

The lower land quality determined an increase in the cost of the improvement works that the reform agencies needed to perform to make such lands suitable for

* The total "Acquisitions" here include the net result of Transfers, with or without compensation, from other public agencies, land purchases from privates, and land swapping with expropriated landowners.
colonization\textsuperscript{101}. Usually the lands acquired through this kind of barter required the construction of additional roads, and/or larger investment in deep plowing, de-stoning, and leveling works. Often, the lands that the owners offered in exchange also made the colonization planning more inconvenient because they were physically isolated from the others that the reform agencies had expropriated. Almost inevitably, they significantly increased the administrative work, forced modifications in the colonization plans, and delayed the assignments\textsuperscript{102}.

For all these reasons, the reform agencies did reject a certain share of the swaps proposed by the landowners, although we are not able to tell how many in percentage. Given the cost increases that many (although not all) of these deals implied, there are two possible reasons that could have led the agencies to accept them. One is that, being larger in size, the new tracts of land in certain cases could have allowed the agencies to settle a larger number of beneficiaries after they had been improved and provided with infrastructure. The other is that the agencies may have been interested, more or less overtly, in reducing the possible opposition of the landowners, or in not alienating them completely.

The second of these explanations, which applies equally to the swaps and to the ‘one-third’ procedure, appears more plausible, as these deals did have the effect of attenuating the hostility that many of the landowners felt towards the forces in power. The land swaps could harm the operations of the reform only within the narrow boundaries set by the rule that the lands offered in exchange needed to be of equal value to those expropriated. But they could do a lot to involve the landowners in the rural development process, giving them a certain degree of control, albeit minimal, in the process of their own expropriation. By opening up a channel of communication between them and the agencies, these negotiation procedures made the landowners feel that their economic

\textsuperscript{101} The works certainly contributed to inflating the “land improvement” category of the agencies’ budget, that, as we have seen in Chapter II, represented more than 55\% of the total expenditure. Cfr. Chapter 2, p. 67.

\textsuperscript{102} The complications introduced in the colonization process by many of “residual one-third” procedures, led the president of the Puglia-Basilicata agency to ask the Ministry for the authorization to perform the land improvements on the one-sixth that would have entered the property of the agency, and that the landowners should have been responsible for. The direct performance of the land improvements would have allowed the agency to acquire the lands earlier, to better coordinate those improvements with those of the neighboring settlements, and to accelerate the assignment of the plots. Clearly, the costs of such works would have fallen on the former owners even if they were performed directly by the agencies.
interest was also legitimate and worthy of consideration to the forces in power. At the same time, in order to obtain the desired reduction of the economic damage that the reform was inflicting on them, the landowners needed to recognize the authority of the state. After the chapter of the expropriations was closed, many landowners and especially those who had been in contact with the reform agencies earlier through the ‘negotiated procedures’, benefited from other more intense forms of participation in the reform’s rural development activity. For example, they took on a leadership role in the cooperative movement after membership was opened to non-reform beneficiaries.

A similar phenomenon has been described in favorable terms by Judith Tendler (1993) in the case of Northeast Brazil, where the local reform agencies were able to initiate a less confrontational approach to agrarian reform, entering exchange relationship with large landowners. The Brazilian negotiations, whereby landowners agreed to ‘donate’ tracts of land to the reform pool in exchange for certain state benefits like the legalization of their contested rights over land, is different in that it reflects a greater influence that the landowners had at the local level, which could have obstructed the agrarian reform process. In the Italian case, instead, these deals can be better described as a showing of mercy on the part of the reform agencies for the losers in the battle over land, aimed at leaving them with as little resentment as possible against the winner. Both cases, with all their differences, show that there are ways of smoothing the edges of land reform programs and to avoid unnecessary confrontations with the landowners, that can facilitate land redistribution.

Of the large landowners that I have interviewed on this subject, some refer to the deals that they (or more commonly their parents) made with the reform agencies with a certain degree of pride for their ability, higher that that of their colleagues, to take matters in their own hands and to make the best of an adverse situation. One landowner for example talked about his father “as one of the cunning, forward-looking landowners who were not ‘subjected’ to expropriation, but ‘proposed’ their own expropriation” thus reducing the economic damage that the reform was bound to inflict on him. 103

These opportunities to reduce the harm of expropriation naturally attracted landowners that, at least in part, were interested in improving their properties and

103 Interview Mr. Di Giovine, 09/05/01.
recognized state authority, like the father of my interviewee. Both the procedures – the land swaps and the ‘one third’ – thus represented practical devices to offer selective advantages to the modernizing subset of the landowners within the districts. They followed in the path of other critical policy choices like the delimitation of the reform districts and the expropriation rule itself, aimed at breaking the landowners’ front by separating out those who could be partners in rural development from those who couldn’t. This was the kind of deliberate attempts to create fractures within an otherwise tightly-knit landowning class that Rossi Doria advocated for, and had vividly described as “separating the father from the son”\textsuperscript{104}. The one-third rule was a friendlier version of these discriminating policies in that it gave a second chance to the landowners that the automatic reform criteria had declared deserving of expropriation.

4.4.2 Catering the Lower and Middle Classes\textsuperscript{105}

While there was relatively little that the reform agencies could do to make the expropriated landowners happy, short of inhibiting all redistribution, much more they could do to benefit the lower and middle classes of the reform districts, linking them to the new forces in power. The ways in which the reform agencies catered the agricultural subset within this diverse group were different from those they used to reach the non-agriculturalists. The reform agencies were very aware that the take over of many large properties would cause, at least temporarily, a big disruption in the livelihood of many workers and businesses that depended, directly and indirectly, on the large farms. The agencies had no chance but to address their immediate economic needs in order to avoid

\textsuperscript{104} Rossi Doria, the agronomist and influential intellectual who collaborated to the Calabria reform, with this image really anticipated the spirit of the agrarian reform measures as they would have taken shape in the 1950s. “We have to be able - he wrote in 1947 - to frame the problems of social and economic transformation in the Mezzogiorno with an eye not only to the peasants, but to all southern Society. We have to be able to separate out the father form the son, to convince the owners attached to the land to break the solidarity link with those that are not; we have to win the men one by one, awakening in them their conscience of producers, of technicians, such as to erase from their conscience the paralyzing influence of their condition of renters of the land”. (Rossi Doria 1977: 193)

\textsuperscript{105} This section draws mostly from the experience of the Puglia-Basilicata agency, as recorded in the documents now available for consultation at the Regional State Archives in Bari. To a lesser extent it uses archival documents of the Maremma agency, also publicly available at the special archives of the Tuscany regional administration “Archivio Storico della Riforma Fondiaria in Toscana”.

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the social emergencies that could have otherwise ensued, and to prove wrong the right-wing criticism that the reform would have reduced employment and peasant well-being.

The agencies thus took on themselves the responsibility to find sources of income for several categories of persons that worked in different capacities for the large landowners. One important category within this broad group was that of the tenants linked to the landowners by insecure contracts and that did not live on the land. While the law confirmed only the status of the long term tenants residing on the land, upgrading their rights to full property, in practice the reform agencies did not ignore completely the rights of those who were farming expropriated plots based on less secure tenancy contracts. In the majority of the cases, the agencies made sure that also those tenants received a plot of land in assignment, although it could not always be the one they already farmed. For example, in the case of Irsina, an overpopulated town of 15,000 inhabitants where the peasants were for the majority Communist, the Puglia-Basilicata agency, the largest on the Italian mainland, went out of its way to settle all of the 976 tenants, despite the scarcity of the land in the town itself. To each one of those tenants except one the agency offered a farm or lot outside the town limits, and offered to hire one family member in the improvement of the assigned land.

Similarly to the case of Irsina, many other complex local level situations required ad hoc negotiations in which the peasants - represented by the powerful DC-affiliated association of owner-cultivators Coldiretti and by similar organizations for the Left – reached favorable settlements. Sometimes, the unique solutions reached in each case violated the general policies of the Puglia-Basilicata agency for the ranking of the applicants or for the assignment of land. These policies established, among other things, that (i) residents had absolute priority in the assignment of the land available in town over those who had to be relocated; (ii) landless workers had always priority over tenants; (iii) the largest families had priority within each category. But in practice, the many exceptions made and the unique solutions adopted in some cases indicate that there was a more fundamental principle superseding the assignment of land: the pursuit of social peace.

The expropriation of one of the largest latifundia in the region of Basilicata, for example, affected so many people that the agency felt compelled to validate some of the
sales and donations of land that the property had made in the two years preceding the reform, despite the fact that the law explicitly declared them ineffective. In particular, of the 698 ha that the owner had alienated before the reform came into effect, the agency legalized all the sales made to owner-cultivators under the provisions of Cassa per la Proprieta' Contadina, and the small donations to a few artisans, for a total of 166 ha. The artisans, who all used to work for the administration of the latifundium, were also hired by the reform agency in the service centers of one of the new rural hamlets.106

The example of these two deals in Basilicata demonstrates that the agency took into consideration the interest of a multitude of different actors touched by the expropriations, that a mechanic and insensitive application of the reform rules could have left with no security of income. The agencies followed a similar approach in the case of the farm managers administering large portions of the latifundia, who possessed remarkable agricultural skills but did not qualify as beneficiaries, for example, because they owned some kind of asset. These were also often hired by the reform agencies to work in the colonization centers. The administrators were critical figures, well respected in their communities, whose shifting loyalty from the large landowners to the reform agencies symbolized in the eyes of the peasantry the change in the rules of the game, and in the institutions in power in the new agricultural world.

Especially in the poor agricultural districts of the South, the reform agencies became at the same time the main employer and the main engine of the local economy, replacing in this role the decaying latifundia. They hired thousands of rural workers in the massive land improvement works necessary for the colonization of land previously used for pasture or rain-fed cultivation of grains, thus providing temporary relief to rural unemployment. For the new settlers they represented more than just an employer, as they provided them with farm inputs and with the rental equipment that they needed for seasonal operations like plowing and harvesting. They marketed their main crops and they provided credit whose payments they collected by retaining a share of their harvest. In the newly built rural hamlets, they offered health services and schooling. They went as

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106 Memo on the proposed settlement of the properties expropriated to prince Doria, Nov. 11, 1952 (Archivio Centrale di Bari, Fondo Segreteria Generale, 62580/FON).
far as offering entertainment, in the form of movie screenings that special itinerant crews of agency employees brought to the remote villages of the reform districts.

The reform agencies could not ignore the interests of the non-agricultural town-dwellers that operated businesses providing products and services to the largest farmers of the reform districts. In dealing with these economic actors like traders of farm inputs, small construction firms, lawyers and notaries, etc., the agencies followed the same principle that guided their relations with the agricultural workers or the tenants, i.e. they tried to extend the benefits to as many of them as possible. This comes out quite clearly if one looks at the bidding process that the reform agencies adopted for the construction of farmhouses – quite an important item of expenditure in the reform budget 107.

In the Puglia-Basilicata district the reform agency started this construction phase in February 1952 by soliciting bids for the building of 28 rural family houses in one settlement. Despite the strong pressures that the agency received to start settling beneficiaries in the new farms, this unitary project was broken up into seven different contracts for four houses each, that ended up being awarded to seven different local firms. All the following housing construction contracted out that Spring followed the same procedure with the reform agency breaking up larger construction projects into smaller pieces of 4-8 houses each, and for each of them soliciting bids from a short list of 15 to 20 local construction firms.

When the contracts concerned the same housing settlement, the same construction firms were included in more than one of the lists of solicited bidders. But any one firm was never awarded more than one contract so as to spread the economic benefits of this procurement among the largest number possible of economic agents. The choice to stimulate the local economy by inviting only construction firms from the closest urban centers was not conducive to the greatest efficiency. This became clear after June 1952, when the first beneficiaries moved into their new farms and often found them poorly constructed. The quality of housing construction and their “cookie cutter design” was the object of a critical note that the Minister of Agriculture sent to the president of the Puglia-

107 From the data provided by Marciani (1966) we can estimate that the construction of farmhouses took up approximately 19% of the expenditures of all the reform agencies in their first 10 years of their operations.
Basilicata agency in May 1954. In that occasion, president Ramadoro defended his work saying that the imperfections were due to the pressures, coming in part from the Ministry of Agriculture itself, to start assigning farms as quickly as possible, and from the “need” to always hire local firms.\(^{108}\)

As the building of houses proceeded and the reform agencies started receiving bids for the construction of public buildings in the rural hamlets, the pressure to accelerate construction did not diminish. The reform agency would solicit bids typically less than a month after the final approval of a construction project, and the relative contract would be awarded within approximately 45 days – an uncharacteristically speedy timeline by the standards of the Italian public administration. Probably in the interest of efficiency, in the following years the reform agency awarded construction jobs in larger lots, sometimes contracting up to 50 houses to the same firm.

The housing construction contracts only represented one instance - albeit important - in which the reform agencies took upon themselves the task to stimulate the local economy, and to diffuse wealth. The reform agencies also contracted a large number of professionals – architects, engineers, agronomists, lawyers, and notaries – whose services were required at the different stages of planning and for the different transactions involved in the redistribution process. Especially in the case of the more fungible services like those of the notaries, the agencies followed the similar criterion of hiring from a large number of them, so as to maximize the number of individuals positively affected, and thus the returns in terms of political consensus.

The procurement of farm inputs, implements, vehicles and of all the other inputs and materials necessary to the everyday operations of the agency also offered a great opportunity for building consensus and distributing resources. In this area, however, the attempt to take into account non-economic factors in the procurement decisions easily degenerated into bribery and other illicit practices. In the area of procurement, in fact, consensus-building goals were in clear and immediate conflict with the important objective to reduce costs. Breaking up the contracts too much, or paying above-market prices was clearly against the interests of the reform administration. The agency’s

\(^{108}\) Ramadoro also justified the choice to build houses that looked all alike. Allowing for different housing styles – he argued – could have generated jealousy between the beneficiaries. Medici writes to Ramadoro
procurement activity was always at the center of much attention and was the object of many accusations from the Left, that led the Minister of Agriculture to conduct inquiries and inspections. Not all these criticisms and accusations proved justified, although some did. However, the focus of the critics on the illicit personal gains that some agency employees may have pursued through procurement, may have obscured other goals like the maximization of consensus, which also inhibited the agencies from entering efficient free-market transactions.

For example, these kinds of goals were a clear and explicit motivation behind a deal that the Puglia-Basilicata agency struck with 10 local insurance agencies, for the sharing of a big crop insurance contract. The parties adopted this risk-sharing solution after the insurance agencies "had complained about the significant reduction in their business resulting from the ejection of the old landowners". They thus asked the reform agency to take into consideration the interests of each one of them in the insurance policies that it was going to buy. Again, like in the case of the tenants, the employees of the latifundia, or the construction contracts, the agency chose to allocate the benefits of its procurement following the principle of equal and wide distribution. In the specific case of insurance, moreover, the agency claimed that it had also realized cost reductions through a tough negotiation.

Last but by no means the least among the lower and middle-class groups positively affected by the reform were the employees of the reform agencies themselves. Much like the other allocation processes described above, the recruitment policy of the reform agencies was the net result of different and conflicting goals:
(a) fighting Communism while pacifying the situations of tension;
(b) building a strong corporate culture for the agencies and insuring that the personnel was committed to the reform;
(c) spreading the wage-benefits as widely as possible in the local society.

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109 From President Ramadoro's memo to the Minister of Agriculture of August 13, 1953. (Archivio di Stato di Bari, Fondo ERSAP, Segreteria Generale)
The need to compromise between these goals explains some of the contradictions that characterized the recruitment and employment policies of the reform agencies, like the political criteria used in hiring associated to the high wages.

