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## PROBLEMS

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### *Sicilian Economic Change Since 1860*

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#### I. INTRODUCTION.

The problems of southern Italian economic development form a much-studied subject. In the post-World War II years in particular, dozens of books and hundreds of articles have discussed the backwardness of the « Mezzogiorno », the severe economic disparities between this part of the peninsula and the much more advanced North, and the remedies designed and applied for dealing with these problems. Already in the nineteenth century, the literature on the « Southern Question » was plentiful, focusing on latifundism, peasant discontent, or the issue of *malgoverno*.<sup>1</sup>

Why, then, should the question of southern economic change once more be taken up and yet with regard to Sicily, only one component of the « Mezzogiorno »? There are several good reasons for undertaking such an effort. Although there is, for one, no lack of studies on the South's economic experience since Italian unification, this literature suffers, in general, from a number of shortcomings: (a) It is fractionalized with respect to subject matters, time periods, and forms; <sup>2</sup> (b) the various inquiries do often not, or

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<sup>1</sup> A comprehensive term, encompassing specific administrative difficulties as well as a general malaise connected with government functions.

<sup>2</sup> No attempt can be made here to present an extensive bibliography. In the nineteenth century studies of individual provinces were more frequent than general works. Many publications dealt with short periods only, often in response to particular crises. There is a very substantial pamphlet literature. Even in the twentieth century, specialized works on particular economic sectors or limited to short periods have been prevalent. For a useful bibliography, cf. F. MILONE, *L'Italia nell'economia delle sue regioni*, Turin: Einaudi, 1955.

not alone, meet the standards of modern economic historiography or economic development studies;<sup>3</sup> and (c) the studies that are conceptually and/or methodologically most sophisticated tend to have the shortest time range, usually covering only the period after the second world war.<sup>4</sup>

Thus an attempt to unify specialized, scattered, and historically short-ranged findings into a fuller picture is needed. This constitutes, of course, a monumental task which cannot be shouldered by an essay of less than book length. But a beginning can be made by choosing first a particular sub-region of the Mezzogiorno.

Second, the choice of one specific area for a study along the lines just indicated has additional advantages. The southern provinces of Italy do not form a homogeneous whole. Because the South has been characterized by low economic and social mobility for centuries, its regional subdivisions have been distinct and lasting.<sup>5</sup> The usual one-to-one analysis of the economic contrasts between North and South serves the understanding of the last hundred years of Italian economic history only to a certain extent: it helps to avoid the pitfalls of conceiving economic change as taking place according to nationally aggregated data. As a means of differentiation the popular concept of economic dualism has been introduced and has assumed an importance place in the study of Italian economic development.<sup>6</sup> However, there is, strictly speaking, little justification for approaching the Italian case with a simple dualist concept except for the purpose of constructing a raw model. At the very least we should first make sure whether the varying experiences within the South warrant the conception of their being an entity or not.<sup>7</sup> Ultimately, a comprehensive yet differentiated analysis should be aimed at, an analysis

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<sup>3</sup> Political-intellectual historiography has long prevailed over the treatment of economic features [cf. M. ROSSI-DORIA, *The Land Tenure System and Class in Southern Italy*, « American Historical Review » 64 (1958), p. 46]. The economic development literature has been ridden by the extremes of purely economic analysis, leaving out social considerations [S. ENKE, *Economists and Development: Rediscovering Old Truths*, « Journal of Economic Literature » 7 (1969), pp. 1135-6].

<sup>4</sup> This is true, ed. g., for the excellent study by G. SCHACHTER, *The Italian South: Economic Development in Mediterranean Europe*, New York: Random House, 1965. On the need for long-range, historical treatments, cf. P. SYLOS LABINI, *Osservazioni sull'evoluzione economica del Mezzogiorno*, « Scritti di economia e statistica in memoria di Alessandro Molinari », eds. P. SARACENO and G. TAGLIACARNE, Milan: Giuffrè, 1963, p. 651.

<sup>5</sup> L. SAVILLE, *Regional Economic Development in Italy*, Durham, N. C.: Duke, 1967, pp. 13-14; R. S. ECKAUS, *The North-South Differential in Italian Economic Development*, « Journal of Economic History » 20 (1961), p. 287.

<sup>6</sup> Some caution in the use of the term is recommended by C. CASTELLANO, *Dualité et dualisme: le cas italien*, « Economie appliquée » 20 (1971), pp. 122-158; also B. F. JOHNSTON, *Agriculture and Structural Transformation in Developing Countries: A Survey of Research*, « Journal of Economic Literature » 8 (1970), pp. 377, 384.

<sup>7</sup> Of course we must advocate, though we cannot attempt here, similarly detailed treatments of other regions of the Mezzogiorno.

sound enough in economic terms to form a basis for explaining one of the most urgent problems of current research on economic change, namely, how « ... poorer regions of developing countries were drawn into the national market... » and how « the accompanying declines in regional income differentials » came about or, as in the Italian case, why such processes did not materialize for over a hundred years.<sup>8</sup>

The standing of Sicily within the Italian South at large has for a long time been seen as particularly problematic. A substantial part of the island belongs to what has been called « the South's South », that is, the economically extremely depressed areas of precarious agriculture and poor handicraft industry.<sup>9</sup> Already in the nineteenth century, prominent spokesmen saw in the « Sicilian Question » the most distressing part of the « Southern Question » and criticized the advocates of an undifferentiated policy for dealing with the latter *per se* only.<sup>10</sup> Although Sicily certainly shared a great many characteristics of the South in general — adverse climatic and terrain conditions, unequal land distribution, and a rigid class structure —, it suffered more from deforestation, lack of roads, high population density, long distances from external markets, public unsafety, political corruption, and popular hostility against the state than other regions of the Mezzogiorno.<sup>11</sup> Up to recent times, the misery of the Sicilian peasants was considered unmatched by rural distress elsewhere in Italy, the oppression by the upper classes cruellest.<sup>12</sup> Thus there is substance to the contention that the Sicilian Question was a national problem *par excellence* by being the severest case of the Southern Question. Or, as it has also been argued, Sicily was « Italy's Ireland ».<sup>13</sup> Whether or not one sees the contrasts between the island and the South in general as a difference of principle or of degree, a specific treatment is certainly justified.

How will this task be approached? According to the foregoing remarks we shall try to tie together economic-historical findings thus far dispersed in writings of different forms, time periods, and orientations. It is particularly urgent to obtain, ultimately, a review that contains the necessary quantitative-

<sup>8</sup> H. ROSOVSKY, discussion of R. CAMERON, *Some Lessons of History for Developing Nations*, « AER » 57 (1967), p. 334. The often implied assumption that development is always upward bound needs of course to be challenged. On the study of stagnation, cf. G. BRANDT, *Industrialisierung, Modernisierung, gesellschaftliche Entwicklung*, « Zeitschrift für Soziologie » 1 (1972), p. 11.

<sup>9</sup> I. TALIA, *Il Mezzogiorno nel Mezzogiorno*, « Rassegna Economica » 33 (1969), pp. 1417-1427.

<sup>10</sup> Scholars like Villari, Nitti, Fortunato, Salvemini, etc. Cf. F. DE STEFFANO and F. L. ODDO, *Storia della Sicilia del 1860 al 1910*, Bari: Laterza, 1963, p. 436.

<sup>11</sup> *Ibid.*, pp. 437-439.

<sup>12</sup> R. VILLARI, *Mezzogiorno e contadini nell'età moderna*, Bari: Laterza, 1961, p. 249. On « blocked » social mobility in Sicily, cf. R. ROCHEFORT, *Le travail en Sicile: Étude de géographie sociale*, Paris: P.U.F., 1961, p. 333.

<sup>13</sup> ANONYMOUS, *I nostri mali*, Palermo, s. d. (1867), p. 3.

statistical basis which has often been missing in long-range, historical treatments of Sicilian economic change without, however, neglecting the insights of a qualitative nature.<sup>14</sup> The present outline from Unification to the post-World War II period will, due to space constraints, have to leave out some data that a longer study could take into account. We must try to strike a balance between the approach of studying numerous minute details before an overall view of the course of Sicilian economic development is at all attempted, and a summary treatment of just the most obvious characteristics of that development. Choosing a middle road will allow to build a fruitful framework for subsequent detailed studies as well as yield a *Zusammenschau* of all the essential, that is, the most problematic, features over a sufficiently long time period.<sup>15</sup> This will also enable us to recognize the specifically Sicilian characteristics and yet relate them to the economic-historical experience of the Mezzogiorno at large.<sup>16</sup>

Concretely, the present essay consists, first, of a number of sections which describe the structure and structural changes of the Sicilian economy during the period under study; the course of the island's economic growth; and the problems of technology, savings, and investments (II, 1. to 5.). Throughout these sections, the organizing principle is given by the question why Sicily's economic performance has been so disappointing over the last hundred years. In the chapter on growth an attempt is made to establish an indicator of agricultural output, since the absence of any solid, long-range growth figures is a crucial shortcoming of previous studies of Sicilian economic history.

Second, preliminary answers to the problems of long-lasting economic stagnation, as they emerge from the review in part II, then lead us to some remarks on the social determinants of Sicilian economic change (part III). Here we shall consider the hypothesis that Sicily's poor economic performance during the period was largely the result of the island's social structure. In order to be able to examine this point, we must assess the impact of Italian government policies on the course of Sicily's economic change (section 6.).

The fourth part, finally, will present an attempt at evaluating the hypothesis mentioned above in the light of the findings of this essay and the economic-historical and development literature in general. Here, also, the often-discussed issue of the development gap between northern and southern

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<sup>14</sup> Most traditional economic-historical studies of southern Italy have used statistical information in an illustrative rather than systematic way. But on the over-use of statistics, cf. B. F. JOHNSTON, *op. cit.*, p. 397.

<sup>15</sup> Our approach is to explore and relate the issues raised by a number of key studies. Numerous essays of the particularistic, Schmollerian type will help to fill gaps of information. Some detail questions have never been thoroughly treated, so that future research will have to complement the understanding of the respective subject matters.

<sup>16</sup> Implicitly, comparisons with twentieth-century examples of economic development will also be possible, although many preconditions of economic change were of course different for a backward area in the nineteenth century.

Italy will be assessed on the grounds of our evidence. The results will answer some questions on the timing and magnitude of Italian development differentials which previously have been treated rather vaguely.

## II. ECONOMIC STRUCTURE AND GROWTH.

### 1. *The Setting.*

Sicily, with an area of 9,924 square miles and a population of 4,877,000 (1969), accounts for 8.5% of Italy's area and has, for the last hundred years, made up from 9.5 to 10.5% of the total Italian population. It forms the largest single region of the Mezzogiorno with 21% of the South's area and 27% of its population. Sicily's location is a very favorable one within the Mediterranean Sea, but the island faces severe disadvantages with respect to access by land and sheer distance from the economically more advanced centers of the peninsula.

For quite some time after Italian unification Sicily was considered « a country in which nature has been so generous with its gifts and which has the most fertile soil of Italy », <sup>17</sup> a judgement not supported by the island's real natural assets. More than half of its soil is imporous. Soil quality subdivides the productive surface into land suitable for cereal farming and — partially through irrigation — areas of tree crops and vegetable cultivation. Sicily's topographical features are very uneven with 25% of the area mountainous, 61% hilly, and only 14% plain (Italy: 24%, continental South: 20%). <sup>18</sup> Topographical fractionalization, furthermore, has the effect of making communications among the various subregions of the island difficult in both economic and social terms.

The economically most significant fractionalization is, however, not the one imposed by mountain ranges. In climatic terms one finds a fairly distinct north-south division within the island, expressed in an average annual rainfall of 26 to 37 inches in the northern and from 20 to 25 inches in the southern part. It rains in Sicily on average only on 66 days per year, during the winter months. Nevertheless, a considerable natural storage capacity allows for the presence, on almost all coasts, of intensively cultivated valleys. Their rich vegetation has only too often hidden the desolate aridity of the interior from the superficial observer. <sup>19</sup>

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<sup>17</sup> From the minority report on a proposed law on extraordinary provisions of public safety for Sicily, CAMERA DEI DEPUTATI, *Progetti di legge e relazioni*, Sessione 1874-75, N. 24-A, allegato 20, p. 89.

<sup>18</sup> L. SAVILLE, *op. cit.*, p. 23.

<sup>19</sup> R. ROCHEFORT, *op. cit.*, pp. 18-21.

The most distinct natural subdivision of the island is, indeed, the one between interior and exterior zones, resting on the above physical distinctions and prompting corresponding patterns of landholding and agricultural production. To this must be added the crucial differentiation between eastern and western parts of the island which has its roots in historical antecedents<sup>20</sup> and has in turn strongly affected the economic structure and performance of the two parts, largely in favor of eastern Sicily. Thus, in general, because of the concurrence of exterior-interior and east-west differentials, western interior provinces of Sicily have tended to be most handicapped in economic and social terms and eastern coastal provinces most favored.

Apart from the economic possibilities provided by surface and climatic conditions, Sicily has little else to offer in terms of natural resources. Its fishing potentials, as in most Mediterranean regions, are relatively low and have been declining. Quarriers unearth a wide variety of non-metallic minerals of almost uniformly low demand. It is only sulfur mining which, once forming a world monopoly, put Sicily temporarily on the global map of natural resources. Although now reduced to insignificance, sulfur production once constituted the single most important non-agricultural element of the island's economic growth.

## 2. *The Sicilian Economic Structure and its Changes.*

The main tasks set for this study, namely, to show one specific region's experience of economic change and to explain why this change has been so disappointing on almost all counts, would require the simultaneous treatment of structural as well as output aspects of economic development. For the sake of clarity and brevity however, the structural characteristics and their changes will be presented here first. The evaluation of Sicily's long-range economic performance — the volume of production stagnated during most of the last hundred years — demands a prior understanding of the island's basic economic structure. In the course of the present structural review we will also be able to gain some preliminary answers to the crucial question why stagnation prevailed so long.

Sicily's economic life has been dominated by agricultural activities. The composition of the active population (Table 1) shows that for the greater part of the last hundred years more than half of the active Sicilians have been engaged in agricultural work. Contrary to the experience of other European regions during the period, up to 1921 the share of agricultural activities increased in Sicily, and only since 1951 has a clear shrinking of that sector

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<sup>20</sup> Particularly the openness of eastern Sicilian cities and their hinterland with respect to trade under Spanish rule, which promoted the emergence of a flexible bourgeoisie. The west, dominated by Palermo with its government functions and its clustering of the feudal aristocracy, remained more closed to modernizing influences.