As we have seen in the previous paragraph, the reform agencies accepted, although without much enthusiasm, to empower the organizations linked to the DC, so that they would counterbalance the power of the Communist and Socialist unions that dominated certain rural areas. Given the explosive political conditions of the time and the clear expansionist objectives of the central government, the managers of the agencies had no other chance but to accept to play this political role that in the majority of the cases they considered unsuited to their technical values and prestige. In the case of the hiring process, taking into account political criteria in the selection of a candidate clearly interfered with the goal of building their organizations’ technical capacity. Nevertheless, politics did play an important role in the hiring of most of the cadres and lower-rank employees who joined the agencies in the hundreds starting in 1951, despite the fact that the first handful of men appointed by the government to run the agencies were technicians whose only political credential was the absence of ties with the Left\textsuperscript{110}.

Between 1951 and 1953, when the agencies were building their staff, their headquarters received hundreds of letters every week from DC politicians local and nationals, from the Catholic clergy or other authorities affiliated to the DC, recommending individuals for employment. The political recommendation was usually not sufficient to obtain employment but was used by the management as one of the criteria to ration access to many medium- and lower-level jobs. This unfair practice did empower the DC and the organizations affiliated to it like Coldiretti, by showing to the general public that they had a preferential access to public wages.

The empowerment effect of this sort of discrimination was magnified by the richness of the employment package relative to the living conditions of the time. The employees of the reform agencies I have interviewed, all felt absolutely happy with their salaries,\textsuperscript{110}

\textsuperscript{110} This was the reason, to put it simplistically, why Rossi Doria, who in his early years had been a member of the Communist party, was not considered for any public post in the reform agencies or at the Minister of Agriculture. Despite his post-war ‘conversion’ to market-oriented social-democratic positions and all his intellectual influence, his political past and his non-Catholic beliefs always made of him an outsider to the DC government, whose concrete contribution to the reform was thus relegated to the category of consultancy.
which compared very favorably to the alternatives that 1950s Italy had to offer them. To an agronomist just graduating from college, for example, the reform agencies offered a wage that was at least 25% higher than what other public occupations like, for example, that of a high-school teacher, could pay. The agencies offered a higher base wage relative to other employers in almost all occupations and, on the top of it, in the years 1951-54 they handed out special bonuses every approximately three months to all the technicians working in the local territorial offices\textsuperscript{111}.

Earning higher wages than most of the other fixed-salary employees may have reduced the incidence of corruption and graft among in the staff of the agencies. These economic rewards were probably also a way for the agencies’ managers to build the \textit{esprit de corps} that their organizations needed to operate under great time pressure and in often hostile environments. One can find in the speeches of Minister Medici to the employees of the reform agencies the intention to instill, or to keep alive in them a sense of mission, that only could have allowed the reform to accomplish its grandiose mandate. Medici, who had been the president of the Maremma agency before becoming minister, reminded them of the special place in history that they occupied, as the first generation of the Italian middle class that had taken upon itself the commendable responsibility to uplift the lower rural classes from their state of ignorance and backwardness (Medici 1954).

The reform technicians didn’t probably need to hear this type of rhetoric to feel realized in their professional life. In rural Italian communities of the 1950s the employees of the agencies represented a really privileged group that the common people looked at with great respect and admiration. The handsome pay only seemed to be appropriate for jobs that most of the former technicians of the reform agencies describe as challenging, ambitious, adventurous and exciting. Their rewards came also from observing their surroundings change as a result of their actions, that involved the creation of entirely new settlements, the modification of the landscape and of an entire system of social relations. The passion and pride they felt as actors of this unprecedented and long dreamed

\textsuperscript{111} In the Maremma agency these bonuses started being awarded at the end of 1951, as a special end of the year award commensurate to the qualifications and to the effort of each employee. This first bonus could reach a maximum of 150% of the monthly stipend and depended on a complex set of grades, left to be
enterprise made them put in extremely long work hours and endure the hardship of rural life that many of them were not accustomed to.

In striking contrast with the political goals and with the organization-building goals just described, it is undeniable that the recruitment methods of the reform agencies also took into account welfare considerations. The common practice to hire former employees of the latifundia, as described above, indicates that the reform agencies used employment, especially in the lower positions such as drivers, warehousemen, or office boys, as a safety net for the individuals and families whose livelihood had been endangered by the establishment of the new rural order\textsuperscript{112}.

Despite the powerful incentives, partly coming from the political group in power, and partly dictated by poverty-alleviation considerations, to use the reform activity as a consensus building tool, the reform agencies managed to restrain the short-term political reasoning within acceptable limits. Indeed, the exigencies of politics did introduce inefficiencies in the agencies' decision-making. However, many of the mistakes and limitations that the critics of the reform have often blamed the agencies for are really the unavoidable product of the conflicting social pressures that they were subjected to. The insufficient size of some of the farms created, the excessive expenditure, the political criteria used in hiring, the little autonomy left to the beneficiaries in performing land improvement works in their properties, and the strong control that the agencies held on the reform beneficiaries first, and then on their cooperatives, all depended in one way or another on their need to defend their work against the opposition, and ultimately to

\textsuperscript{112} The gender discrimination that some of the agencies like the Puglia-Basilicata were guilty of, could also be interpreted as evidence that they took into account the welfare implications of their hiring decisions. The president of Puglia-Basilicata agency overtly responded to the (very few) female job applicants that the agency as a policy did not hire women because its tasks were unsuited to them. If we could for a moment suspend our judgment on such deplorable sexism, we would recognize that, in a traditional society in which the men were expected to be, under normal conditions, the breadwinners within each family, the rule not to employ women served the purpose of reaching as many independent family units as possible. Given the favorable conditions of employment and the meager work opportunities of the time, employing only men, and married men in particular, insured that no one household could enjoy the benefit of receiving more than one wage from the reform agency. This way, the much sought after privileges of employment could be spread out as thinly as possible in the poor society of the time.
survive. Despite these biases and inefficiencies, however, the reform agencies were able to bring their rural development plan to a satisfactory end.

What kept in check all this petty political horse-trading that could have been so harmful to the outcomes of the reform? What allowed the reform agencies to carry out, through all these difficulties, their rural redistribution mandate? An important part of the answer lies in the presence of capable rural development technicians in key posts of responsibility in the reform administration. The next chapter shows how their professional values and capabilities helped the reform reach large part of its expected outcomes, and explains where it came from.
Chapter 5: The Agronomists and Land Improvement: the Meeting of Politics and Technocracy

5.1 Introduction

The Italian agrarian reform took place in a difficult political context. The previous chapter has shown that the agencies operated at the intersection of several economic and social pressures, and within a strongly polarized political scene that often negatively affected their decisions. The agencies needed to defend themselves from the attempts of the Christian Democrats in power to impose on them short term political goals, and from the politically motivated attacks of the opponents of the government. Both offensives, from the top and from the 'outside', seriously limited the agencies' capacity to make the best decisions in the interest of rural development. Nevertheless, in their first years of operation, the agencies managed to keep their eyes on their main rural redistribution objectives, letting petty politics influence their choices only to the extent that it was strictly necessary for them to go ahead with their plans. Up until at least 1954 they maintained an independence of values and goals from their political principal that facilitated the progress of land redistribution, colonization and land improvement. This relative independence from the influence of political pressure groups, and in particular from the landed class, has made the difference between the Italian case and many other developing countries, where short term political goals and private interests penetrated the policy-making of the state more deeply.

The notion of the independence or relative isolation of the state is not new to development theory, which has identified it as an important determinant of the success of development programs such as agrarian reform\textsuperscript{113}. However, this relative independence

\textsuperscript{113} A classic of this literature is Peter Evans's (1995) "Embedded Autonomy". Rural development specialists like Thiesenhoven (1995) and Hayami (1990) apply a similar notion of state autonomy to agrarian reform, whose proper performance - they argue - depends in large part on the independence of the civil service from interest groups. An interesting new take on this issue in the context of rural development policy does not consider the social pressures exerted on the government as having only a negative impact on rural development. To the contrary it argues that the long-term effects of redistributive programs such as
is often described as a long-cultivated quality that the state administration inherits from a long history of civil servant capacity and prestige. The Italian case shows that this independence can reside at least in part in a particular professional group that shares a well-defined set of public goals, and chooses to work within the state to pursue them. The case of the Italian agrarian reform suggests that technical values, embodied in the human resources in charge of implementing state programs, can be instrumental to isolating state agencies from segments of civil society that are interested in stopping reforms. In Italy, the agronomists that occupied key positions in the reform administration, with their long-defined goals and their rich pre-war experience - formed a technical backbone of the state machinery that government politicians could not easily bend to the pursuit of their short-term political goals.

The agronomists were a cohesive group of professionals who contributed to the reform a corpus of ideas and goals that had an independent life from those advanced by the forces in power. One could argue that the Christian Democrats used their skills and experience instrumentally to pursue their political goals to pacify a dangerous political situation, and to consolidate their rule. However, it is equally possible to look at the relationship between the DC and the technicians from the opposite perspective, arguing that the latter saw the political dynamics of the time as a unique opportunity to carry out a rural modernization plan of their own, that preceded the anti-Communist agenda of the state. Exploiting this opportunity meant for the technicians adapting their original plan to the cogent political conditions of the moment, and giving in on many occasions to the requests of their political employers. Much could be debated about their degree of isolation from the political authorities in power at the central level, and how it declined over time, but one cannot deny their independent contribution to the reform process at both the policy-making and implementation stages.

Their role of a "third element"\textsuperscript{114} operating in between the state and private interest groups was the result of their independent view of agrarian reform. A view that differed,

\textsuperscript{114} It is the agronomist themselves that defined themselves as the "third element" in many publications of their professional union during the 1920s and 30s (D'Antone 1991:415). This expression was meant to describe the agronomists' independent point of view on agricultural issues founded on a higher technical
for example, from that of the Communists in that it did not consist simply in the break-up and redistribution of the largest properties, but involved an integrated rural development plan. This plan included the transformation of extensive pastures and rain-fed grain fields to more intensive agricultural uses like the cultivation of fodder, fruit or industrial plants, all involving irrigation whenever possible. It required the construction of infrastructure of roads, aqueducts, irrigation systems and power lines that they considered necessary to make commercial agriculture viable in many remote and depressed areas. It involved in many cases, and especially in the Italian South, the reclamation of entire river basins involving re-forestation and the construction of upstream reservoirs that would provide hydroelectric power and irrigation water for downstream land improvement. It went as far as including the building of production facilities for the processing of agricultural products.

In of themselves, the agronomists did not have a strong preference for owner-operated farming. They considered other forms of resident farming like sharecropping to be as efficient as privately owned properties, as long as they gave the tenant enough security to invest in the farm. On this point their plans clearly diverged from those of the DC and the PCI. The notion of the efficient farm size that the technicians could conceive in abstraction from political considerations set them apart from both the DC and the Left that, for obvious political reasons, both valued the creation of a large number of small farming units. Despite the fact that their goals overlapped only in part with those of the party in power, the government secured the agronomists’ involvement in the program by defining the agrarian reform as much more than land redistribution.

The choice to limit the reform to a few geographical areas was not only a way for the government to increase the political viability of the plan – as we have seen in chapter 3 - by breaking up the landowners’ front along geographic and cultural lines. The smaller area of intervention also allowed the government to perform in those territories the massive land improvements and investments that the agronomists wanted, and that would not have been affordable on a larger scale. The reform districts chosen for the intervention happened to be not only those where property was more unequally

knowledge. At that time, however, the other two parties against which the agronomists proclaimed their ‘thirdness’ were capital and labor, and not the state and private interest groups, as we are doing here.
distributed, but also some of the areas where agriculture was more backward and where investment would have given the largest results in terms of increased productivity. Intervening only in a limited portion of the territory located for the majority in the depressed South enabled the government to associate the reform to an integrated rural development plan involving all the investment components mentioned above, that the agronomists deeply cared for.

The rural investment associated with the reform, as we have seen before, won to the government the support of several social groups like engineers, contractors, traders and other middle class professionals that could have sided with the anti-reform front, had they not gained economically from the program. The agronomists were another important group that the definition of the reform as rural development brought on board of the government’s plan, for reasons that went beyond personal economic gain. More than any of the other groups, the agronomists were key to the program’s positive results not only because of the technical capabilities that they put at the service of the reform agencies, but also because their technical values and their self-respect acted against the clientelistic use of the reform. Their independence of goals, put at the service of the reform agencies, became independence of the state from the local politicians and power groups interested in engaging the reform administration in petty political exchange.

Moreover, their shifting allegiance of the post-war years from the landowning class to the government added to the strength of the reform front. Before the war, the agronomists had provided the technical justification to an agrarian reform approach that only admitted the use of expropriation in the extreme cases of land mismanagement. But this approach’s failure in the South due to the landowners’ stark opposition caused many of them to become more open to the directly redistributive approach that the political circumstance demanded. Their endorsement of the automatic expropriation rule delegitimized the hypocritical efficiency argument valid for productive farms that the agrarian block had traditionally used to protect from expropriation also the subset of the careless absentee landowners.

It is easy to understand why most Italian agronomists accepted to take part in a directly redistributive agrarian reform, after it was embedded in a broader rural development plan. In this rural investment plan they found the professional rewards that
their pre-war predecessors had been denied. It is in this period that the Italian government chose to give to the rural works the high profile and the level of funding that were adequate to the dimensions of the rural problem. By giving to the reform agencies the responsibility and the resources to put their ideas into practice the government gave the agronomists a chance to become the first heroes of a season of economic renaissance.

This chapter is divided in three paragraphs. The first covers the pre-war experience of the agronomists with land reclamation and explains how this experience influenced the content of the reform laws. The second elaborates on the technical culture of the agronomists and describes the ways in which it contributed to an overall positive performance of the agencies in which they were employed. The third and last paragraph talks about the agency for the development of the Italian South (CASMEZ), which was responsible for planning and financing broader reclamation plans in the region, and that built much of the rural infrastructure that was critical to the success of the reform settlements.

5.2 From Reclamation to Agrarian Reform: the Assimilation of the Pre-war Experience

The agronomists entered the post-World War II policy scene with a mix of frustration and enthusiasm. As a professional group they shared the strong conviction that in the first half of the century many opportunities to improve rural conditions in the depressed regions of Italy had been missed, and that a lot of work that could have added value to agriculture, reduced poverty and unemployment, still awaited to be done. At the same time they were well aware that several circumstances were all lined up in favor of a bold new initiative in agriculture. The fall of Fascism and the wartime events had shaken up the traditional system of social relationships, opening up unprecedented new possibilities for state intervention. The euphoria of the reconstruction produced a climate favorable to a new policy start; the political emergency of the Communist expansion created the political will; and the availability of fresh new funds from foreign sources like the Marshall Plan, guaranteed the feasibility of an agricultural development plan that would address the grievances of the poorest agricultural classes. What remained unclear until at
least the summer of 1949 was how far the plan would have gone in terms of land redistribution, and what concrete form this redistribution would have taken.

The agronomists were in the position to influence the formulation of such policy, and they did, bringing to bear on the debate their experience and their land improvement agenda. After all, the most urgent political problems of the time resided in agriculture and in the Italian south – areas in which the agronomists had already developed ideas and accumulated experience, albeit negative, that they were eager to contribute to the policy debate of the immediate postwar. No doubt, it would be inaccurate to describe these ideas as one internally consistent corpus. While there was a general agreement on a few central points, there remained different views that could be traced back to different policy experiences and traditions. The main widely shared views consisted in:

- A positive evaluation of the pre-war land improvement scheme “bonifica integrale” – extensively discussed later - that had returned negligible results in the South due to the resistance of the landowners’ consortia and the inability of the state to enforce its divisive rules.
- An appreciation for the tenancy and sharecropping contracts, whenever they guaranteed enough stability to promote the tenants’ land improvement investments.
- A stark opposition to imposing a general limit to private property expressed in terms of size, and valid for the indefinite future.