TABLE 1

STRUCTURE OF THE ACTIVE POPULATION IN SICILY AND SOUTH, 1871-1961  
(percent)

	1871		1881 *	1901	1911
	Sicily	South			
Agriculture	44.5	54.0	44.4	53.6	53.4
Industry	28.5	24.0	33.4	26.0	24.3
Transportation	3.3	2.2	2.7	3.9	4.8
Commerce	2.4	1.4	1.6	6.2	7.6
Other	21.3	18.6	17.9	10.3	9.9
Total (1000s)	1,168	5,534	1,537	1,435	1,396

	1921		1931	1936	1951		1961
	Sicily	Sicily			South	Sicily	
Agriculture	56.8	62.8	51.7	51.4	51.2	55.3	39.4
Industry	23.9	20.5	24.4	24.1	22.8	22.7	28.6
Transportation	5.3	4.3	6.2	5.4	4.6	3.9	32.0
Commerce	5.3	4.9	7.1	8.3	11.9	9.9	
Other	8.7	7.9	10.6	9.8	9.5	8.2	
Total (1000s)	1,553	6,193	1,357	1,330	1,483	6,563	1,535

\* Accuracy doubtful. Cf. discussion, p. 410.

Sources:

1871: SVIMEZ, *Statistiche sul Mezzogiorno d'Italia, 1861-1953*, Rome, 1954, pp. 39-49.

1881-1951 (Sicily): A. SABA and S. SOLANO, *Lineamenti dell'evoluzione demografica ed economica della Sicilia dall'Unificazione ad oggi*, « Problemi dell'economia siciliana », ed. P. Sylos Labini, Milan: Feltrinelli, 1966, pp. 24-25.

1961: « *Annuario statistico* », 1963, p. 30.

1871, 1921, 1951 (South): R. S. ECKAUS, *The North-South Differential in Italian Economic Development*, « JEH » 20 (1961), p. 289.

set in, comparable with earlier developments in by now economically more advanced European areas. Sicily constitutes an unusual case also in the sense that, at the middle of the nineteenth century, it did not have a share of agricultural activities as high as has been typical for most European countries at their pre-industrial stage.<sup>21</sup>

The swelling and then persistently high rate of Sicily's agricultural employment until after the second world war was due to a relative decline of its industries (small-scale manufacturing, home industries) and a decrease of domestic services. According to Table 1, a small number of dislocated

<sup>21</sup> For example Norway in 1875 still had a 49% agricultural labor force, Sweden a share of 55% in 1870, France still 43% in 1901. S. KUZNETS, *Modern Economic Growth: Rate, Structure, and Spread*, New Haven: Yale, 1966, pp. 106-107.

« industrial » workers has found employment in the transportation sector and taken to commerce. This category includes in our case casual labor in wholesale trade, petty shopkeeping, and peddling. The decline of industrial activities was in no small part the outcome of the destruction of the island's textile industry and numerous specialized crafts between Unification and World War I, which drastically reduced the share of women in the active population.<sup>22</sup>

Many of these changes occurred, of course, also in other parts of the Italian South. But compared with the Mezzogiorno as a whole, Sicily maintained until the most recent decades a somewhat higher percentage of people active in « industry » and the tertiary sector, and thus a smaller proportion in agriculture (see Table 1). In this respect it appeared to be less backward than many other southern regions. However, its industrial sector kept declining until the immediate post-World War II years, whereas that of the South as a whole — after having shrunk less than in Sicily — began expanding again already in the 1920s. The difference, to be sure, is slight enough, but it is one between long-term industrial decline (Sicily) and modest expansion (South, after World War I).

(a) *Agriculture.* The long-lasting inertia of Sicily's agricultural sector has as its roots — apart from adverse climatic and soil conditions — a landholding pattern which has, often somewhat sweepingly, been called feudal,<sup>23</sup> implying features of latifundism and a specific contractual and *de facto* dependence of the many on a few. In 1859, according to approximate calculations, large holdings of an average size of 220 ha made up 28% of the island's cultivated area and were in the hands of one tenth of one percent of all landholders.<sup>24</sup> Precise statistics are available for 1907, when estates of 200 ha and larger alone accounted for 29.7% of the surface. This ratio then declined to 22.4% in 1927, 21.6% in 1946, and 11.9% in 1961.<sup>25</sup> In contrast, there has also been present an excessive amount of small holdings. Small properties of an average size of 1.4 ha covered 39% of the surface in 1859 and were held by 93.5% of all owners or tenants. In 1946 « mini-

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<sup>22</sup> From 36% in 1881 to 14.4% in 1911. In industry: from 52% to 16%. A. SABA and S. SOLANO, *Lineamenti dell'evoluzione demografica ed economica della Sicilia dall'Unificazione ad oggi*, « Problemi dell'economia siciliana », ed. P. SYLOS LABINI, Milan: Feltrinelli, 1966, pp. 24-25.

<sup>23</sup> Feudalism was nominally abolished in 1812. But especially in western Sicily, feudal traits did not disappear until much later. D. MACK SMITH, *A History of Sicily: Modern Sicily After 1713*, New York: Viking, 1968, pp. 365; DE STEFANO and ONDO, *op. cit.*, p. 178.

<sup>24</sup> F. MAGGIORE-PERNI, *La popolazione di Sicilia e di Palermo nel secolo XIX*, part I, *Storia e statistica*, Palermo: Virgi, 1897, p. 541. The estimates are based on tax returns.

<sup>25</sup> F. BUFFONI, *Tendenze dell'agricoltura 1901-1961*, « Problemi... », *op. cit.*, pp. 300-301; « Annuario statistico » 1970, p. 142. A concentration of holdings took place between the late 1870s and 1907, the approximate high point of latifundism in this sense.

fundia » of up to two ha (average size: .45 ha) alone still made up 20.3% of the cultivated land. Table 2 recapitulates this pattern and its changes since 1930 in terms of the different categories that have been applied in recent surveys.

TABLE 2

DISTRIBUTION OF LARGE AND SMALL HOLDINGS IN SICILY  
AND THE CONTINENTAL SOUTH, 1930, 1961, AND 1967  
(in per cent of Total Productive Surface and Number of Holdings)

		Holdings 50 ha and larger	Holdings up to 3 ha
1930	<i>Sicily</i>		
	Number of holdings	1.0	72.1
	Area	36.2	16.0
	<i>Continental South</i>		
	Number of holdings	1.1	70.7
	Area	45.9	15.1
1961	<i>Sicily</i>		
	Number of holdings	.9	72.5
	Area	29.3	17.6
	<i>Continental South</i>		
	Number of holdings	.9	70.0
	Area	35.5	16.3
1967	<i>Sicily</i>		
	Number of holdings	.9	69.5
	Area	24.5	17.9
	<i>Continental South</i>		
	Number of holdings	.8	69.0
	Area	28.3	18.3

Sources:

1930: SVIMEZ, *Un secolo di statistiche italiane nord e sud, 1861-1961*, Rome, 1961.

1961: « *Annuario statistico* » 1963, p. 166.

1967: « *Annuario statistico* » 1970, pp. 142-143.

Sicily has been affected by latifundism somewhat less than other parts of the Mezzogiorno, but its share of « minifundia » has exceeded the South's average. Moreover, the breaking-up of large estates has proceeded at a slower pace in Sicily than elsewhere in southern Italy.

For most of the last hundred years land reform measures influenced the island's landholding structure only marginally. Newly created small holdings usually comprised an insignificant fraction of the concentrated land mass and led to units that were too small to be efficiently cultivated. Of the 146,000 ha

of church and common land expropriated by the state since 1867 only about 20,000 ha were sold during the 1870s.<sup>26</sup> By the 1890s the redistribution of ex-feudal land was altogether halted, which left almost 60% of it alienated from use by owner-peasants. Another wave of land purchases by relatively small buyers in the decade before and again after World War I affected in one way or another 21% of all latifundist holdings, but this newly created property amounted to only 10% of the agricultural surface by 1929.<sup>27</sup> In 1918-1921 as well as 1944-1947 widespread seizures of uncultivated land by frustrated peasants took place. Little of this direct action led to actual ownership; some of it to cooperative cultivation.