Perhaps the biggest disagreement among them concerned the priority that public investment should give to colonization, i.e. to the creation of new owner-operated small farms. The agronomists closer to the DC, or more inclined to let their ideas be influenced by political opportunity, believed in the state promotion of family farming. Others that were able to look at the issue from an exclusively economic point of view thought that an expansion of the area of owner-operated farming could have hurt mechanization, the marketization of agriculture and productivity, because it would have prevented the development of larger, more capitalized commercial farms. Despite these differences, the agronomists were a relatively cohesive group that found its unity in the strong belief that they had a contribution to make to the economic and social development of the nation. This contribution was eminently technical – i.e. consisted in the application of
technological and economic principles to an area like agriculture that had always been
dominated by petty politics, tradition, and superstition.

This orientation of the Italian profession originated from three university-level
schools of agronomy - one for each of the macro-regions in the country - where the
discipline had taken shape and developed. When they were established in the nineteenth
century, these ‘Facolta’ di Agronomia\textsuperscript{115} were given the mission of extending to farmers
modern agricultural techniques, but in practice they ended up promoting a ‘high’ and
‘scientific’ version of agronomy, that was strong on research but remained confined to a
small elite (D’Antone 1991). It is in these schools that some of the most influential
experts of agricultural policy and rural development like Arrigo Serpieri and Manlio
Rossi Doria received their training, and it is from them that they diffused their knowledge
to different generations of agronomists.

Serpieri became perhaps the best known Italian agronomist during Fascism, when he
became the Undersecretary of for Land Reclamation within the Ministry of the Economy.
From that position he initiated the famous reclamation policy known as “Bonifica
Integrale” (integrated reclamation), that involved landowners in the planning and
implementation of land improvement investment in their territories. This policy scheme,
reaching its final version in 1933 after many evolutions, came to be regarded by the
Italian profession as the most advanced codification of land improvement planning and
policy. The central features of this policy scheme were:

- The broad definition of reclamation;
- The involvement of the landowners in land improvement planning through their
  consortia;
- The obligations imposed on the landowners in the implementation of those plans.

At the turn of the twentieth century the Italian state had inaugurated a program of
land reclamation whose main goal was to eradicate the plague of malaria that, in those
days, still infested many coastal areas especially in the Italian south. Most of these works
were performed directly by the state with a very small contribution of 20% on the part of

\textsuperscript{115} The first of the three – the Agricultural Institute of Pisa - pre-dates the unification of the country. The
following two were established in Milan and in Portici (near Naples) in the 1870s.
the landowners’ consortia. Successive modifications of this original legislation included among the investments admissible for funding other categories of public works not strictly related to public health like the construction of roads, civil aqueducts and irrigation systems. The concept of reclamation (bonifica) thus came to include not only the works aimed at making the land inhabitable, but also any investment that could help intensify agriculture. The consortia of landowners were a fundamental player in this policy scheme because they were given responsibility for drafting a land improvement plan for their agricultural region that, once approved by the Ministry, bound them to contribute their share to the investments (Scrpic 1947). These early versions of the reclamation policy worked as expected only in the North where landowners, especially in the period between the two world wars, formed the consortia and took advantage of the government subsidies to perform the works. In the South, however, very few consortia were created.

New legislation of 1924-25 further revised and improved the policy, which now distinguished two different categories of investments: those eminently public and those falling within private properties. The state bore the largest part of the burden (75% or more) for the first category of expenditure, while the second fell for the large majority on the owner of each property. The state did not usually perform the public works directly, but preferred to delegate responsibility for their execution to the consortia themselves, that contracted private enterprises to perform the job. Usually it was not the public works component of the plan that fell short of the targets, because the landowners could easily cover their minority share of the expenditure by borrowing against the anticipated increase in land values that the reclamation would have determined. The landowners often failed to perform the component of the land improvement plan that pertained to their private properties and that they had to finance for the large majority out of their own pockets. Here is where expropriations could come into the picture.

The ‘Integrated reclamation’ authorized the consortia themselves, which had responsibility for implementing the approved land improvement plans, to expropriate those among their members that refused to, or could not perform their share of the private land improvements. In alternative, when the landowners refused to get together in a consortium, or refused to agree to any land improvement plan, the state could step in and
authorize a third party - usually a private firm - to expropriate the entire area, and to perform the necessary public works. Expropriation did not occupy a central place in this policy mechanism, which under normal circumstances expected the owners to be in control of the land improvement plan through their consortia. But the fact that the law even mentioned expropriation as a possibility generated a lot of anxiety among the landowning class. Especially the Southern landowners that often did not possess adequate economic means or mentality to plan the improvement of their properties, only saw in this policy an infringement on their property rights.

It was thus only in the mid-twenties, when the tool of expropriation was introduced in the legislative scheme, that the landowners of most agricultural micro-regions in Southern Italy formed the reclamation consortia. In most cases their purpose was not to take advantage, through the consortia, of the new lines of state funding for land reclamation, but just the opposite, to try to stop the process that would have forced them to take on land-improvement obligations. Serpieri, the mastermind of this operation, insisted on bringing the plan to its conclusion, but in 1935 his attempt to use the expropriations against the non-compliant landowners cost him his job. The profession saw his removal from office as a great defeat of the modernization front at the hands of the landed conservatives. But his ideas did not lose in the long run, as they presented themselves on the policy scene basically unchanged at the end of the war.

Serpieri could not be characterized as a champion of state planning in the political arena of the 1920s and 1930s. His policy framework, although it attached for the first time certain duties to private property, was largely respectful of private property rights in that - under normal circumstances - it limited the government’s involvement in land reclamation to the regulation, approval, and funding of investment plans developed by private landowners. The ‘Integrated reclamation’ was an attempt of leveraging private interest for the pursuit of the common agricultural good and to promote collective action especially in the underdeveloped South. Coming himself from a family of large-scale farmers Serpieri always had a strong respect and a deep understanding of capitalist farming and of the associations that represented it. This induced him to reject directly redistributive forms of state intervention like the subdivisions made under the pressure of
land invasions, that he considered “disorderly” and “chaotic” (Serpieri Op.Cit.). His increasing endorsement of expropriation in his last years in office was only the result of mounting frustration for the landowners’ inertia in some areas of the country. Moreover, the integral reclamation preferred, when necessary, to assign the authority to expropriate and improve the unproductive lands to private capitalist firms that would have been motivated to the task by the economic incentive to increase the resale value of the land (ANCBI 1930).

In Fascist Italy the main alternative approach to the “integrated reclamation” was the more pervasive planning of small farming settlements epitomized by Opera Nazionale Combattenti (ONC), the agency instituted in the aftermath of World War I to provide land and work to the veterans. This agency was the expression of a more interventionist and more directly redistributive mode of government intervention proposed by a more planning-oriented group of technocrats internal to the Italian public administration. ONC typically received from the government lands whose owners had failed to comply with the obligations of reclamation, and that had been expropriated from them against an arbitrarily determined compensation. After reclaiming it through the work of war veterans, ONC subdivided and distributed the land to them in small plots. The free-market orientation of the large majority of the agronomists made them prefer the approach of Serpieri, involving large farmers in the modernizing process, to such a highly planned fragmentation. The implicit comparison with the integrated reclamation scheme led the agronomists to criticize ONC more and more overtly for its excessive expenditure per hectare, and for the traditional model of agriculture based on small-scale family farming that it advanced.

In fact, ONC did not entirely deserve the reputation for populism that some of the agronomists tried to attach to it. In its pre-Fascist origins, ONC had been created by a modernizing elite of state politicians and policy makers to carry out a development plan that eclectically blended the goals of social equity and technological advancement (Barone 1986). Initially, the agency did not even promote family farming, but experimented the creation of large and highly capitalized cooperatives of veterans who would farm small lots of 2-3 ha each, through which the state intended to advance the

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116 Cfr Chapter 2, p.48 for an overview of the results of this agency’s work.
cause of social justice and equality, without renouncing the economies of modern, large scale farming. With rise of Fascism this controversial work had to give way to the alternative policy approach of a competing group of technicians, who advanced a more market-based approach to economic modernization. During the first decade of Fascism this group became dominant in the administration, placing the free-market economist De Stefano at the Minister of Finances, and Serpieri in charge agricultural improvements: this meant for agricultural development policy that the ‘integrated reclamation’ was given a high priority and the work of ONC came to a temporary halt.

In the 1930s, however, when the agrarian interests were able to stop the ‘integrated reclamation’ in the South, ONC regained the trust of the Fascist government, which oriented its social-reformist technocracy towards a more conservative agenda. The regime took the road of economic autarchy and of territorial expansion, that eventually led to the war, and ONC could re-start its reclamation and colonization projects on domestic soil and in the African colonies. In the context of a national plan to increase employment and agricultural self-sufficiency the government gave it the mandate permeated by old-fashioned ruralism and conservative family values, to create new rural homesteads on previously undercultivated lands. At the onset of the war, the regime was extending the same form of intervention to Sicily, with the passing of the 1940 Law known as “the Colonization of the Sicilian Latifundium” that established a new reclamation and colonization agency for the island. For obvious reasons, this regional program didn’t have time to produce significant redistribution outcomes.

The two alternative visions of land improvement planning – the state-driven and the farmers-driven - picked up their quarrel in the immediate aftermath of the war, when the rampant movement of land invasions forced agrarian reform back into the policy debate. By far more numerous within the agronomist profession were those who wanted the landowners themselves to be the main actors of the land improvement process. In practice, the agronomists did not believe in a more direct state intervention in land reclamation or land redistribution, but wanted this process to be regulated by the existing “integrated reclamation” scheme, that would have involved take-over of reclamation projects by agencies like ONC only in the cases in which the landowners’ consortia had
proven unwilling to comply with their obligations. According to the agronomists, no additional rule, like a generalized ceiling to property size, was needed for a significant transfer of land to take place. In their eyes, there was no contradiction between redistribution and land improvement: the strict enforcement of the reclamation scheme – so badly needed to increase land productivity - would have had significant redistributive effects as well. Rossi Doria himself, despite his strong reformist position in politics, articulated very clearly this relatively conservative position in his speech to the assembly of the social-democratic Action Party.

If we introduced the ceiling – he argued - we would run the risk of eliminating from the productive process first-rank farmers and to leave untouched individuals that are parasitic and useless for agriculture.

Therefore I believe that basing the agrarian reform only on the concept of the limit means to condemn the reform to failure, or to reaching virtually no results at all. Now, I surely think that we have to be moderate, but not naïve.

Hence, we have to find a more effective tool and use it realistically. This tool, valid for at least many cases, we already have and is represented, and will have to be represented, by the reclamation laws made more severe in their rigorous application. He who transforms, who does, has to be assured that he will retain what he has, because if he really wants to transform, he won’t be able to retain everything, and he will have to sell one part of his things in order to transform the remaining part. Whoever, instead, doesn’t have the strength or the will to transform, will have to go down, be he a large, a medium or a small owner. (Rossi Doria 1977, orig. 1947)

On the same positions with a few variations were the majority of the agronomists at that time (D’Antone 1974). Therefore, in this debate on agrarian reform of the late 1940s the agronomists, including the social-democratic Rossi Doria, found themselves on the political right of both the PCI and the DC, who advocated stronger redistributive measures more in tune with the requests of the peasant movement. While some of the agronomists could be suspected of hiding a pro-landowners agenda under the curtain of an efficientist argument, many proposed again the ‘integrated’ reclamation in good faith because they believed in its modernization effects. Many like Rossi Doria were also concerned for the effects that ‘flattening’ the size distribution of farming units would have had on the competitiveness Italian agriculture in view of the likely opening up of the Italian market to international trade. The agronomists’ proposal to limit the agrarian
reform intervention to a strict enforcement of the reclamation laws could not fly in the political situation of the time, but affected the eventual content of the reform in many ways.

First of all, for reasons related to the effectiveness of land reclamation, the agronomists favored the same solution of a reform program limited to certain districts, which the government was headed towards for reasons of political tactics. The agronomists didn’t only lobby in favor of land reclamation, but also pointed to the extreme variety of farming practices and conditions in the region and on the specificity of the rural problems within each different area, that demanded a differentiated rural development approach depending on the agrarian zone. Their deep knowledge of the territory and of its variations made them skeptical of any single development scheme valid for all the Italian territory, or even for all the South. This awareness of the regional and sub-regional differences, and, at the same time, of the limited spending capacity of the state, had led Rossi Doria – always very pragmatic in his remarks - to propose that the land reclamation plan be extended only to a limited set of territories where it could have produced the largest productivity increase per unit of expenditure.

This idea advanced by Rossi Doria in 1946 at the presence of Minister Segni at the conference of the Southern Land Reclamation Consortia, was very well received by agronomists, landowners, and government technocrats alike (ANBIMF 1947). Given the daunting size of the enterprise in comparison to the resources available, Rossi Doria proposed to focus the land reclamation plan on a few “areas of intensive transformation” within the Italian South, in order not to disperse those resources and to create a critical mass of investment there. The rest of the Southern territory – according to the agricultural economist – including the majority of the mountainous terrain of the interior, needed to wait on the sideline, and to seek relief from poverty from out-migration and from a rationalization of the existing extensive agriculture\(^{117}\). It is immediately evident the analogy between this idea of “concentrating the means of the land transformation in a

\(^{117}\) The principle of recognizing the territorial variation within such a diverse nation was a leitmotif of the entire work of Rossi Doria, who is most famous to our days for his geographic distinction between the “pulp”, and the “bone” within the Italian South. His speech at the 1946 Conference of the Landowners
few districts” (Ibid.), and the choice that the government eventually made to limit the agrarian reform to the eight selected districts.

The agronomists’ experience with pre-war land reclamation did not only introduce the principle of territorial selectivity in the reform law, that had also an equally important political rationale - as we have seen in chapter 3 - in the need to break-up the opposition of the landowners. In addition, it influenced the reform laws somewhat in the opposite sense; warning the reformists against the risks of case-by-case discretionary decisions. It is the failed “integrated” land reclamation of the South that the minister had in mind in the preface to the general reform law, when he proposed the automatic expropriation mechanism (Senato della Repubblica 1953). This document, for which the main credit goes to a disciple of Serpieri - Bandini, the closest technical advisor of minister Segni - is of extreme interest because it represents a summa of the lessons that the agronomists had drawn from the reclamation, colonization, and subdivisions of the first half of the century.

This preface makes clear that the new concept of the reform is a direct evolution of the pre-war principle of land reclamation, now enforced more seriously, to which the post-war government has superimposed the new goal to transfer to the rural workers the property of the land they toil (Ibid.: 997). It is from the failed experience of the ‘integrated’ reclamation policy in places like the Tavoliere delle Puglie – the document specifies - the largest plain in the South, that the government has learned that the discretionary judgment of “fair and decent” people\(^\text{118}\) would lead to no expropriations at all even in the worst cases of non-compliance. The experience of the “integrated” land reclamation, that failed to expropriate land where it should have, as it was filtered by agronomists like Bandini, was thus at the roots of the government’s choice of an automatic expropriation mechanism, based as much as possible on objective criteria. While the new reform represented much more than the old land reclamation, it used the frustrations and the knowledge accumulated by the agronomists with of the “integrated” reclamation.

\(^{118}\) Cfr. Chapter 3 footnote n.67
Finally, the desiderata of the agronomists entered the reform plan in the more immediate sense that the Italian agrarian reform was in large part a land reclamation program. This synthesis of redistribution and land improvement did not only happen at the implementation level, but reached the highest policy-making level, where the reform was defined in a broad way that on the one hand created a certain degree of confusion, but on the other allowed different observers to see in it what they preferred to see. In other words, the lack of clarity regarding the relative importance of land reclamation among the program objectives, made it politically more acceptable to borderline classes like the agronomists, who were against redistribution on political or technical grounds.