The main redistribution had to await the official land reform measures of the 1950s, when, finally, a more substantial 223,000 ha of new peasant properties were created, 85 to 90% of which were small.<sup>28</sup> Still, overall, the emergence of small landholdings between 1900 and 1960 has given the peasants (90% of all landholders) not more than 25% of the productive surface. An intermediate class, who from the mid-nineteenth century had been the main purchasers of land, and the remaining nobility retain the other 75%.<sup>29</sup>

However traditional the pattern of land distribution has been, it could not alone characterize Sicilian agriculture as quasi-feudal. This term suggests itself, rather, with respect to the overwhelming dependence of most peasants up to the very recent past. Through the legal reforms of the early nineteenth century, serfdom was replaced by a set of agricultural contracts which gave the peasants little chance for economic autonomy and improvement. Short of becoming owners they had to enter one or another of the prevailing rental agreements.<sup>30</sup> Many of these contracts implied the advancement of seed grain at up to 25% of the net return. « When these burdensome terms have ruined the peasant he becomes a day-laborer... », in which capacity « ... when the work stops he is left without income ». <sup>31</sup> Employment of this kind was offered by large landowners directly and, increasingly, by large leaseholders, the so-called *gabelloti*.

<sup>26</sup> MAGGIORE-PERNI, *op. cit.*, pp. 542-543.

<sup>27</sup> On properties lost through tax default: MACK SMITH, *op. cit.*, p. 516. As a rule, land purchases by returning emigrants did not compensate for the amount of holdings lost due to bankruptcies.

<sup>28</sup> This redistribution comprised even a relatively larger area in Sicily than in the continental South. SVIMEZ (Associazione per lo Sviluppo dell'Industria nel Mezzogiorno), *Un secolo di statistiche italiane nord e sud 1861-1961*, Rome, 1961, p. 181.

<sup>29</sup> Cf. BUFFONI, *op. cit.*, pp. 289-308, for a summary of these landholding changes.

<sup>30</sup> Sharecropping; partial *colonia* (work on part of the land of another small-scale farmer); improvement lease (required upgrading of land); emphyteusis (abolished 1865; had made acquisition of land possible after 30 years of cultivation). Cf. F. NITTI, *Agricultural Contracts in Southern Italy*, « Economic Review » 3 (1893), pp. 378-383.

<sup>31</sup> P. VILLARI, *Lettere meridionali*, Florence, 1878; reprinted in N. Russo, ed., *Antologia della mafia*, Palermo: Il Punto, 1964, p. 380.

An attempt by the state to reform agricultural contracts, in 1906, was essentially stillborn since its chances for enforcement had to be ranked very low. More concrete relief, although limited in spread, was offered by land cooperatives (mostly in the form of collective leases), promoted both independently and by church-sponsored groups. The immediate pre-World War I period saw a promising rise of the number of cooperatives. Many did not last very long, however, and most of them were violently opposed by the *gabelloti* and estate owners.

Much of the complexity of these landholding arrangements is included in the Italian term *latifondo*. It does not just imply large holdings (which, as such, might be worked efficiently enough) but stresses the phenomenon of absentee ownership and greatly dependent and precarious cultivation of the land by tenants and large numbers of day-laborers.<sup>32</sup> The ratio of proprietors among those active in agriculture rose from 15% to almost 30% between 1901 and 1951.<sup>33</sup> But more significant, because referring to those who worked the bulk of the land, was the lack of change among other categories of the agricultural population: in the same period the share of relatively independent farmers (administrators, leaseholders, usufructuaries) increased only from 5.7 to about 7% and that of sharecroppers fell from 9.7 to 9.2%. With shares of 64% (1901) and 54% (1951) the category of dependent farmworkers all but dominated and did so to a greater extent than in other parts of the Mezzogiorno.<sup>34</sup>

These conditions show the quasi-feudal aspects of Sicilian agriculture more clearly. Peasants who escaped the hegemony of the large owners through the acquisition of their own land could not, even if they managed to survive as owners, gain sufficient strength on the basis of their small holdings. The mass of dependent farmworkers lived altogether at the mercy of this landholding system which a small privileged class effectively dominated and preserved. Always less prominent in eastern Sicily and the coastal areas, the system has been more and more dominant the further west and the closer to the island's interior one goes. It certainly has been mellowed during recent decades, but it has by no means vanished in the central parts of western Sicily today.<sup>35</sup>

In a later section, various social and political factors that provide a fuller explanation for the rigidity and relative immobility of the Sicilian landholding structure will be discussed. Economically the conditions for its survival were strengthened by the disappearance, in the second half of the

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<sup>32</sup> Cf. G. SCHACHTER, *op. cit.*, p. 106.

<sup>33</sup> BUFFONI, *op. cit.*, p. 275.

<sup>34</sup> SVIMEZ, *op. cit.*, p. 161; SABA and SOLANO, *op. cit.*, p. 44.

<sup>35</sup> Most of the beneficiaries of the *latifondo* saw it as an element of historical fatality. To question its inefficiency, arbitrariness, and social injustice was idle. SICULO, *Il latifondo e le leggi agrarie*, « Rivista Popolare » 2 (7-30-1896), p. 30.

nineteenth century, of various crops that previously had allowed for substitution and higher productivity: tobacco, cotton, hemp, and flax. The concentration on grain and tree crops made Sicilian agriculture more dependent on foreign markets, subjected it to the competition of analogous foreign products, and exposed greater parts of the cultivated area to occasional plant diseases. This could only increase the pressure under which the Sicilian peasant toiled.

(b) *Industry.* As indicated above, Sicily showed, at an early stage of economic development, a surprisingly high ratio of industrially active people. A closer look at this phenomenon reveals, however, that its manufacturing and mining sector consisted mainly of artisan units and very few large-scale businesses. Within the prevailing sector of small enterprises, observers noted a sometimes almost « feudal » dependence of artisans on their patrons, a preponderance of craftsmen living from « the employment by the rich and the crumbs falling from their tables ». <sup>36</sup> Quasi-feudal ties were typical even for sulfur mining, with which, until after the first world war, about 1/18 of the Sicilian population was connected. <sup>37</sup> Sicily's industrial sector has, moreover, been harmed by large numbers of intermediaries engaged in speculation, a lack of complementarity of its various products, and insufficient technical education of workers and entrepreneurs. <sup>38</sup>

Earliest systematic figures, for 1876, <sup>39</sup> show the largest shares of industrial employment in silkmaking, tanning, ropemaking, and cotton spinning and weaving. Of these only cotton manufacturing implied large-scale production with a modest average of 54 workers per plant. <sup>40</sup> All other categories, the employment in domestic weaving and in the various trades which this early industrial survey did not include, were clearly of the handicraft type with at the most ten workers active in one workshop. 39,000 domestic looms provided some additional non-agricultural employment, and about 17,000 workers were active in the sulfur mines.

A comparison with the continental South at that time shows that Sicily had about 16% of the South's (here: excluding Sardinia) industrial workers while it made up 27% of its population. The island did surpass the other

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<sup>36</sup> G. SALVIOLI, *Gabellotti e contadini in Sicilia nella zona del latifondo*, « La Riforma Sociale » 1 (1894), p. 73. Cf. also ALFRED MARSHALL's impressions as quoted by MACK SMITH, *op. cit.*, p. 469.

<sup>37</sup> A. FOSSATI, *Il problema della industrializzazione del Mezzogiorno e di altre regioni italiane nei secoli XVIII e XIX*, Congresso internazionale di studio sul problema delle aree arretrate, « Arti », Milan: Giuffrè, 1954, p. 215.