This deliberate lack of clarity is very evident, for example, in the “Stralcio” law itself whose preface announced that its goal was to fight land concentration and unemployment, but, a few lines later, added that the law was meant to operate in regions where “large are the extensions still extensively cultivated, while good natural conditions exist for land transformation”\(^\text{119}\). This obvious conflation of reclamation and redistribution goals took yet a different form in the first article of the law, that didn’t mention inequality at all as the criterion for the government’s selection of the districts. Somewhat surprisingly for a land reform, the law stated that the government would have extended the law to “territories susceptible of agrarian transformation”\(^\text{120}\).

This was a clear signal sent to the agronomists, which the government did not want to alienate with an excessive stress on the redistributive aspects of the measure, but to invite to take part in an integrated rural development program. The history of the concept of ‘land reclamation’ in Italy – I am tempted to add – gave it the flexibility to be put at the service of different agricultural development plans. From a set of measures for the malaric plains it had been extended to include the mountains, whose hydro-geologic stability was connected to the plains through the notion of river basin management. From the improvement of the agricultural soil it had incorporated the construction of civil

\(^{119}\) To confuse matters further, the preface added that in the same areas that were going to be chosen as reform districts.. “advanced are also the reclamation works, that have been greatly expanded because large reclamation consortia have obtained priority in the ERP plan, motivated by the public works’ importance, by their advanced state, and by the socio-economic necessity to derive from them the highest results in terms of production and stable employment”. The reference to rural areas where inequality was high, reclamation was needed, or was already well under way, clearly left all the options open to the government when it would have come to the delimitation of the reform districts.

\(^{120}\) (Stralcio) Law N.841 of 21-10-1950
infrastructure that enhanced its value, by facilitating production and marketing. Finally, the 1933 law had further stretched the concept of ‘reclamation’, extending its financial provisions to the construction of production facilities for the processing of agricultural products such as sugar factories, wood-based industrial plants etc. It was not an impossible intellectual operation, now, to further expand the notion of ‘land reclamation’ to include a land redistribution plan, or, more accurately, to lump both activities in the broader concept of ‘agrarian reform’.

5.3 Politicians and Technicians in the Reform Agencies

The ambivalence of the concept of agrarian reform survived well into the implementation stage, when it gave rise to divisions within the reform agencies between the technicians who were interested mainly in the land improvement and colonization components of their job, and those who accepted the predominance of the poverty-alleviation goals. A broad, open-ended definition of agrarian reform – as we have seen before - facilitated the absorption into the reform administration of the principled technocratic ideology of the agronomists. However, the technical criteria of agronomy were never able to dictate the decision-making of the reform agencies single-handedly. Despite the reference that the Stralcio Law repeatedly made to land reclamation and the clear technical priorities of the agronomists, the reform agencies’ core mandate was not to perform land reclamation per se. The agencies’ main goal, against which their performance was closely and constantly evaluated by all sectors of society, was to redistribute land to rural workers, while the land improvements that they were responsible for – mainly the construction of houses and civil infrastructure - were not of the kind that mainstream agronomy considered modern or high-status.

Even more importantly, the agronomists of the reform agencies were not at all free to perform this land redistribution and colonization in the way they considered more rational. They were subject to pressures from rural unions, from other local economic groups, and consequently from the central government, that drove most of their choices away from what the technicians considered to be the ‘technical optimum’. Yet the agronomists managed to resists to many of these pressures as well, and especially to
those representing individualistic or parochial interests, showing social skills and 
negotiation strategies that we don’t usually associate with technical knowledge. The 
technical knowledge that the agronomists were so keen to present as the opposite of 
political interest, was in reality a resource that brought to bear on the very political 
negotiations with individual and organized political interest.

The first group of agronomists that the government put at the head of the reform 
agencies had, generally speaking, two types of backgrounds. They were either academic 
agronomists that were willing to strike a compromise between their productivist ideology 
and the politically-motivated colonization plan; or they came from ONC (or from the 
Agency for the Colonization of the Sicilian Latifundium) where they had been directly 
involved in such colonization\(^\text{121}\). The ONC in particular was an important source of 
human resources for the reform agencies, especially those of the South. One of them, the 
Campania agency, was entirely created as a special section of ONC in the region, with 
personnel already employed by that agency. In addition to that, in 1956 ONC estimated 
that it had lost 26 units to the Ente Apulo Lucano di Irrigazione, (of which the Ente 
Puglia-Basilicata was part), and three more to the Maremma Agency. Finally, but not less 
importantly, from ONC came also the General Directors of three reform agencies: 
respectively, of the small Fucino agency (sometimes considered one with the Maremma 
agency but administered separately), of the Calabria, and of the Puglia-Basilicata agency 
(ONC 1956).

\(^\text{121}\) The distinction that King uses to describe the composition of the agencies’ staff, though more critical in 
the tone, appears quite similar to the one proposed here. “The early reform administrators” - he maintains - 
“were basically of two types; first there were the old southern notables and professionals - lawyers, 
professors, landowners and strong Catholic Party men all; second were the former administrators of the 
Fascist colonization schemes in Italy and North Africa, a group that were hired because of their technical 
competence, but who had little comprehension of broader social issues” (King 1977).
Table 5-1: Top management of the three largest reform agencies in the early 1950s

<table>
<thead>
<tr>
<th>Maremma</th>
<th>Puglia-Basilicata</th>
<th>Calabria</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>G. Medici</td>
<td>A. Ramadoro</td>
</tr>
<tr>
<td></td>
<td>1953- M. Bandini</td>
<td>$\rightarrow$</td>
</tr>
<tr>
<td>background</td>
<td>Disciple of Serpieri. Prof. Of Agronomy and DC member</td>
<td>Academic Professor of Agronomy</td>
</tr>
<tr>
<td></td>
<td>Disciple of Serpieri. Professor of agronomy at Perugia, advisor to Min. Segni</td>
<td>$\rightarrow$</td>
</tr>
<tr>
<td>Director</td>
<td>E. Giuliani</td>
<td>Prinzi</td>
</tr>
<tr>
<td></td>
<td>1958- A. Donati</td>
<td>$\rightarrow$</td>
</tr>
<tr>
<td>background</td>
<td>Director of reclamation consortium, administrator of large farms</td>
<td>Agronomist Administrator of large capitalist farms</td>
</tr>
</tbody>
</table>
Table 5.1 provides some basic information on the professional background of the top administrators of the three largest reform agencies on the Italian mainland. The influence of the two separate traditions of academic agronomy and of ONC colonization comes out quite clearly from the resumes of the main players of the agencies. Their professional differences, however, largely disappeared in the work of the agencies because most of the agronomists who took jobs at the agencies, whatever their background, could not afford to be dogmatic or insensitive to political considerations when it came to planning the reform settlements. As we have mentioned before, agronomists of different political orientation like Decio Scardaccione, the very influential director of the Puglia-Basilicata agency after 1953, and Rossi Doria, the advisor to the Calabria agency, had to adapt their views about land colonization planning to the stringent social and political conditions in their respective districts.

Rossi Doria, who cared deeply for the new farms' competitiveness on the national and international markets, was induced by the strong population pressure on the available land, to create plots that, in the poor areas of the interior, were clearly too small to represent competitive farming units. Scardaccione, an agronomist with a political talent, advocated the Christian values of individual family farming against collective tenure, and residence on the rural homesteads. But he was also forced to act against his beliefs, for example, when he agreed to distribute 'quotas' devoid of a house, instead of 'farms', in many areas close to the urban centers, in order to benefit more people. A similar thing happened also in the Maremma agency where the social conditions induced director Giuliani to ask his technicians to reduce the size of the plots in order to accommodate as many of the entitled applicants as possible.122

122 "We need to start from the assumption that all the entitled applicants, based on the lists approved by the Ispettorati, should receive a share of the expropriated land. Building on the experience of the small owner-operated property of past, which demonstrates that the success of small farming depends more on the intrinsic qualities of the beneficiaries than on the size of the area assigned, it is necessary that both the colonization projects, and the land improvement projects involve a bigger fragmentation of the area than we had planned so far". This document shows the mix of technical and socio-political considerations that entered the planning of the settlements. Under the pressure of peasant demands, Giuliani, the former manager of large capitalist farms, defended the technical efficiency of farming on a small scale by way of convincing his colleagues to reduce the size of the plots they were drafting (Circolare of the director of the Maremma Agency to the directors of the colonization centers, N.146, Rome, October 22, 1951; Archivio Storico Riforma Agraria in Toscana).
Given these strong social constraints to the agronomists’ choices, the main positive influence that this professional group had on the agencies’ performance did not consist in the promotion of one specific model of land transformation or colonization. It consisted, instead, in the view - shared by both the veterans of ONC and by the more academic types – that the ‘agronomic science’ could provide a superior solution to each specific rural problem than the unbridled political forces would have led to. The technicians’ views could not prevail over politics, intended as the representation of the interests and the aspirations of the rural masses, but they could do a lot to contrast the petty political interference aimed at the pursuit of individual or parochial interest. The technicians’ high view of their work thus turned them into an invaluable defense against the repeated attempts of politicians to use the reform for clientelistic goals. Somewhat paradoxically, this type of contribution, depending on the agronomists’ strong technical values, was in many ways not technical at all, but simply consisted in upholding the basic principles of good administration against political abuse. This is a role that in the early days of the reform, technicians from different paths of life and fresh graduates of the colleges of agronomy, all played to different degrees within the reform agencies, unified in the rejection of the ‘irrational’ forces of politics by their strong professional culture.

Several documents that I have been able to consult concerning the operations of the Maremma and Puglia-Basilicata agencies indicate that in many circumstances the agency’s managers have used their authority against political pressures, to preserve a certain degree of fairness in the reform process. This evidence does not prove that the managers’ were capable of stopping every attempt of political interference in the decisions of the agency. In fact, a certain degree of loyalty to the goals of the DC was a necessary precondition to be appointed to such position, which subsequently obliged the agronomists to be open to collaboration with the authorities in power and their friends. However, there is clear evidence that in many occasions these executives tried to protect the general public interest, to the extent that the political situation of the early 1950s permitted, against the claims of powerful individuals or groups. These instances also show that, besides their technical abilities, the managers of the reform agencies were quite skillful in the political sphere as well, as they exploited to the extent that it was possible, the ‘room of maneuver’ that the historical circumstances granted to them.
One can get a first sense of the relative independence from politics of the president of the Puglia-Basilicata agency, from the way he handled the disputes concerning the expropriation of politically powerful landowners. One of them, for example, Senator Mattia Farina - a former Fascist congressman who had been involved in large scale commercial farming before the war and who owned large tracts of land also in the Campania district - denied the reform agency access to two buildings that his wife had been expropriated of in Puglia. In a letter to Farina, president Ramadoro asked him “to intervene to stop the abuses” that the administrator of his wife’s property was perpetrating against the agency by denying it access to the buildings. The letter started out by saying that “the situation has been tolerated so far only due to the respect to your person”, but ended up announcing that Farina’s intervention would have avoided the agency’s “resort to acts of coercion for the realization of its right”\(^{123}\). The tone of the letter is indicative of the political skills of Ramadoro, who used special courtesy when he interacted with a powerful person like Farina, but at the same time appeared inflexible in going after the properties lawfully belonging to the agency.

President Ramadoro and general director Prinzi approached similarly the political interference in matters like hiring or the selection of beneficiaries. Their responses, showed a great deal of tolerance for such interference, yet tried in practice to promote the substance of the agency’s interests compatibly with the political weight of the correspondent. In the years 1951-53, as we have mentioned before, like all the other managers of reform agencies, they received recommendations in the hundreds from central and local DC politicians, proposing for employment certain individuals. The managers of the Puglia agency tried to fulfill these requests as much as possible, provided that the proposed hires could contribute to the agency’s work. Whenever they were able to hire the recommended individuals, the agency’s managers would personally write to their political referees to give them the good news, and to get the corresponding credit. When their services were absolutely not needed they rejected the job applications, and also took the time to write to the politicians in question, offering explanations for not being able to meet their demands. Ramadoro and Prinzi handled in a similar way the

\(^{123}\) Letter by President Ramadoro to Sen. Mattia Farina, Apr.8, 1952 (ERSAP, Segreteria Generale, Busta 190)
politicians' requests of other (more or less licit) favors; like for example the pleas to include among the reform beneficiaries individuals who did not have the necessary qualifications. They rejected the requests with polite letters explaining the lawful reasons why it was impossible to accept them.

Also indicative of the degree of autonomy of the technicians was the relationship that they entertained with the DC-affiliated union Coldiretti. Created in 1944, this organization became extremely powerful in the postwar years, after its political leaders took control of key rural development institutions of the state like the federation of Consorzi Agrari, the network of local public institutions inherited from the corporatist Fascist regime that monopolized the marketing of the farmers' main products and the supply of their inputs in every province. The technicians of the agencies did not see with favor the expansion of Coldiretti in the countryside, as much as that of the leftist unions. While they shared many of Coldiretti's objectives like the promotion of small-holding farming more than the collectivist goals of the Communist and Socialist unions, they were disturbed by its persistent attempts to interfere with the agencies' decisions. The first managers of the Puglia agency tried to block the expansion of Coldiretti in its sphere of activities and the penetration in its very offices with polite determination. In a letter to a local leader of Coldiretti, the director of the Puglia agency Daniele Prinzi, started out by praising his activity in favor of the reform beneficiaries but added:

While I confirm that you will find the managers of the local offices of this agency well disposed to assist your activity, I beg you to limit it outside those same offices, without asking direct interventions that, for obvious reasons, will not be admissible, without granting similar concessions to other organizations.¹²⁴

The wording used by Prinzi – the same manager that was being accused by parts of the DC of being a Fascist¹²⁵ - betrays the caution of the technician in dealing with the politicians in power. His implicit reference to the other leftist organizations is indicative of the type of relations that the reform technicians' entertained in the early reform years with the political authorities who had the last word on the critical policy decisions in

¹²⁴ From Daniele Prinzi to Gino Sequi, Director of Coldiretti for the province of Lecce, November 11 1952 (ERSAP, Fondo Segreteria Generale, N.62753)
¹²⁵ Cfr. Chapter 4, p.141
those years. It appears as an attempt to justify his real impartiality – as it if was a crime – as mere appearance, by saying that the agency could not offer to the organizations linked to the party in power the preferential treatment that it would have liked to offer. A few years later, with the raising power of Coldiretti in the countryside and the demise of the Communists, the agencies’ managers would not have been allowed to use even this pretense of impartiality in defense of their autonomy.

As we have repeatedly suggested, drawing a clear line between politics and technical principles within the reform’s administration was certainly an artifice, as both types of considerations needed to be taken into account in most of the decisions that the agencies were facing. But it was an intellectual artifice that people working for the reform constantly resorted to, and that therefore influenced the reform’s operations, I am arguing, in a positive sense. One gets a clear sense of it, for example, by reading the outgoing correspondence of the agencies’ managers.

The tone of the letters that they addressed to other technicians like them who worked, for example, for academic institutions or for other reform agencies, was very different from the one they used to write, for example, to national or local politicians. The professional identity that united them at the exclusion of others is reflected in the “tu” expression that they used to address each others, a familiar version of ‘you’ in the Italian language that people use only with friends and family. The frankness and familiarity that characterizes these letters appears founded on the strong unspoken bond of profession, which implied a well-defined body of shared values and a common training. One finds this type of informal interaction, that gives for granted a lot of shared ideas even in the correspondence between technicians considered of very different political orientation within the profession, like the DC Medici and Bandini, the Social-democratic Rossi Doria, or agronomists like Mazzocchi Alemanni that could not access official positions in the agencies because they had been too prominent in the reclamation agencies during Fascism.

126 Exceptions to this rule were the Communist agronomists, like for example Emilio Sereni, that were quite isolated from the others because of their political faith. In these years of polarized politics, the Communist world view was so strong that it drew a divide within Italian society more powerful than any other –one that cut across all the other lines, including that of professional identity. Sereni who had been a childhood
The distinctive professional values of the agronomists worked to create divisions also within the agencies, where the technical personnel did not hide their feelings of superiority towards the social workers that got hired towards the end of expropriation period. The social workers’ first task was to select the beneficiaries through the work of municipal level committees. After the beneficiaries moved to the settlements, their role became to assist them in the transition to their new rural life, to help and advise them on matters concerning health, education, religion, social life and entertainment. The ‘Socials’, who had been chosen among people of assured Christian Democratic faith, were also the ones in charge of the political indoctrination of the reform beneficiaries especially in the periods preceding the elections. They didn’t lack a strong ideology of their own: from their point of view, the technicians did not understand the moral and social aspects of the reform, that involved, for the first time in the nation’s history, the promotion of human values and of a healthy family lifestyle among the peasants (Barberis 1999: 485). Their greater proximity to the beneficiaries’ everyday life often made them report to the technical personnel the complaints that the settlers voiced concerning the faulty design of the settlements, of the houses, infrastructure, etc. The technicians saw this advocacy role as an inappropriate trespassing into the technical domain, that the ‘socials’ did not understand.

The rivalry between the technicians and the social workers, that reflected the basic dualism of ends of the agrarian reform program itself, gave rise to a continuous struggle within almost every agency. The outcome of this internal struggle evolved as the balance of power between the two groups within the reform administration also evolved. Initially, the technical point of view was predominant. For example in the Calabria agency, where the “Social Service” was instituted as a separate department only in 1954, after only four months of struggle, it was denied every true autonomy of operation by the agency’s director (Osti Op.Cit.). Similarly, in the other agencies, the technicians often won the first rounds of the confrontation\textsuperscript{127}, but their influence declined little by little at the expense of

\textsuperscript{127} One employee of the Campania agency recalls that the two groups had found a ‘healthy’ way to channel their reciprocal animosity. At village celebrations organized by the reform agency the ‘technicians’ and the ‘socials’ would confront each others in a match of tug of war. “What a satisfaction it was to destroy them”, he added. (Interview with mr. Breda, 30.01.02)
the ‘socials’. With the unsuccessful results of the 1953 elections first, the end of the
phase of physical planning, and the slowing down of the Communist expansion, the
social and political components of the reform intervention became dominant, while the
technicians who remained in the agencies became increasingly frustrated and unhappy.

Given the fundamentally political aims of the reform one might ask why the DC
chose to appoint predominantly technical figures at the head of the reform agencies,
knowing that it would have meant to be able to control their choices only in part. The
answer is the result of different factors. First of all, one must remember that the DC,
facing the challenge of the Communist rural expansion, needed to achieve real
redistribution results in the shortest possible time. The people who promised to be more
capable, in virtue of their pre-war experience of land improvement and colonization, to
perform such a delicate and complex task were the agronomists of the pre-war reform
agencies. Secondly, some of these agronomists – like Medici, Rossi Doria, or Bandini
– had gained a great deal of respect in the political sphere with their writings involving
concrete policy proposals for the solution of the agrarian problem in the Italian South.
Such writings convinced the DC leaders of the quality, if not of the proposals themselves,
of the men who advanced them, who showed a pragmatic knowledge of economic and
social dimensions of the rural problem and of the constraints posed by the limited
financial and human resources of the state. It made a lot of sense that the national
leadership of the DC invited at the head of the newly created agencies the scholars and
professionals who had thought long and hard about the problems that the government was
now trying to solve.

It thus becomes clear that many of those agronomists who defined themselves as
‘technicians’, and especially those who were most prominent in the public realm, were
not as indifferent to the political perspective as they pretended to be. Only formally did
they proclaim the superiority of technical criteria for decision-making over the political
ones, and denounced the deleterious influence of politics. In reality, their understanding
of the complex ways in which politics created possibilities and constraints that affected

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128 "It's not like there were others" was the answer to this question of the former director of the Puglia-
Basilicata agency Decio Scardaccione.
rural development policy was much more profound. Leandra D’Antone (1991), in her article on the agronomic profession in Italy, also argues that technique and politics coexisted, not without a certain tension, within the culture of this professional group, that was at the same time highly intellectual and very aware of its high responsibilities in the public sphere. The agronomists were conscious of the political and ethical dimensions of their profession in a country where, in many regions, more than 50% of the work force was still employed in agriculture at miserable conditions.

Only the lower level technical personnel of the agencies accepted the simplistic distinction between technique and politics as that between two rival approaches to decision-making. At the higher level of the agencies’ management, the agronomists interpreted the supremacy of technique in a more realistic sense, as an ideal or principle that they could realize in practice only in part, by continuously mediating with the exigencies of politics. The compromises that they had to accept for political necessity, however, never became for them the legitimate object of their speculation; never deserved their direct interest, which always remained centered on the technical and economic aspects of their plans.

One sees most clearly this tension in the work of Rossi Doria, a scholar whose views have been studied at length for his national fame and influence, but that could be considered representative of many other high profile agronomists of his time. Without entering a complex analysis of his intellectual contribution and of his legacy that would be outside the purpose of this study, and at the cost of over-simplifying, suffice it to point out here that, with all his political sophistication, Rossi Doria’s ideal was to inspire politics to technical rationality. Despite his pragmatism always interested in the political feasibility of the different technical alternatives, he rarely embraced the fully political point of view that looks at ideas and preferences in the public sphere as modifiable through logics, persuasion, and charisma (Meldolesi 2000). The fundamental primacy of the technical over the political rationality in Rossi Doria’s thought is attested to by the fact that his followers are today politically dispersed. One finds his most important disciples affiliated to very different political parties, from neo-liberal to Communist passing through the Christian Democrats, yet united by a clear bond of technocratic methodology.
It makes sense that Rossi Doria would not indoctrinate his disciples to any political creed. During Fascist times, Rossi Doria himself had benefited of this 'politically neutral' view of their work that the agronomists had. When he was arrested for his Communist ideas and imprisoned, his older colleagues who had joined the regime and edited the journal “Bonifica e Colonizzazione” of the Minister of Agriculture, allowed him to publish under a pseudonym the articles that he was writing in jail on the experience of land reclamation in other countries, believing that this contribution did not lose its merit just because it was coming from a political dissident. It is to this mix of technocracy and politics characteristic of agronomists like Rossi Doria, which proclaimed the superior rationality of the first without being naïve about the latter, that the reform owes much of its early achievements.

5.4 Cassa per il Mezzogiorno: a New Tool for an Old Plan

As we have suggested in the preceding pages, the Italian agrarian reform indirectly benefited from a general economic development plan involving investment in rural infrastructure, which the government carried out in the 1950s simultaneously with the reform. In charge of executing this plan, and in particular the larger infrastructure projects, was Cassa per il Mezzogiorno (CASMEZ), a central government agency with broader economic development responsibilities in the lagging Mezzogiorno region, launched in the same year of the agrarian reform. CASMEZ itself did not get involved in land redistribution, but its intervention overlapped and interacted with the reform activity in a number of different ways. Although CASMEZ did not intervene in all the reform districts, and invested also in many non-reform territories, it had strong beneficial effects on the reform process and on the economy of the reform districts.

The productivity increases that the CASMEZ investment – in particular the irrigation projects - generated in the majority of the reform territories have been critical for the economic development of many reform areas. The civil infrastructure of roads, aqueducts and power lines that it financed was fundamental to the very residential viability of the settlements. Moreover, the integrated rural development plan that CASMEZ carried out facilitated the social transformation induced by the reform by
creating a climate of enthusiasm and openness to change. With its emphasis on new technologies, the modification of the landscape and improvements in rural living conditions, the investment plan of CASMEZ convinced both the beneficiaries and the public employees involved in the reform that things were finally changing for the most stagnant segments of society. Finally, the broader infrastructure development plan of CASMEZ helped bring the reform experience to an end. In the second half of the 1950s, when the government’s commitment to agrarian reform was disappearing, CASMEZ facilitated the transition away from redistribution and towards an exclusively productivist rural development policy.

There are several strong linkages between the economic development activity of CASMEZ and agrarian reform. First, it was the same government that instituted both programs, and the same parliament, the first of the post-war republican era, that approved them in the same year. This indicates that the two plans, despite their different means and goals, were each one conceived and developed with a deep awareness of the other. Second, the territorial areas of intervention of the two programs largely overlapped: 84% of the area subject to agrarian reform fell in the Mezzogiorno region – which includes the southern portion of the peninsula and the two large islands (Picture 1) - that CASMEZ served¹²⁹. Third, part of the resources that the government appropriated for the CASMEZ regional development plan in August 1950, with the Stralcio law of the following October was diverted to fund the operations of the southern agrarian reform agencies, covering approximately 48% of their 1950-1962 budget. While CASMEZ did not retain any control over the use of these funds, as the authority in charge of reclamation, it remained in charge of authorizing the public infrastructure investment of the agencies within the districts, like the public buildings, aqueducts, power and irrigation systems. Fourth, it provided additional infrastructure of fundamental importance for the settlements, like the large scale river-basin-wide irrigation projects (Fenicia 1962).

Besides the large area of overlap of the two programs and the many operational aspects that entangled the work of CASMEZ with the agrarian reform, one should also

¹²⁹ Of the 13.1 million hectares in which CASMEZ was operating, 7.1 million were reform areas, that is, 54% of the area legally classified as Mezzogiorno underwent the agrarian reform intervention.
stress here the different motivation behind the two forms of intervention that kept them separate in the first place. The two programs followed in the path of two different traditions of government intervention, and defined differently the social problems to which they represented a response: in geographical terms CASMEZ, and as rural inequality the agrarian reform. This mix of original differences and factual overlapping created a strong need for coordination between the two programs in the course of implementation.

Despite all the policymakers’ efforts to make it open and inclusive, the notion of agrarian reform just could not incorporate two important approaches to government intervention that in the postwar period also demanded their place in the state development agenda: the reduction of regional disparities, and land reclamation. These policy approaches required with CASMEZ the creation of an ad hoc, long-lasting government institution.

One problem-area that the agrarian reform could not adequately capture was the long-standing issue of regional economic inequality. This social and economic problem had characterized the country since its 1960 unification, when regions with very different cultural, economic and social traditions were included within one single nation state. With the help of a strong protectionist industrial policy, towards the end of the nineteenth century the northern regions, already economically more advanced, were quicker to develop manufacturing capacity and to catch up with the levels of development of other western European countries. The same policies that favored the North, hurt the southern regions who specialized in commercial agriculture in part oriented to foreign markets, while the unification of the domestic market thwarted their nascent manufactures. As a result, in the first half of the twentieth century a widening economic gap between the North and the depressed Mezzogiorno imposed itself more and more forcefully on to the public agenda, without the state doing much about it. This was the time when a series of southern born intellectuals raised the ‘southern question’ in their writings, giving rise to a field of studies that became known as “Meridionalismo”: the study of the causes and remedies to the southern Italian backwardness.
Among the causes they identified were the poor natural resources and climate (Fortunato 1911, 315), the effect of the protective tariff regime of 1887 that favored industry at the expense of agriculture (Salvemini 1958, 77), and the distinct history of domination by foreign powers. Scholars like Gramsci (1977) pointed to the leading classes of the Mezzogiorno itself, allied with the powerful industrialists of the North in defense of the exploitative status quo, and to the southern intellectuals subject to them, as the main obstacle to southern development. Their policy recommendations varied along an equally broad spectrum. Agrarian reform was just one of the proposals advanced at that time for the development of the South. Agriculture, that employed in some sub-regions of the Mezzogiorno more than 70% of the work force, usually pertained more to the discussion of the problems than to that of the solutions. Prominent political economists of the time advocated public investment in basic industry and infrastructure that would reduce the costs of private industrial investment in the South (Nitti 1987).

This lively debate, however, up until wartime, had produced very little government action, while the economic gap, measured by a per capita GDP in the Mezzogiorno at 53.4% of the level of the Center-north, had grown dramatically during Fascism. In the post-war period, the Italian government showed a first sign of a more pro-active approach to the problem of regional disparities when it created a parastatal think-tank dedicated to the study of the problems of the Mezzogiorno. This “Association for the Development of Industry in the Mezzogiorno” (SVIMEZ), including the managers of the large public and private industries and banks, the Governor of the Bank of Italy, and the Italian representative at IBRD, was to play a central role in defining the problem of the Mezzogiorno and in arriving at the solution of CASMEZ. What distinguished the numerous studies of the ‘southern question’ that SVIMEZ produced starting in the late 1940s from the pre-war ‘Meridionalismo’ was the ‘scientific’ approach based on quantitative methods, and the strong industry bias of most of its members. The early studies of SVIMEZ tried to demonstrate that the North had nothing to fear from the expansion of the industrial capacity of the Mezzogiorno, which could have helped reduce

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130 Recent contributions of Italian historiography, however, suggest that in the last few years before World War II things were starting to move in the direction of the more active promotion of industrial development in the South. The same personalities of the industrial parastatals that after the war would have been
the economic and cultural backwardness of the region without hurting northern manufacturing.

It was within SVIMEZ that the idea of a new government agency to promote the development of the South took shape, funded for a long period of time and isolated from the influence of government. In the original SVIMEZ proposal the agency would have provided basic infrastructure and directly invested in manufacturing in joint venture with private capital. The new agency’s investment plan should have been additional and not substitutive of whatever economic development policies the government was carrying out in the entire country. In the bill instituting CASMEZ – the agency for the development of the Mezzogiorno - the government accepted the spirit of the SVIMEZ proposal. CASMEZ reflected the technocratic culture that conceived it, made of executives who had climbed the ranks of the largest Italian enterprises within a state-dominated corporatist system, and who believed in new technologies and in rational planning isolated from political influence, as the key to economic and social development. In order to stress the fact that this government expenditure in the South needed to be additional the ‘ordinary’ nationwide economic policies, the government gave this plan the name of “Intervento Straordinario” (extra-ordinary intervention).

CASMEZ, however, could not incarnate perfectly the ideal of the pre-war technocrats. First of all, legislative amendments deprived it of the authority, assigned to it by the original bill, to perform direct industrial investments in the South. Second, for an entire decade its activity was limited to the planning of rural infrastructure, which the bill identified as the precondition for industrialization. Third, its real independence from the executive was never as absolute as the founding technocrats would have wanted, and started to further decline in the course of the 1960s.

The gap in living standards and in all other economic development indicators between the Mezzogiorno and the Center-north, suppressed from the public discourse under the dictatorship, had grown too wide to be tolerated under a unitary nation, and demanded a central space in public policy. The agrarian reform program, however designed, could not claim to be appropriate or sufficient to address these disparities, of which we provide an
exemplary list in Table 5.2. First of all, most policy-makers had become convinced that the solution to the region’s poverty could not come just from the modernization of agriculture. CASMEZ came to represent the vanguard of this industrialist view within the public administration. Second, it was not feasible to make the area of intervention of agrarian reform coincide with the vast territory usually defined as the Mezzogiorno. While rural inequality was in general worse in the South, the reform had to intervene also in a few territories of the Center-north where rural conditions were not dissimilar, and where the Left was mobilizing the rural workers against the landed class. Moreover, the choice to associate land reclamation works to the redistribution and settlement program meant that the agrarian reform could not spread its resources thinly over all the entire Mezzogiorno territory. In accordance to the agriculturists’ suggestions, the agrarian reform intervention needed to be concentrated in a few sub-regions of the South, which came to be chosen for a mix of their distributive inequality, political riotousness, and agricultural backwardness.