<sup>38</sup> DE STEFANO and ODDO, *op. cit.*, p. 121.

<sup>39</sup> V. ELLENA, *La statistica di alcune industrie italiane*, « Annali di statistica », 2nd ser., 13 (1880), pp. 1-141. The categories mentioned here plus paper and candle making comprised 85% of all industrial, i.e., least artisanal workers (total: 6,726).

<sup>40</sup> Most of these establishments were manufactories rather than factories.

provinces of the Mezzogiorno in silk, ropemaking, tanning, and candlemaking, that is, largely in traditional trades. In the modern branches such as textile and mechanical industries, Sicily could not match the southern continent.<sup>41</sup>

By the 1890s Sicilian industrial employment had shrunk by 31% in all major, that is, least artisanal, categories except home weaving and sulfur mining.<sup>42</sup> Whereas much of this decline was caused by adverse economic policies and market conditions after Unification, it is clear that Sicilian «industry» was ill-prepared for any adjustment in the first place. For about two centuries its handicraft characteristics had been preserved unaltered.

It is from 1911 that one can follow the change of Sicily's industrial structure in more detail (Table 3). Whereas the food sector remained pro-

TABLE 3

THE STRUCTURE OF SICILIAN INDUSTRY: DISTRIBUTION OF EMPLOYMENT, 1911-1961 (*per cent*)

	1911		1927		1937		1951		1961	
	A.	*	A.		A.		A.		A.	
Mining	21.6	8.2	10.1	11.7	10.1	15.9	8.2	17.7	6.7	15.8
Food	19.3	67.0	17.6	68.2	24.2	72.5	20.5	67.5	14.2	52.7
Wood	12.1	79.8	13.7	86.1	9.5	90.6	11.1	90.9	9.6	88.0
Leather	10.6	92.0	n. a.		11.1	96.5	.6	64.8	**	**
Mechanical	9.4	72.4	9.8	74.2	9.4	64.8	12.4	67.8	15.7	57.9
Clothing	6.3	85.2	n. a.		7.6	94.8	16.8	96.2	13.2	87.2
Construction	2.0	6.8	9.0	32.1	14.6	34.9	15.4	14.6	18.7	13.5
Other	18.7		15.7		13.5		15.0		21.9	
Total	100.0		100.0		100.0		100.0		100.0	
Average A ratio		54.6		65.5		64.5		59.5		60.5

\* Percentage of workers employed in establishments of up to 10 employees.

\*\* Included in clothing industry.

Sources: F. GALLO, *L'evoluzione dell'industria dal principio del secolo ad oggi*; P. SYLOS-LABINI, ed., *Problemi dell'economia siciliana*, Milan: Feltrinelli, 1966, pp. 447, 451, 477.

portionally stable, the construction industry (as well as mechanical and clothing industries during the last twenty years) showed a substantial growth of employment relative to other branches. Leatherworking and mining declined drastically. For a structural assessment the «A» ratios, which indicate the degree to which the various industries were artisanal, are very important. Almost two thirds of Sicily's industrial workers were at this time

<sup>41</sup> It had only 13% of the South's mechanical cotton looms as against 52% of the hand looms in manufactories and 43% of the domestic looms. ELLENA, *op. cit.*

<sup>42</sup> SABA and SOLANO, *op. cit.*, pp. 47-49. The comparison deals with the period 1876-1887/95. Categories slightly different from Ellena's.

employed in workshops of only up to ten persons. In 1961, moreover, the island's industries were more artisanal than at the beginning of the century.

Compared with other regions of the Mezzogiorno, Sicily has shown a greater proportion of tiny handicraft enterprises. This holds for almost all branches analyzed in the nineteenth century as well as for comprehensive twentieth-century measures.<sup>43</sup> Sulfur mining demonstrated, perhaps, best how a potentially large-scale industry remained splintered in a great many small and thus inefficient concerns. Unlike in the North the state did not claim any sub-soil rights in Sicily. This made the mining sector a typically latifundist one, in which dozens of large landowners leased mining rights to numerous individual contractors for nine years at the most.<sup>44</sup>

(c) *Services.* Given the fact that the primary and secondary sectors of the Sicilian economy have been characterized by slow structural change or even stagnation, the expansion (especially after 1921) of the tertiary sector has not implied highly productive activities. Sicilian service employment was, throughout the period of study, made up of very large numbers of public employees and an equally inflated work force in retail trade and domestic services. These characteristics were, again, more pronounced in Sicily than in the rest of the South (see Table 1).

More dynamic activities, in modern transportation, finance, and tourism, have held a very modest place within the tertiary sector. As late as in the 1950s the four largest tertiary occupational groups were government services, retail trade (including peddling), transportation in general, and domestic service.<sup>45</sup> Being unable to cater to growing and modernizing primary and secondary sectors, the Sicilians occupied in services thus predominantly lived off the government and the rich rather than broadly spread agricultural and industrial purchasing power.<sup>46</sup>

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If we briefly summarize the main features of Sicily's economic structure as compared with that of the rest of the Italian South, the overall balance is to the disadvantage of the island. Its framework of agricultural activities was more precarious because of a greater share of atomized holdings. Whereas

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<sup>43</sup> E.g., 1937-39, when Sicily's artisanal ratio was 14% higher than that of the South as a whole. SVIMEZ, *Statistiche sul Mezzogiorno d'Italia 1861-1953*, Rome, 1954, pp. 312-316.

<sup>44</sup> Thus, in 1903, when Sicilian sulfur still managed to hold out against foreign competition, the average mine counted only 30 workers. G. BAGLIO, *Ricerche sul lavoro e su i lavoratori di Sicilia: Il solfaraio*, Naples: Piccolo, 1905, pp. 146-147.

<sup>45</sup> R. ROCHEFORT, *op. cit.*, pp. 275-280.

<sup>46</sup> This does not quite apply to selected sub-sectors. Among them stands out the wholesale and maritime business of the larger ports. Increased sea traffic after Unification led to a multiplication of shipping enterprises.

latifundism was, consequently, somewhat less prevalent than in other regions of the Mezzogiorno, the Sicilian farm population included relatively more land laborers. Thus a greater number of the island's agriculturally active personnel competed for a smaller proportion of land suitable for day-to-day employment.

In the secondary sector, similar painful contradictions prevailed: in Sicily a larger share of the population was classified as being industrially active than elsewhere in the South; yet there were fewer industrial workers in modern enterprises. To a greater extent Sicilian industrial workers were employed in traditional handicraft workshops, which dominated the structure of manufacturing much more than in the South at large. These primary and secondary sectors, which were very weak in terms of productivity, were burdened with a comparatively larger segment of the population active in services.<sup>47</sup>

### 3. *The Growth of the Sicilian Economy.*

However indicative Sicily's physical setting and economic structure are for its negligible change over the last hundred years, a complete assessment can be gained only by including observations on the island's economic output during this period. There are obvious limitations in terms of data for constructing, ultimately, a comprehensive indicator of economic growth. We suggest at this juncture to establish at least (1) a long-term measure of agricultural output of major crops and (2) some indicators of non-agricultural production. These two sets of figures will give us some idea about the island's economic performance during the period under study.

(1) Our measure of agricultural productivity consists of the value of wheat, wine, olive oil, and citrus fruit outputs at constant 1910-13 prices.<sup>48</sup> These four crops have been grown during the period on 75-82% of the island's surface.<sup>49</sup>

(2) In contrast to the figures for agricultural output, data for the industrial and tertiary sectors are very incomplete. Consistent information

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<sup>47</sup> Note, in general, that comparisons with the Mezzogiorno as a whole blur the fact that the southern continent has very backward regions also. Its more prosperous areas drive up the average. Still, Sicily contains by and large more characteristics of the « South's South ».