Table 5-2: Indicators of Regional Disparities in 1951

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mezzogiorno</th>
<th>Center-North</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Consumption Per capita (in Thous. Lira)</td>
<td>165</td>
<td>268</td>
</tr>
<tr>
<td>Workforce Participation rate (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41.1</td>
<td>48.9</td>
</tr>
<tr>
<td>Male</td>
<td>60.5</td>
<td>69</td>
</tr>
<tr>
<td>Female</td>
<td>22.5</td>
<td>29.7</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>9.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Share of employment in different sectors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>34</td>
<td>19.3</td>
</tr>
<tr>
<td>Industry</td>
<td>20.2</td>
<td>40.8</td>
</tr>
<tr>
<td>Services</td>
<td>23.3</td>
<td>39.9</td>
</tr>
<tr>
<td>Investment in Industry as Share of total inv. (%)</td>
<td>26</td>
<td>42</td>
</tr>
</tbody>
</table>

*Source: Podbielski 1978, reduced version*

A second reason why CASMEZ was kept separate from the agrarian reform operation was that the reform, despite all its efforts to incorporate productivist land improvement
objectives, could not entirely satisfy the aspirations and the beliefs of the land reclamation movement. The agrarian reform administration in fact could only claim to perform one type of reclamation, traditionally criticized by many agronomists for being “partial”, and only within the restricted areas of land expropriated from the landowners. Indeed, through the mechanism of the ‘residual one third’ and through the market-based subdivision process induced by the reform, more land was put to productive use than the area where the agencies directly intervened, yet this overall outcome remained insufficient for the enthusiastic advocates of reclamation. In fact, the reclamation activity of the reform agencies only involved the colonization of the empty spaces of the latifundia, the promotion of high value crops like fruit, vegetables and fodder, and some tube-well irrigation. This intervention did not include important pieces of the reclamation model: it did not use the method of putting the landowners’ consortia at the center stage of the reclamation process, and it ignored the systemic approach of planning large irrigation systems for entire river basins.

When the reform was under study, the planning of land improvements at the river basin level was by no means new, but was still regarded by many agronomists as the most advanced form of reclamation. The failure of some reclamation projects in the South, according to some experts, depended on the projects’ ignorance of the interconnectedness of mountain and plains. Trying to reclaim only the coastal areas - the territories with the greatest agricultural potential - did not make sense in the Mezzogiorno where, generally speaking, the flooding of the plains depended on the hydro-geological degradation of the river basins upstream. The variability of the yearly precipitation, aggravated by the deforestation of the mountain sides that could have smoothed it, made the river streams also vary dramatically from the winter to the Summer, when most of them completely dried up. The solution that twentieth century agronomists found for this hydrological problem consisted in the construction of upstream river dams that would have retained the winter rainfall, stabilized the river streams, and guaranteed a year-round supply of water. This plan promised to allow the reclamation of the plains and to expand dramatically the irrigated area not only by increasing the supply of water, but also that of electrical power. Cheaper and more abundant power, in the ‘river basin approach’, would
have facilitated also the adoption of electrical pumps for smaller groundwater irrigation systems (Barone 1986).

At least as important as the agricultural-environmental impact of the river-basin approach was its expected beneficial effect on industrial development. The systemic view of reclamation involving hydro-electrical power generation and irrigation fit perfectly within the vision of the country’s industrial development of the market-oriented social-reformists of the first half of the century. This group represented most notably by the political economist and politician Francesco Saverio Nitti believed in modern technology as a powerful tool of modernization and democratization, and in private enterprise as a vehicle of such modernization. Highly concerned for Italy’s lower reserves of fossil fuel vis a vis other western countries, the technocrat-reformist group looked at the hydroelectric-irrigation projects as a way to provide the cheap power that the country needed to keep the pace of industrial development. But the reformists also thought that these projects should have been interesting investment opportunities for private capitalists. Theoretically, the increase in the value of the land that the projects would have produced and the returns from the sales of electrical power and high value crops, should have compensated the private investors of their initial high expenditure in building the reservoirs, the power plants and the large irrigation systems. In practice, however, it was unrealistic to expect the private sector alone, especially in the South, to undertake such massive investments.

The plan of Nitti and of his associates was thus to offer investment subsidies and exclusive long term concessions for the exploitation of the natural resources to the banking and industrial companies of the North, so as to enlist their private capital to this economic development goal. In 1912-13, during his tenure as a Minister of Agriculture and Industry, Nitti, assisted by a small but enthusiastic group of engineers, agronomists and investment capitalists, passed a piece of legislation that offered tax exemptions to the private corporations that would undertake such projects, and gave them the authority to expropriate the lands that this reclamation would have allowed to irrigate (Ibid. 35). These plans, however, found powerful enemies in the more traditional agricultural classes of the Mezzogiorno, who did not possess the means to undertake such plans, yet did not want to be expropriated by outside corporations.
This approach was also quite different from the ‘integrated reclamation’ of Serpieri, who believed that the initiative and the capital of the private landowners would have been adequate to the task of land reclamation. Later in his career, Serpieri came closer to the position of Nitti, when he realized that the consortia-centered model that had worked in the North may not have been appropriate for reclamation in the Mezzogiorno where the hydro-geological problems were more serious and the private sector less developed. The inertia of many of the southern consortia led Serpieri, in his second governmental appointment under Fascism (1929-1935), to become more open to the involvement of outside capitalist enterprises in land reclamation (ANCBI 1930, Serpieri 1984). However, despite the reduction of the ideological differences between the two approaches in the second decade of Fascism, one should still think about them as two distinct versions of the reclamation doctrine. The river-basin approach of the reformist technocrats appeared more capital-intensive, while the ‘integrated reclamation’ model of Serpieri that tried to induce the landowners’ consortia to act in the public interest, seemed more respectful of the existing property rights. The construction of reservoirs and large irrigation networks involved in the first approach did not lend itself to the complete control of the process by local landowners’ consortia, but generally speaking required the expropriation of the locals by large capitalist enterprises

The agrarian reform agencies could not claim to perform any of the two versions of reclamation. The first because the reform agencies acted in the style of the old government colonization agencies like ONC, disempowering the local landowners through expropriation, and performing the land improvements without any local

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131 The experience of reclamation in the plain of Capitanata in Puglia, the largest of the Mezzogiorno, before World War II, illustrates the difference between the two schools of thought of land improvement and the practical implications of adopting one or the other. During fascism, the Capitanata consortium, led by modern commercial farmers and with the help of distinguished agronomists drafted the reclamation plan required under the framework of the ‘integrated reclamation’. This plan remained anchored to the view that large-scale irrigation systems would not have been economic in the area, and put at the center stage of reclamation rain-fed fodder and fruit tree cultivation (D’Antone 1990). The case shows that even the more modernizing rural classes could not be expected to conceive of such a technological discontinuity as represented by the “high irrigation”. During Fascism, another group of technicians close to the reformist technocracy came up with an alternative plan for Capitanata involving the irrigation of much larger areas through the construction of an upstream reservoir. It is something much closer to this second, minority plan, that at the time was largely dismissed as un-economic, that CASMEZ carried out in the postwar period, with vast beneficial effects for local agriculture.
participation. The second because the agencies, whose core mission was redistribution, could not embrace the systemic perspective of river-basin planning, but had to limit their reclamation plans to the improvement of the expropriated territories. Unsurprisingly, CASMEZ took on itself the two land reclamation perspectives that the reform agencies could not adequately represent. It became the agent of the pre-war ‘integrated reclamation’ scheme in the regions of the Mezzogiorno, but used the system in a dirigiste fashion instead of the bottom up version popular in Fascist times, to pursue the reformist agenda of the river-basin level irrigation and power production. CASMEZ managed to make the two approaches compatible by subsidizing the private improvements heavily than in the pre-war period, while at the same time exerting a stronger influence on the content of the consortia’s land improvement plans. In CASMEZ planned and funded several river basin reclamation plans involving the construction of reservoirs, irrigation systems and power production, and managed to do so without expropriating the landowners or executing directly the works in the way the pre-war private corporations did.

CASMEZ was a favorite institutional arrangement also with the foreign organizations that funded Intervento Straordinario. The IBRD, the major foreign source of finance for the development programs of the 1950s, favored the CASMEZ solution because it appreciated having to deal with only one center of accountability on the receiving end of its loans. From the opposite side of the Atlantic CASMEZ appeared to possess the technical capabilities to plan such an integrated investment complex with minimal political interference, following the model of the American Tennessee Valley Authority that represented the international best-practice of the time. Hence, CASMEZ also had to perform the role of an intermediary that allowed the reform to access foreign currency, because the IBRD, which didn’t trust the reform agencies, did not want to channel loans directly to them\textsuperscript{132}.

CASMEZ, which according to its founders should have pursued an eminently industrial development plan, was hijacked for at least one decade by the agronomists, who wanted to make of it the vehicle of the “river-basin” and “integrated” reclamation.
The government allocated 77% of its first ten-year budget to agriculture, more than one third of which was immediately transferred to the reform agencies. Table V.3 shows that the CASMEZ allocated 86% of her actual expenditure in the first decade to infrastructure projects. The dominance of this type of investment depended in part on the fact, also evident from the table, that the agency covered the almost totality of this category of expenditure, while it participated only with matching funds to other categories.

Table 5-3: Percentage distribution of Investment directly performed and induced by CASMEZ at December 31st 1961

<table>
<thead>
<tr>
<th>Sectors of Intervention</th>
<th>Investments</th>
<th>% borne by CASMEZ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Induced</td>
<td>CASMEZ expenditure</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Land Reclamation</td>
<td>20.2</td>
<td>31.4</td>
</tr>
<tr>
<td>2) Roads</td>
<td>6.7</td>
<td>11.0</td>
</tr>
<tr>
<td>3) Aqueducts and sewage</td>
<td>8.1</td>
<td>12.7</td>
</tr>
<tr>
<td>4) Tourism</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td>5) Railroads and Ferry</td>
<td>4.7</td>
<td>7.4</td>
</tr>
<tr>
<td>6) Agrarian Reform</td>
<td>13.2</td>
<td>21.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>54.2</td>
<td>86.2</td>
</tr>
<tr>
<td><strong>Incentives to private investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7) Land Improvement</td>
<td>17.1</td>
<td>11.7</td>
</tr>
<tr>
<td>8) Industry</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>9) Fishing and Artisanship</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>43.4</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Naples</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Contributions to schools and other social institutions</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2.4</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>General Total</strong></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: CASMEZ (1962a)*

132 It is the opinion of Giulio Leone, who has been both the director of the Calabria agency, and the director of the land improvement department of CASMEZ. An opinion that he expressed at the conference on the historical roots and experience of Intervento Straordinario (D’Antone 1996).
The main task of CASMEZ in the 1950s thus became to carry out the ‘integrated reclamation’ plan following the procedure put in place before the war, and giving priority to the expansion of the irrigated surface of the Mezzogiorno. The consortia, however, the natural partners in this reclamation scheme, had produced very few land improvement plans that, in general, did not meet the technological standards that the agency was trying to promote (Curato 1952). Unable to proceed with rational reclamation plans but eager to start the much needed rural investment, CASMEZ began its activity by selecting for funding the individual investment projects that were already available and ready to be realized. At the same time, it started to intervene to improve on the consortia’s reclamation plans, so that they would conform to the ambitious irrigation objectives and add up to the rational and comprehensive approach that the agency was striving for.

CASMEZ’s first general plan was to add in ten years 360,000 new hectares of irrigation to the 270,000 already irrigated in the Mezzogiorno at the beginning of its operations. The majority of this new irrigation was expected to come from the ‘high irrigation’ systems, provided by new reservoirs. By the beginning of the 1960s, CASMEZ had already completed 7 such reservoirs and was in the process of building 8 more, of a total of 42 planned. The construction of these systems was the centerpiece of the early CASMEZ operation in the 1950s. It required that CASMEZ itself formulated broader river-basin land improvement plans, in which the plans of the consortia needed to fit as a part to the whole. By 1975 the total irrigated area in the Mezzogiorno had increased by a half million hectares, in part through the exploitation of underground water sources that the early hydro-geological studies of CASMEZ helped identify. This investment in irrigation, largely independent from the agrarian reform program, greatly contributed to the economic viability of the reform settlements, after the systems started functioning.

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133 F. Curato, personal interview.
134 Estimates of the surface already irrigated at the beginning of CASMEZ operations vary significantly from a lower boundary of 150,000 ha, to the 270,000 figure provided by Ministero dell’Agricoltura (1950). The macroscopic difference may depend on the land improvement works involving irrigation that the Marshall plan had financed and that were already under way in the period 1948-50.
During the reform years, however, CASMEZ was called upon also to finance the construction of additional infrastructure like power lines and aqueducts within the reform districts. The CASMEZ technocracy did not think very highly of these projects that in general appeared not to have the quality of rationality and efficiency that the agency praised itself to pursue. In the eyes of CASMEZ, the small-scale infrastructure projects in service to the reform settlements were tainted by the social welfarism that characterized such redistribution. Moreover, the CASMEZ management had little to do with the reform activity in terms of background or values. It is quite indicative of this difference that the general director of the land improvement department of CASMEZ, controlling 80% of its budget in the critical period 1951-58 - the brilliant agronomist Francesco Curato – came from a family of southern landowners\textsuperscript{135}. In the early postwar years Curato had been active in the ranks of Confagricoltura where he starkly opposed offering any concession to the sharecroppers in the tenancy controversy of 1946-47. His involvement in the reform debate, if any, had been on the reactionary side. However, the main divide with the agencies was drawn along technical, and not political lines.

\textsuperscript{135} His father – the engineer Roberto Curato - had drafted the land reclamation plan for the plain of Capitanata, mentioned in footnote n.131 earlier, whose consortium he presided.
Figure 2: Tracts of Land Expropriated in the Puglia-Basilicata District
One of the problems that CASMEZ found with the work of the agencies was the non-contiguous location of the areas of reform intervention caused by the fact that the land had been obtained through the expropriation of separate properties, which raised the costs of servicing them with infrastructure. Figure 2, by highlighting in dark color the lands expropriated in the Puglia-Basilicata district gives an idea of the multitude of non-contiguous tracts of land scattered in the reform territory on which the reform agencies had to intervene, which increased the complexity of this infrastructure development planning. The agencies were not a favorite partner for CASMEZ also because they could not replace the consortia in the ‘integrated reclamation’ scheme, being they neither the representatives of the old expropriated landowners, nor of the new ones that were in the process of entering the new properties. More generally, the agencies’ independent planning of the land improvements and settlements appeared partial, and thus at odds with the pretense of comprehensiveness of CASMEZ planning.

Coordinating the physical planning of agrarian reform with the broader land improvement plans of the consortia and of CASMEZ would have meant for the reform agencies to delay the settlement of the beneficiaries. Convinced of the superiority of its methodic approach, CASMEZ tried to impose this coordination with the rest of the reclamation, but eventually had to allow a preferential treatment to the reform projects due to their urgency. The agency, in fact, complained with the Minister of Agriculture that subjecting to the approval of CASMEZ the construction of the power lines and of the public buildings of the new hamlets, was slowing down the progress of these works to such an extent that it jeopardized the residential viability of the rural settlements. The entire colonization project could have failed had the new homes not been served by the most basic civil infrastructure. After the mediating intervention of the Minister of

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136 "Take into account" – wrote President Ramadoro to the Minister of Agriculture in March 1954 – “that given that peasant resettlement to the countryside is indispensable to reach the institutional ends of the reform, this agency revokes the assignment contract to those peasants that have not moved with their families to the homesteads. It is for the agency a reason for great distress to have to intimately admit that many such transfers are still made impossible, or at least extremely difficult, in the areas where the necessary civil services are still missing or defective. It is thus evident that the lamented slowness and complexity of the existing procedure for the approval of the executive projects of the rural hamlets is causing harm to the development of the reform activity in the critical phase of peasant settlement”. Memo of March 27 1954, N.37710, (Archivio Centrale di Bari, ERSAP, Segreteria Generale).
Agriculture, CASMEZ agreed to place the projects pertaining to the reform in a preferential track involving the approval of a mixed committee including representatives from all the central level authorities competent for such public works.