<sup>48</sup> This value is a gross measure, based on marketable outputs. The producers' consumption is not included, nor are costs and taxes. Data do not allow the calculation of a net measure.

<sup>49</sup> The four selected products represent the full range of crops reasonably well. In terms of value they account for c. 2/3 of the total marketable product of Sicilian agriculture. UNIONE DELLE CAMERE DI COMMERCIO, INDUSTRIA E AGRICOLTURA DELLA REGIONE SICILIANA, *Panorama economico siciliano*, Caltanissetta-Rome: Sciascia, 1962, p. 48. On the reliability of the 4-products growth data, cf. p. 19. Major sources. MAGGIORE-PERNI, BUFFONI, *op. cit.*; « *Annuario statistico* », various years; ISTITUTO CENTRALE DI STATISTICA, *Sommario di statistiche storiche italiane, 1861-1955*, Rome, 1958.

exists for sulfur mining, the largest single industry up to the early twentieth century. Figures on shipping and the development of joint-stock companies cast some light on commercial activities.

The main body of data is presented in Table 4 and Graph 1. It is immediately apparent that Sicily's growth process has been one of substantial fluctuations and that few turning points have led to lasting economic improvement.

TABLE 4

SICILIAN ECONOMIC GROWTH DATA, MID-NINETEENTH CENTURY  
TO POST-WORLD WAR II PERIOD

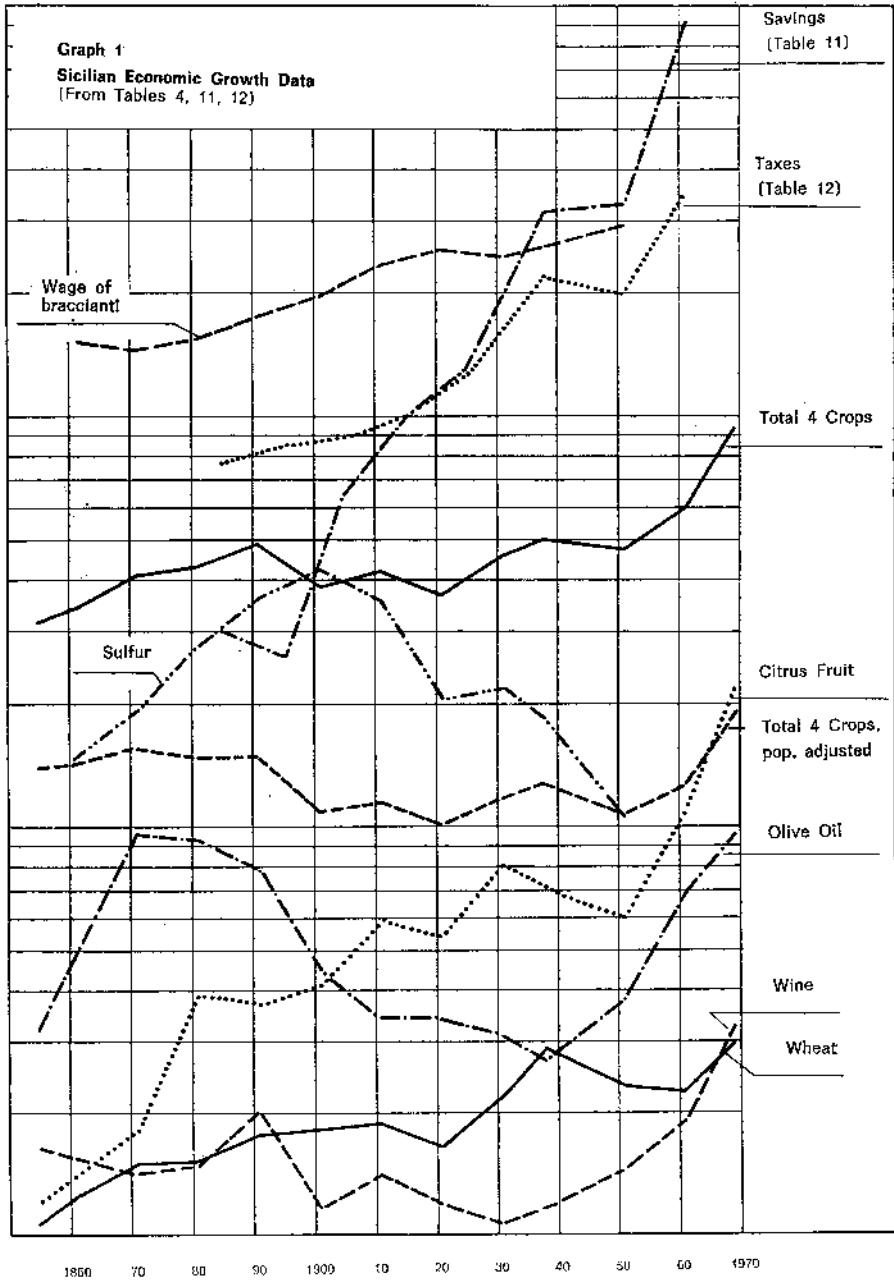
	Value of 4 Major Crops at 1910-13 Prices (mill. Lire)					Total, pop. adj. (Lire) (6)	Value of Sulfur Output at 1910-14 Prices (mill. Lire) (7)	Wage of <i>braccianti</i> , Lire of 1913 p. day, cost of living-adj. (8)
	Wheat (1)	Wine (2)	Olive Oil (3)	Citrus Fruit (4)	Total (5)			
1855	107	164	32	12	315	139		
1861	124	154	49	14	341	143	14.7	1.51
1871	150	142	96	18	406	157	19.3	1.46
1881	152	148	93	39	432	148	27.7	1.54
1891	177	202	78	37	494	149	36.2	1.77
1901	181	117	45	41	384	109	42.4	1.97
1911	187	141	34	59	421	114	35.5	2.35
1921	164	118	34	54	370	101	20.6	2.55
1931	241	107	31	81	460	118	21.8	2.44
1938	288	116	27	71	502	128	18.4	2.60
1951	233	144	38	60	475	107	10.6	2.95
1961	227	193	69	109	598	127		
1969	298	325	95	216	934	191		

Note: Figures interpolated for census years where necessary.

Source: Cf. note 49.

(a) 1860-1890. The first thirty years of political unity brought Sicily a steady increase of agricultural output. The course of growth for individual crops was not always upward bound, but one item usually substituted for the decline of another as land was transformed for different cultivation.<sup>50</sup> The growing of oranges and lemons, spreading into areas where before there had been no citrus fruit production, assumed quite spectacular dimensions. Sicily was blessed with sequences of good harvest, due to favorable weather and, more important, it enjoyed the benefits offered to agriculture by free trade.

<sup>50</sup> The trend was toward more intensive land use with sizeable parts of pasture being planted with citrus or olive trees. DE STEFANO and ODDO, *op. cit.*, pp. 101-102.



Wine exports found favorable outlets in France until the early 1880s,<sup>51</sup> and citrus fruits were shipped as far as the United States.<sup>52</sup>

Outside of agriculture, economic performance and prospects were mixed during these thirty years. The sulfur industry saw an uninterrupted strong increase of output that was to last until after the turn of the century, enjoying as it did a monopolistic position in the world market. But other branches of industry experienced drastic declines. The cigar industry, which had had a good reputation internationally, was crushed by state measures in 1867 and 1874 which abolished free cultivation of tobacco and established a state monopoly for manufacturing.<sup>53</sup> The harsh wind of northern and foreign competition virtually erased Sicilian silk and cotton manufacturing by 1890.<sup>54</sup> Italian government policies were a major factor of Sicilian industrial decline, as will be seen further on.<sup>55</sup>

Commerce, finally, did expand in the three decades, a consequence of its close association with the marketing of primary products as well as an effect of the opening of the Suez Canal, which stimulated transit trade greatly. The volume of sea traffic of the port of Palermo increased by 170% between 1861 and 1880<sup>56</sup> and somewhat less, though still considerably, at other ports of the island.<sup>57</sup> The coastal exchange of goods as well as international trade had a share in this upward trend.

(b) 1890-1900. Under the impact of the European recession and due to the erection of Italian protective tariffs, Sicilian agricultural growth came to a halt after 1890. The production of olive oil and citrus fruit had been affected by adverse market conditions already in the 1870s and 1880s. Now olive oil output and wine production fell sharply and wheat returns stagnated, causing an overall drop of total agricultural production. As a consequence of lagging export possibilities, land of intensive cultivation reverted to pasture — helping cattle raising to some extent — or was left uncared for. The hopeless-

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<sup>51</sup> Phylloxera affected French vineyards, not yet Sicilian ones.

<sup>52</sup> Increase of citrus fruit exports, 1862-1887: 400% (MAGGIORE-PERNI, *op. cit.*, p. 31). Other crops did not do so well. Cotton, e.g. shrank to insignificance after the American Civil War.

<sup>53</sup> DE STEFANO and ODDO, *op. cit.*, p. 110.

<sup>54</sup> The better equipped cotton industry elsewhere in the South survived free market conditions only with difficulties. G. LUZZATTO, *L'economia italiana dal 1861 al 1914*, vol. I, Milan: Banca Commerciale Italiana, 1963, p. 34.

<sup>55</sup> On the consequences for particular industrial enterprises, cf. DE STEFANO and ODDO, *op. cit.*, pp. 123-124, 108.

<sup>56</sup> M. GABRIELE, *I grandi porti italiani nel secolo XIX*, « Storia e Politica » 9 (1970), pp. 570-571.

<sup>57</sup> Palermo's shipping volume grew faster than Messina's. Data for all ports are readily available only in terms of tonnage, which inflates the figures due to the introduction of larger ships (MAGGIORE-PERNI, *op. cit.*, p. 563).

ness of the island's agricultural situation drove hundreds of thousands of impoverished peasants into emigration. Industrial work no longer offered an alternative. By 1890, as mentioned, the manufacturing of cotton and silk had vanished.

Sulfur mining alone was unaffected by the crisis. Its rising output up to the mid-1900s was in no small measure due to the use of sulfur against vine parasites. In these years of boom the Sicilian sulfur industry employed an estimated 20,000 to 30,000 workers. Its fractionalized structure tended to become slightly more concentrated, and improvements in marketing were obtained through the sales monopoly granted to the Anglo-Sicilian Sulfur Company (1896-1906). However, this seemingly encouraging course hid the fact that Sicilian sulfur mining continued to rely on an antiquated mode of exploitation and that it was hampered by high transportation costs, substantial export duties, wild speculation on stock and future output, and insufficient credit for modernization.<sup>58</sup> Thus its lease on life was limited. The workers employed in sulfur mining, moreover, were condemned to mere subsistence-level wages, physical suffering, and moral desperation.<sup>59</sup>

(c) *1900 to World War II.* In the first decade of the twentieth century agriculture recovered about one third of the losses suffered during the previous ten years, but this trend did not last and was followed by declining returns during the war and its immediate aftermath. With the advent of Fascism and up to the second world war Sicilian agricultural production increased rapidly. Wheat growing in particular was expanded at unprecedented rates under Italy's policy of self-sufficiency. Meanwhile crops of intensive cultivation, such as citrus fruit, were pushed to the background. Official statistics on the value of Sicily's gross product of agriculture, available from 1911, allow a brief comparison with our indicator of output of four major crops (Table 5).

The comparison must necessarily be rather crude due to the slightly different composition of the total gross products reported by the official statistics (fishing and forestry contributed, however, relatively little to the total product). As the indices reveal, there is reasonable agreement between our indicator and the complete figures. It seems that the slump of the war and immediate post-war years was even deeper than the four-crops data indicate: the growing of various minor crops and the raising of cattle did worse than the production of wheat, wine, oil, and citrus fruit. The official data also permit one to compare Sicily's economic performance with that

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<sup>58</sup> L. DELABRETOIGNE, *Brevi cenni sulla storia e sulle condizioni del commercio solifero in Sicilia*, Turin: Tip. Sociale Forines, 1925, pp. 22-23, 30-38.

<sup>59</sup> Cf. on the employment of young boys (*franciulli*) and periods of depressed wages, G. BAGLIO, *op. cit.*, p. 83.

of the entire South. In the period 1911 to 1921-24 the island suffered greater losses than the Mezzogiorno as a whole, but it experienced a 60% stronger expansion from the early 1920 to 1936-39.<sup>60</sup>

TABLE 5  
VALUE OF GROSS PRODUCT OF AGRICULTURE AND OF OUTPUT  
OF FOUR MAJOR CROPS, SICILY, 1911-1939

	Gross Prod. of Agriculture (mill. of current Lire) <sup>1</sup> (1)	Gross Prod. of Agriculture, 1913 Prices (mill. Lire) <sup>2</sup> (2)	Index 1911 = 100 (3)	Output of Four Major Crops, 1910-13 Prices <sup>3</sup> (mill. Lire) (4)	Index 1911 = 100 (5)
1911	927	972	100	421	100
1921-24	3,483	636	65	382	91
1936-39	5,120	1,138	117	500	119

Notes:

<sup>1</sup> 1911: SVIMEZ, *op. cit.*, 1961, 156 (excl. forestry); 1921-24: « *Annuario statistico* » 1922-25, p. 164 (excl. fishing and forestry); 1936-39: SVIMEZ, *op. cit.*, 1954, p. 261 (excl. fishing).

<sup>2</sup> Adjustment of values in coll. (1) by wholesale price index, 1913=1 (Conversion table: ISTITUTO CENTRALE DI STATISTICA, *Sommario di statistiche storiche italiane 1861-1955*, Rome, 1958, p. 168).

<sup>3</sup> From Table 4.

The interwar years were also typical for a reversal of Sicily's — however marginal — livestock development, as Table 6 reveals. Some of the gains that had materialized up to the pre-World War I period were lost under the crushing expansion of wheat growing, and the island's losses were in several categories more serious than those of the rest of the Mezzogiorno.<sup>61</sup>

TABLE 6  
DEVELOPMENT OF LIVESTOCK IN SICILY AND THE SOUTHERN CONTINENT,  
1861-1961 (in 1000s of heads)

	Sicily				Southern Continent			
	1861	1908	1930	1961	1861	1908	1930	1961
Horses, mules, asses	150	421	458	275	620	664	713	449
Cattle	80	199	168	313	320	645	580	817
Pigs	500	75	66	92	1,500	501	557	724
Chickens	697	959	727	665	3,835	3,721	3,357	3,382
Goats	350	311	309	233	650	1,124	730	571

Source: SVIMEZ, *op. cit.*, p. 152.

<sup>60</sup> Cf. sources of Table 5.

<sup>61</sup> Note that the holding of great numbers of horses, asses, and mules did not testify to agricultural progress. These animals formed a liability imposed by the shortage of roads and efficient vehicles.