CASMEZ, which wanted the ‘integrated reclamation’ scheme to be the default procedure for all land improvement, found a place for the reform agencies within this tightly-knit institutional scheme by allowing them to perform land improvement works as a contractor for the landowners’ consortia. With this institutional solution, the consortia remained formally the agents of the reclamation process; CASMEZ, the depository of the broader vision, remained in charge of approving and funding their plans, and the reform agencies, which owned heavy duty land improvement equipment, formally became mere executors. This system allowed CASMEZ to finance part of the construction of roads, rural electrification systems, and of many churches, schools and community centers of the new rural hamlets. Of the physical output of the reform agencies reported in table 2.5 (p.67) a significant and increasing share represented works financed by CASMEZ out of the ‘integrated reclamation’ budget, which the agencies performed as a contractor for the consortia. This share grew in value terms from the 47% that it was in 1957, to 59% in 1961, indicating that this system also provided a way of phasing out the reform activity proper, reabsorbed into the ‘integrated’ administrative scheme for rural development presided by CASMEZ.

Table 5-4: Percentage Distribution of CASMEZ Expenditure, 1951-75

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Infrastructure</td>
<td>27.8</td>
<td>22.8</td>
<td>22.0</td>
<td>22.9</td>
<td>21.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>63.5</td>
<td>49.2</td>
<td>32.0</td>
<td>16.7</td>
<td>14.1</td>
</tr>
<tr>
<td>Loans and Grants for Industrial Investment</td>
<td>-</td>
<td>0.4</td>
<td>9.4</td>
<td>27.5</td>
<td>29.5</td>
</tr>
<tr>
<td>Other</td>
<td>8.7</td>
<td>27.6</td>
<td>36.6</td>
<td>32.9</td>
<td>35.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Podbielski 1978
The increasing dependence of the reform agencies on CASMEZ reflected the loss of importance of redistribution at the expense of other goals: regional development and, gradually, industrialization. As indicated in Table 5.4, starting at the end of the 1950s, CASMEZ gradually reduced the agricultural share of its expenditure, which fell dramatically in the 1960s and 1970s, in accordance to the SVIMEZ original industrialist vision of the plan. Moreover, land reclamation expenditure itself, became more oriented towards rural industry, when CASMEZ at the end of the 1950s started to finance manufacturing plants, processing the product of the reform cooperatives. This was one manifestation of the transformation of the reform agencies from agents of redistribution, to more encompassing rural development institutions. The very important government decisions of 1957-58 mark the turning point in these state policies towards the rural South, and the transition to the new phase. In this period the government:

- appropriated to CASMEZ 6 billion lira\(^{137}\) exclusively for the construction of processing plants for the reform cooperatives.
- Raised the subsidized share for such projects, so that the reform agencies could cover up to 85\% of their capital needs for these projects through grants and loans from CASMEZ.
- Allowed other entities besides the cooperatives, like different types of consortia to undertake similar projects outside the reform districts, and
- allowed the reform cooperatives to include non reform members, de facto putting an end to the agrarian reform as it was originally devised.

The function of the initial reform cooperatives, in fact, was only to provide agricultural inputs and machinery at low prices to the beneficiaries, and to intermediate credit for working capital. With the change in policy of the late 1950s, instead, the newly capitalized reform cooperatives extended their services also to the non-reform beneficiaries including large farmers, thus becoming the tools of a more universalistic rural development policy under the umbrella of the reform agencies. The transformation

\(^{137}\) This was only the first of a series of appropriations. It corresponded to approximately 6.5 billion dollars of today.
of the entire reform administration was completed in the 1960s with the extension of the agencies’ area of responsibility to the entire territory of the region, their incorporation in the administrative structure of the regional governments, and the modification of their names into “Regional Agricultural Development Agencies”.

In the 1960s and 1970s the Agricultural Development Agencies lost much of the importance and status that they used to have in the years of the agrarian reform. At the same time CASMEZ, the new engine of rural development policies, and of all economic policy in the Italian South, took upon itself an increasing number of tasks and responsibilities that made it lose much of its original dynamism and efficiency. This way, the new center of rural infrastructure planning which had helped put an end to the agrarian reform intervention became itself a cumbersome machine that did not prove equally easy to arrest until the early 1990s.
Chapter 6: Conclusions

6.1 Agrarian Reform as a ‘Finished Business’

"When will it end?" - asked the caller of a live show of National Public Radio in the United States, discussing possible forms of restitution to the African American population for the horrible wrongs that were perpetrated against them with slavery. "When will we know that the payments will have been enough?" - asked again the caller, preoccupied that a program of restitution will have generated as many demands as it will have satisfied, opening up a crack in the principles that regulate the adjudication of property rights. This is the type of legitimate concerns that any policy-maker interested in advancing some kind of redistribution agenda within modern capitalist societies will have to address. Any reform plan that wishes to win popular support and does not intend to subvert the social and economic order has to be clear about the exact scope of the redistribution that it would determine. A successful outcome for the policy-making process of agrarian reform should be a clear and precise criterion distinguishing the claims to redistribution that it considers legitimate, from the undeserving demands for assistance. This criterion has to be both politically accepted by the parties, and enforceable at the implementation stage, if it wishes to represent the last act word in the controversy.

The automatic mechanism of expropriation that we have explained before performed this role in the Italian experience, setting the boundaries of the redistribution process up-front in a clear and unchangeable way. This policy solution determined with some degree of certainty the amount of property that would have changed hands under the program. The ‘enclosed’ nature of the program, in itself the product of concerns similar to those of the radio listener, made it acceptable to the general public once the scope of the redistribution had been set at a level commensurate to the balance of power in the political arena. At that point, the public could safely predict that, once the reform would have reached this quantitative target, the rules of economic life would have gone back to what they were before. This has not been true of other agrarian reforms in the developing world that have suffered politically from being presented as an open process of redistribution.
It is a lack of this kind of closure more than a real lack of results what has attracted a great deal of critiques to these programs' performance. These critiques are the product of concerns similar to those voiced by the caller. The more theoretical version of these critiques maintains that the struggle over land distribution usually accompanying any reform, and the process of redistribution itself, often extending for several decades, can create a detrimental climate of uncertainty. Most analysts would agree that this protracted uncertainty, and not redistribution per se, that can hurt economic development, but the distinction becomes academic if we accept that under democratic rule the two are inseparable. Much of the pessimism that surrounds agrarian reform in our days stems from the assumption that the countries that open the chapter of agrarian reform inevitably experience long-term agrarian disputes extending for several generations.

Economic theory reflects this ambivalence view of agrarian reform. On the one hand, the economist's entire intellectual construct is founded upon the constancy of the institutions of ownership. A credible threat of expropriation introduces a discontinuity in these institutions, and an element of uncertainty over property rights that can reduce the incentives to accumulate, trade and invest. On the other hand, economic theory also provides valid arguments in favor of redistribution of land, to the extent that this process brings farm size closer to the optimal and facilitates the match between rural assets and the individuals that can use them more productively (Banerjee 1998). The rights over land that one inherits at birth certainly do not provide such efficient distribution, nor can we expect the credit market, due to its incompleteness, to redress this original inequality and the inefficiencies that it perpetrates (Lipton 1993). Cross country empirical analyses support this point, indicating that the countries where assets are more equitably distributed grow more and benefit more of their investment in education (Deininger and Olinto 1999). The strong economic performance of countries like China, Japan, South Korea, and Taiwan that have undergone early agrarian redistribution also reinforces the view that equality is good for economic development.

The controversial part of the agrarian reform proposition is not the objective of achieving a more equitable land distribution, that everyone seems to accept, except, of course, the landed class. It is the process that leads to land redistribution that according to
many economists and policy analysts brings heavy costs like the growth of the public bureaucracy with its rent-seeking implications, uncertainty over property rights, and long suspension of the ordinary rules of market exchange. The process of agrarian reform creates its institutions and, with them, its own constituency both in the private and in the public sector (not to mention the academic world) interested in the prolonging the life of the process itself. Once mobilized, the interests of the peasants can extend the area of conflict to other economic resources. Similarly, the state can be interested in keeping the rural issue alive to expand its area of influence and to make new classes dependent on its services (Grindle 1986). It is not a coincidence that the agrarian reforms that are considered most successful internationally – the East Asian cases - are also the shortest: those that have reached earlier a clear end. It is not the magnitude of the redistribution what makes a good reform, but the smoothness of the process, followed by a prompt return to the certainty of the market rule.

The Italian agrarian reform is one such case, in which a market oriented government under the pressure of an organized peasant movement and in part for humanitarian reasons, completed with success a limited but significant land redistribution. It was of vital importance for the Italian government that this interruption of property rights be as short and as rapid as possible. And so it was. Expropriations were completed in less than three years and the beneficiaries were assigned to their new properties in a relatively short time as well, completing the entire process involving land improvement and colonization in less than a decade. Not all of these settlers have become successful farmers but many have. After all, a planned redistribution only increases the likelihood that land will fall into the most productive hands, but must be followed by a natural selection process. The reform did not hurt the markets for the long term, but has instead strengthened them. It has eliminated the situations of monopoly that prevented many workers from becoming own-account farmers and started a process of subdivision that has happened largely through free-market exchange. If in economic terms the reform has not been uniformly successful, from the political point of view it has, bringing into the political spectrum a class that had been traditionally excluded, and strengthening democratic institutions.

138 See for example Adelman (1979) and Ranis (1978), that discuss the economic development effects of
The Italian policy-makers were very clear about their market-creating goals. They were deeply concerned that an intrusion in the realm of private property rights could have created a dangerous precedent, igniting more rural unrest or justifying the further expansion of national planning at the expense of market exchange. The challenge that the rural masses were posing to the rights of large landowners in the immediate post-war, among others, had convinced the most visible and vocal agronomist, Manlio Rossi Doria, to withdraw his support for a directly redistributive reform because of the economic uncertainty that it was causing. In 1948 the intellectual that would have been directly involved in the reform’s implementation, was ready to renounce it. “We have to face reality – he declared - and, recognizing that we cannot do an agrarian reform, we have to bury the black cat that has paralyzed and terrorized for three years all the Italian landed property”¹³⁹. Three years of uncertainty were already too many also for the other Italian policy-makers who wanted to make good on their promise of land redistribution, but also insisted that this intervention be rapid, almost timeless. This concern is evident also in the other famous metaphor of the “battle rain” used by the President of the Republic of the time to portray the reform intervention as a single hit, painful but necessary, short but effective – “that would initiate a process of partition”.

This market-driven partition is one objective that the Italian reform has undoubtedly reached, in interaction with other policies active in the same years aimed at subsidizing the purchase of land by cultivating peasants. The expropriations, limited to the most unequal portion of the territory, have subtracted 28% of the acreage from properties classified as ‘absentee latifundia’. In the same years of the reform, at the national level the small peasant properties between 0.5 and 10 ha have increased by 10.6 % in only 8 years (1947-1955), bringing the distribution of farms by size closer to the European standards (Daneco 1964). Different factors contributed to this equalizing outcome: the direct expropriations of the reform, the threat of additional redistribution measures that would hit the owners of large unproductive properties in the years preceding and accompanying the reform and made credible by the actual use of the expropriation tool, and the credit policies subsidizing the formation of small farms. Clearly, the most

equality through the lenses of high performing Asian economies like China and Taiwan.
¹³⁹ Quoted from D’Antone (1998:217-218)
important piece in this mosaic was the actual compulsory land redistribution that fertilized the other pieces of this broader process of restructuring of Italian agriculture.

The relevance of the Italian case for the current agrarian reform debate thus rests in its being an isolated phase; its modernity, paradoxically, consists in its being a closed chapter of the post-war economic development process, followed by others and forgotten. In the 1960s and after, new social problems replaced the rural poverty and inequality at the center stage of Italian economic policy, which demanded new forms of intervention. However, the erase from the Italian collective memory of the age of agrarian reform does not take away from its relevance, but only proves that agrarian reforms can disappear from the policy scene when they meet their objectives. It suggests that the results that the reform obtained in the course of the 1950, though not as complete as the some advocates of the rural poor would have wanted, were sufficient to pacify the original rural protest, and to put the country back on its main path of capitalist development. Can the agrarian reforms of today do the same?

The attempt to avoid the costs of direct state intervention in the redistribution of land have led governments and international organizations to devise and experiment a new family of land reform programs that pursue the same objectives of traditional agrarian reform without requiring large state bureaucracies. This market-driven or “negotiated” approach that international institutions like the World Bank present as a significant policy innovation, intervenes on the incentives that potential buyers and sellers face in the land market, so as to promote the break up of the largest properties by inducing voluntary exchanges in the marketplace. All that should be left of the large bureaucratic apparatuses of the old agrarian reforms in this new approach are small and decentralized government offices in charge of awarding the subsidies to peasant buyers. Countries like Brazil, Colombia, South Africa and the Philippines have started to experiment different versions of the market-driven, approach, but, due to the relative novelty of these pilot projects, it is premature to pronounce a definitive judgment on their results, or on the new approach itself. However, the inability of governments to introduce progressive taxation of land, the part of the model that is expected to induce the landowners to bring their land on the market, suggests that their impact may remain limited.
Simple economic theory predicts that only subsidizing the purchasing power of the buyers without altering the incentives of the potential sellers will inflate the exchange value of land. Also, a certain degree of risk may be involved in decentralizing government functions like the selection of the tracts of land or of the program beneficiaries. This decentralization could have beneficial effects due to the better knowledge that locals have local conditions, but may also allow the local elite to divert the benefits away from the most deserving classes, and possibly towards the landed class itself through the sale of low quality land at higher than market prices. The critics of this market-based approach, based on the preliminary evidence available, have argued precisely that it does not benefit the poorest, that it inflates the land prices to the advantage of the landowners, and thus redistributes very little land (Borras 2002; Rosset 2001). The decentralization component of this approach fails to take into account the severe inequality of power and information between the owners of land and the perspective buyers that is common in rural areas, and that can severely limit in practice its redistribution results.

If these criticisms are warranted, then the new wave of reforms, in order to avoid many of the ills of large state bureaucracies such as waste and patronage, could miss the primary goal of redistributing enough land and power in the rural areas to put an end to the agrarian controversy. It could represent another ‘commenced business’ that extends into the future the challenge of the poor to the concentrations of land. Of course it is not the fault of the model itself if the governments that have tried to adopt it have not been able to introduce the most controversial parts of the market-based recipe. The policy makers who advocate for this new approach may be genuinely trying to make land redistribution compatible with the currently negative view of large state bureaucracies. But, intentionally or not, through the market-based approach, they propagate the illusion that a redistribution of assets can happen with the consensus of all the parties involved, or can benefit the landless while leaving the landed elite indifferent. Our view of the market-based approach is that it is not so different from the traditional versions of agrarian reform, as to escape the commonsensical rule that the redistribution process will have winners and losers.

This is not to say that agrarian reform, new or old, should not seek forms of collaboration and exchange with the landowners - be they subject to expropriation or only
'induced' trade their land by negative incentives to hold land. Whenever possible, the Italian reform agencies have entered negotiated deals with the landowners involving swaps of land, or allowed them to retain portions of the expropriated tracts on condition of them performing land improvement investments. These types of deals, formally allowed, or just tolerated by the reform legislation, have facilitated the redistribution process by reducing the landowners’ opposition, while benefiting them only at the margin. Under different conditions Tendler (1993) found that similar negotiations in Northeast Brazil elicited the 'donation' of tracts of land to the land reform agencies in exchange for decisions favorable to the landowners concerning the building of rural infrastructure or the legalization of their land titles. Borras (2001) also observed a positive interaction between the threat of outright expropriation and the release of land to the reform administration through different more voluntaristic forms involving higher compensation. These examples all involve the negotiated transfer of land between the landowners and the reform administration that facilitate the redistribution process by avoiding unnecessary confrontation. But all also have in common the fact of operating under a general policy framework hostile to large landholdings, that gives the state the lawful authority to impinge on the landowners’ rights in the pursuit of the larger public interest.

When the reform administration starts out from an initial position of strength, negotiations with the landlords can sugarcoat for them the bitter pill of redistribution and avoid them a worse evil that could come from the full application of the reform policies. The reform administration can find those deals to be advantageous as well, to the extent that they avoid lengthy judicial controversies, retaliation and hostility. But negotiation per se, it would seem to be almost superfluous to say if the market-based approach had not generated such a confusion, is not the essence of redistribution, as it is a carrot without a stick.

The positive interaction between the direct expropriation measures and the market-based break-up of the largest properties in Italy is a different manifestation of this same principle. A policy framework generally unfriendly to large landholdings, which had its cornerstone in the agrarian reform program, was responsible for unleashing the redistribution power of the market. The same market exchanges with equalizing effects
have taken place in South Korea, in Taiwan and in India as a result of old-style agrarian reforms involving ceilings to landholdings and compulsory transfers, whose impact they have magnified. Similarly, market-based reforms can redistribute land if they include implacable state policies favoring small farming and making large land concentrations anti-economical, like progressive taxation, the elimination of credit subsidies for large farms, the enforcement of minimum wages in agriculture, or the creation of off-farm work opportunities for rural workers (Lipton 1993). All the reforms aimed at promoting a more equitable structure of private property within market economies have been to a certain extent market-based. However, they have been successful to the extent that they have established and applied the state authority to fight the concentrations of land.

Given their divisive nature, land redistribution policies must be conceived and designed based on the realistic expectation that the landed class, used to administering the rules more than obeying them, will actively oppose the acquisition of assets and entitlements by the rural poor. This means that reform policies should include as much as possible defense mechanisms against the reactionary response of the landed class during implementation. They may allow for negotiations with the landed class, including some concessions, but within defined boundaries, so that they will not jeopardize and subvert the spirit of the redistributive measures themselves. These are some of the well-known challenges of planning and implementing land redistribution within democratic, power-sharing societies. The Italian experience of the 1950 – which managed to drive home a significant redistribution result – is rich in practical ideas and inspiration for the redistributive reforms of the decades to come.

6.2. Agrarian Reform and Beyond

The implications of the Italian case in our times may extend beyond agrarian reform per se, to other forms of direct or indirect redistribution of assets outside agriculture. While with the declining economic importance of agriculture land is losing the primary

\[140\text{Rawal (2001) found that in the villages of West Bengal, the enforcement of agrarian reform was positively correlated with the break up of large properties through market transaction. A similar finding comes from Taiwan and Korea: see for example Yang (1970), Ban et al. (1980)}\]
role that it used to have as a repository of wealth in the developed and developing world, the need for the episodic redistribution of assets for humanitarian, compensatory or restitution reasons, does not decline at all. To the contrary, it is becoming more and more clear that the course of capitalist development generates, as a by product of wealth accumulation, the impoverishment of some groups of people for reasons not clearly traceable to their inferior effort or lower capacities. Opportunities for redistribution arise whenever these disparities grow so wide and appear so accidental or unfair, to become illegitimate in the eyes of the majority of the population.

Asset redistribution can ease the social tensions caused by this inequality, that can become so intense and persistent to represent a drag on economic development itself. The redistribution of assets like land or other real estate, that may prima facie appear less politically acceptable than the redistribution of income, may be presented in ways that give it unexpected political legs. It has the advantage over income redistribution of being a once-and-for-all process that hands out the means to produce income instead of income itself and does not leave the beneficiaries in a state of permanent dependence.

The purpose of this study was not to discuss the conditions that make such redistribution of assets politically feasible, that bring redistribution onto the public agenda and help the reformist front overcome the forces of reaction in the political arena. Whatever they are, these political conditions don’t guarantee that the redistribution process will reach its goals. Too many countries, that have successfully legislated redistribution measures, have not been able to implement them effectively. Through the lenses of the Italian case this dissertation intends to contribute to a theory of effective implementation of redistribution programs that have by definition powerful and influential enemies. The critical choices that have allowed the Italian reform to be more effective than many other democratic countries of the developing world have to do with the following spheres of policy making and implementation.

The Rural Opposition Movement. The comparative research on agrarian reforms has long recognized that at the roots of most redistribution initiatives there is a social movement organizing the rural poor against the state. The government becomes serious about redistribution when it faces the threat of being overthrown by a group excluded from power and from ownership, and makes concessions in land in order to prevent a
social uprising. The Italian agrarian reform experience not only confirms this type of widely accepted finding, but also adds that the challenge of the opposition can extend its beneficial effect to the implementation period. In Italy the initial driving force of redistribution was the effective strategy that the Italian Communist Party adopted in the immediate postwar years, to try to rise to power within democratic institutions by organizing the struggle of the rural poor to access land. The Italian agrarian reform of 1950 was a measure that the government passed to take away from the Left this powerful consensus-building tool.

But the activity of the Communist Party did not end with the coming into effect of the reform legislation. Unlike many other reforms that took place within democracies, the Italian land redistribution did not get stranded in the course of implementation; was not slowed down by court appeals or neutralized by the landlords through fictitious sales and undeserved exemptions. The government could not politically afford this to happen due to the continuing activity of the Communist Party during the first years of the program’s implementation that called for immediate redistribution results. For the reform administration the only way to stop the growth of the Communists was to distribute the land widely and fairly, rapidly and efficiently.

The political threat that the Communists posed, and that forced the government to perform, took different forms. First of all, the more redistributive reform proposal advanced by the Communist Party forced the government to revise its plan to reach more of the landless than it would otherwise have, and to make sure that it had real redistribution outcomes to show for in the shortest possible time. Second, the cooperatives of the rural poor that the Communists had built in the 1940s to invade large extensive properties caused the government to be fair in the selection of the beneficiaries. The government agencies applied objectively the needs-based criteria for getting access to land, so as to induce as many of the poor peasants as possible to shift their loyalty to the government institutions and break the ties they had established with these potentially subversive Communist groups. Third, the Communist Party forced the reform administration to limit corruption, technical mistakes and favoritism by collecting evidence of malfeasance and abuse of the reform agencies that it subsequently denounced through the media and in parliament. The centralized but far reaching structure of the Communist Party in those years allowed it to perform this role of a watchdog of the
program’s implementation that proved to be an important defense mechanism against slack and rent-seeking.

It is not a coincidence that the decline of the efficiency and impartiality of the Italian agrarian reform agencies started when this challenge coming from the Communist party, in itself politically motivated, started to decline. The policy implication of this empirical finding is that redistribution policies may indirectly benefit from the existence of organizations independent from the state functioning as advocates of the interests of the landless. The problem with this finding is that it cannot be easily turned into a policy recommendation. It is not realistic to ask the state to help establish institutions that it cannot control and that are going to challenge its rule. It is equally problematic to address policy recommendations to rural opposition movements external to the government, especially when these movements – as it happened in Italy with the Communist Party’s monitoring of the agrarian reform - can be hurt by that very policy success that they contribute to bring about.

Policy Compromise. Within democratic systems the redistribution policies that governments enact are inevitably the outcome of a negotiation between the property owners and the aspirant beneficiaries. While some scaling back in the original goals of the reform coalition is inevitable when a redistribution plan is pushed through the political process, it is important that the final policy formulation leave little chances to its opponents to undermine it further during implementation. In fact, in many cases, in the course of these negotiations the reactionary forces have managed to introduce in the reform legislation apparently harmless clauses that, interpreted favorably to the landowners, have allowed them to escape or delay the redistribution process. In these cases, what appeared initially an acceptable compromise turned into an outright defeat of the original redistribution purpose. The experience of most post-war agrarian reforms has indicated that policy-makers should not assume the reform administration to act as an impartial enforcer of redistribution measures, given the power of the individuals that these measures are going to hurt and their influence over government institutions.

There are policy formulas that leave open greater possibilities to the individual landowners or to reprehensible reform administrators to influence the redistribution process down the road, and others that close up most of them. In Italy the policy
compromise that the parties reached deserves much credit for inducing the reform administrators to enforce the redistribution rules rigorously against landlord opposition. In Italy, the inescapable expropriation rule consisted in a table that calculated the share to be expropriated from each property as a function of its size and taxable income. While the choice of the concrete tract of land to be expropriated allowed a certain discretion to the reform administrators, this discretion remained limited by the value that these tracts needed to have.

In order to reach this compromise solution, the Italian government leveraged the strong regional divisions within the front of the landowners, determined by the strong cultural and economic development differences between different areas of the country, to which it opposed the unity of the state. The expropriations resulting from the automatic expropriation mechanism were unstoppable because they were ordered by means of decrees having the force of law that admitted no judicial appeal. This institutional mechanism was suited to the case of Italy given the relatively good land records, the strong regional disparities in the landholding class, and the centralization of the state, that characterized the country. In other countries, policy-makers may be able to devise different policy compromises that exploit the strengths of the state and try to break the landowners’ front along already existing divisions in a similar fashion. With all the differences of the case, any successful policy solution should have the property of anticipating and preventing the expediency through which the reactionary front will try to undermine the process at the implementation stage, far from the eyes of the public.

The current trend towards Decentralization in development theory may be ill-directed when it is applied blindly to divisive redistribution policies like agrarian reform, that have powerful local enemies. This point appears quite obvious, but the absence of it from much of today’s debate makes it opportune here. Decentralized public institutions in rural areas are easy prey of the influence of the local elite. Hence, granting these institutions large discretionary powers over implementation may jeopardize the outcomes of redistribution programs. This is especially true when – like in the case of Italy – the political will in favor of redistribution coalesced at the central level of the state, where the government translated it into a redistribution program that exerted its authority over localized situations of injustice.
Indeed, local public and non-governmental institutions have the advantage over central bureaucracies of knowing better the land rights, the social structure, and the main players at the local level, and can thus better adjust their intervention to the specificity of these local conditions. But the experience of many developing countries also shows that this better knowledge that the locals have of the local dimensions of inequality can go hand in hand with a higher tolerance for it, or with the confusion of public and private interest. The Italian case indicates that this risk is real: the local politicians and public officials linked to the same ruling forces that promoted redistribution at the central level, at the local level almost invariably sided with the landowners. Putting these local actors in charge of the reform implementation would have meant to jeopardize the entire redistribution process.

The Italian government chose instead to give the reform administration a hybrid form on the centralization-decentralization spectrum, that tried to exploit some of the advantages of decentralization without being permeable to the inevitable pressures of the landed classes. It created new ad hoc agrarian reform agencies in charge of implementing the program, that were physically decentralized on the territory where they were responsible for implementing the reform, but that responded for their actions only to the central government that appointed their entire top management and administrative board. It was this relative isolation from the local reactionary forces - the opposite of a modern-style decentralization - that allowed them in the initial stages of the reform to enforce the most controversial part of the program: the expropriations.

At different points in time the central government exerted on them an influence of opposite sign: initially it was the source of the agencies’ autonomy that allowed them to operate rapidly and efficiently. Later it became the source of the decline of this autonomy vis a vis the local powers. The reform agencies were able to meet their expropriation targets in their first few years of operation because they were invested of this central level authority that the local powers could not successfully challenge. When their main task became the less controversial distribution of benefits such as jobs, contracts and infrastructure, they fell under the stronger influence of local political and economic powers. However, at that point the main redistribution objectives of the reform had been reached and could not be undone.
The institutional arrangement that worked quite well in the Italian case does not deny all merit to the principle of decentralization. It reminds us of the obvious point that in dealing with localized situations of inequality, government institutions that are representative of the local forces will not be interested in performing genuine redistribution. The local agents of such redistribution will have to stand on some higher power that can come from tight guidelines coming from the central level or other accountability mechanisms to the same effect.

*Technical values and human resources.* Even though the Italian agrarian reform was at its roots a fundamentally political operation, it employed a group of influential agronomists, in part trained before the Second World War, whose policy objectives were independent from those of the Christian Democrats in power. This personnel imbued with technical values was another important factor that - in combination with the those discussed above - contributed to defending the reform administration from the influence of local landed powers. It was from this professional group that the reform agencies derived much of the autonomy from powerful landowners and from their political referents that they needed to efficiently carry out the redistribution. Obviously, the agronomists that the government appointed at the head of the eight reform agencies could not act in complete independence from political pressures. Many of the decisions they had to take involving, for example, the selection of the beneficiaries, the planning of the new farms and their size, were so inherently political that they could not be based exclusively on technical criteria. The agronomists – political appointees themselves - could not afford to turn down all the requests and the pressures that they received from the politicians in power.

Their strong professional values, however, allowed them to consider their technical objectives involving the intensification of agriculture, the diffusion of irrigation and of modern agricultural practices, the colonization of the empty spaces of the latifundia, in abstraction from the goals of the ruling forces. The agronomists at the head of the reform agencies knew that they had to sacrifice one part of these objectives, to reach a compromise with the political forces in power that would have allowed them to realize the other part. However, the agronomists always considered the political interference in
very negative terms because it drove their methods and their goals away from their superior rationality.

The high sense they had of their mission – the modernization of agriculture and the liberation of the rural masses from backwardness and hunger – gave them the strength and the authority to resist a great deal of pressure from special interest groups and rent-seekers. Their strong professional identity and high self-esteem formed a backbone of the reform administration that made it less amenable to be bent to the pursuit of different less commendable, or more particularistic, goals. Therefore the contribution of the technical values of the agronomists was in many ways not technical at all, in that it empowered the public administration against the private groups interested in stopping the progress of the reform. Can these technical human resources be produced through policy?

In Italy in part they have. Not only has the government been historically involved in the creation of schools of agronomy since the end of the nineteenth century. By framing the reform intervention in wide terms, including much more than the redistribution of land, the government enlisted many experienced and committed agronomists to the cause of redistribution. The government cast the reform intervention as a great modernization program involving land improvement works and rural infrastructure investment. The limited area of reform intervention made fiscally affordable an investment-intensive approach that only could make the new reform settlements viable. Besides all its other economic development merits, the large rural investment component has attracted to the redistribution program a class of capable and principled technicians, that was in part responsible for its positive outcomes.

The Italian case shows that it is possible for democratic countries to perform a certain redistribution of rural assets without suffering a momentous disruption in the fundamentals of the capitalist organization of society. In Italy, agrarian reform was designed to diffuse conflict, to link a potentially subversive class of workers to the new democratic institutions, and to give them a stake in a future more inclusive process of accumulation. At the same time it was not a sweeping process that revolutionized the social and economic structure, but was limited to less than one third of the country, where it benefited only the lowest tier of the rural population. And so agrarian reform should be
seen also by current development theory: as a policy remedy that can be taken in different dosage, depending on the severity of the situation of inequality that it is designed to cure.

The scope of this redistribution should not be correlated with the efficiency of the reform implementation. The Italian reform experience defeats the assumption that a limited redistribution program, reduced in scope by the democratic negotiation between the reformists and the landed elites, because of that has to be also indulgent towards the powerful in the course of implementation, or scale back also on the expectations of effectiveness, speed and internal fairness of the process.
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