From the early years of the twentieth century the sulfur industry found itself in great difficulties. A compulsory consortium for the sale of sulfur, lasting from 1906 to 1932, amounted to little more than a cumbersome bureaucracy,<sup>62</sup> which was unable to eliminate speculation or push for technical improvements. From 1913 on American sulfur competed with the Sicilian product unrestrained. Unlimited competition among the island's producers themselves after 1932 led the industry into permanent insignificance relative to world output.

As for other industries, only very summary data can be given. From the census the following decline of the industrially active population is evident: 373,000 in 1901, 340,000 in 1911, 332,000 in 1921, 332,000 in 1931, and 325,000 in 1936.<sup>63</sup>

Commercial activities also decreased, especially after 1929. The total import and export volume shrank from 1,664 million Lire in 1924 to 732 million Lire in 1934 due to rising tariffs everywhere and Italy's failure, until 1936, to devalue the Lira. The entire traditional foreign trade relationship of the island was radically shifted in the context of Italy's policy of autarky, imports from abroad declined faster than exports to foreign countries, whereas the commercial exchange with other parts of Italy went from an export to an import surplus between the mid-1920s and the mid-1930s.<sup>64</sup> That the capital of Sicilian joint-stock companies rose from 302 to 556 million Lire 1916-1932 might indicate some industrial and commercial advancement. But these figures conceal the fact that the corporate form of business became adopted mainly by already existing enterprises previously operated under individual ownership or simple partnership.<sup>65</sup>

(d) *After World War II.* The years of the second world war were characterized by a substantial contraction of economic activities. The conflict left Sicily with serious destruction, a slow rate of reconstruction, vanished export markets, and an insufficient increase of investments.<sup>66</sup> But by the early 1950s the island's economy embarked upon a period of substantial growth at rates that exceeded all previous increases. This phase of Sicilian economic history is a great deal better known than earlier periods because of numerous studies of both Italy's overall economic recovery and the special

<sup>62</sup> The consortium had no power to coordinate or limit output. E. CORBINO, *L'industria mineraria italiana*, « L'Ingegnere » 3 (1929) p. 606.

<sup>63</sup> Calculated on the basis of the industrially active population. Industrial census figures are unreliable for 1903, 1911. F. GALLO, *L'evoluzione dell'industria dal principio del secolo ad oggi*, « Problemi... », *op. cit.*, pp. 404-405.

<sup>64</sup> There was also a decline of railroad shipment. Data from BANCO DI SICILIA, *Osservatorio economico*, « Sicilia: Compendio di statistica economica », Palermo, 1937, pp. 74, 90-91.

<sup>65</sup> The average size of joint-stock companies declined. BANCO DI SICILIA, *ibid.*, p. 67.

<sup>66</sup> A. MOLINARI, *Southern Italy*, « Banca Nazionale del Lavoro Quarterly Review » 2 (1949), p. 35.

policies formulated for the economic development of the Mezzogiorno.<sup>67</sup> Given more complete statistical data, it is also much easier to trace the postwar changes. However, the present outline will be limited to the growth data studied so far and a few additional economic indicators.

Measured in our four-products growth figures, Sicilian agricultural output declined during the war and the immediate postwar years until 1951, from which date it turned sharply upward. All major crops contributed to this expansion, although wheat production did so only during the 1960s. In this last decade, for the first time, none of the major branches of cultivation grew at the expense of another. Our data can again be compared with statistics on the total gross product of Sicilian agriculture. While the two indices in Table 7 point to roughly the same trends, the total product measure shows

TABLE 7

VALUE OF GROSS PRODUCT OF AGRICULTURE AND OF OUTPUT  
OF FOUR MAJOR CROPS, SICILY, 1936-39 TO 1969

	Gross Prod. of Agriculture (mill. of current Lire) <sup>1</sup> (1)	Gross Prod. of Agriculture, 1955 Prices (mill. Lire) <sup>2</sup> (2)	Index 1936-39 = 100 (3)	Output of Four Major Crops, 1955 Prices (mill. Lire) <sup>3</sup> (4)	Index 1936-39 = 100 (5)
1936-39	5,120	291,000	100	146,400	100
1957	316,600	312,500	107	152,500	104
1969	590,400	501,000	172	289,300	197

Notes:

<sup>1</sup> 1936-39: SVIMEZ, *op. cit.*, 1954, p. 261 (excl. fishing); 1957: « Annuario statistico » 1959, p. 364 (excl. fishing); 1969: « Annuario statistico » 1970, pp. 391-392.

<sup>2</sup> Adjustment of values in col. (1) by wholesale price index, 1955 = 1 (Conversion table: ISTITUTO CENTRALE DI STATISTICA, *op. cit.*, 1969).

<sup>3</sup> From Table 3. Alternate prices from ISTITUTO CENTRALE DI STATISTICA, *op. cit.*, pp. 173, 176, 178.

a less dramatic increase for the most recent years than that of the four major crops: minor cultivations, fishing, and livestock breeding did not expand as fast as the growing of citrus fruit, to name only the most startling example of expansion. As for the comparison with the Mezzogiorno as a whole, Sicily's agricultural production suffered more during the war (— 15% versus +7% between 1936-39 and 1951), but increased afterwards (1951 to 1969) by a 7% greater margin than that of the Mezzogiorno.<sup>68</sup>

It was the non-agricultural sectors of the economy which, after World War II, led to a radical break with the past course of change. The industrially

<sup>67</sup> *Il Ponte* (special issue on Sicily), May, 1959; S. SCROFANI, *La questione agraria siciliana*, Caltanissetta: Sciascia, 1961; R. ROCHEFORT, *op. cit.*; G. PESCATORE, *L'intervento straordinario nel Mezzogiorno d'Italia*, Milan: Giuffrè, 1962; CASSA PER IL MEZZOGIORNO, *Dodici anni: 1950-1962*, 6 vol., Bari: Laterza, 1963; C. SCHACHTER, *op. cit.*; etc.

<sup>68</sup> Cf. sources of Table 7.

active population increased from 357,000 to 439,000 (23%) between 1951 and 1961, and the active population of the tertiary sector from 407,000 to 491,000 (21%) in the same decade.<sup>69</sup> However, *employment* figures testify that there was only a 16% growth of industrial jobs from 1951 to 1961, which points to a problem of severe unemployment and underemployment in the industrial sector.<sup>70</sup> Thus, despite some hopeful beginnings of modern industrialization, the burden of precarious economic activities (atomized, handicraft-type industry, inflated service employment<sup>71</sup>) has not been substantially eased.<sup>72</sup>

It is against this background that one must see the examples of dynamic industrial expansion that took place during the 1950s and beyond.<sup>73</sup> A Sicilian oil industry has been developed where none existed before the war. Outputs of selected industrial branches such as ethyl alcohol, beer, and cement manufacturing grew at rates of 400 to 800% between 1947 and 1960. The import and export volume experienced an almost eightfold rise in the same period, with imports growing faster than exports. Sicily's merchant marine had 23 times more tonnage in 1960 than in 1947. The number of joint-stock companies increased by about 420%, their average nominal capital by 750%.

The most convenient but in many respects also most superficial measure of Sicily's overall economic advancement is furnished by figures on regional per capita income (Table 8).<sup>74</sup>

TABLE 8

PER CAPITA REGIONAL INCOME OF PRIVATE SECTOR,  
SICILY AND MEZZOGIORNO, 1938-1959 (in Lire of 1938)

	Sicily	Mezzogiorno
1938	1,908	1,783
1951	1,545	1,595
1959	2,320	2,293

Source: SVIMEZ, *op. cit.*, 1961, p. 770.

<sup>69</sup> Cf. Table 1.

<sup>70</sup> This problem has been greater in industry than in agriculture, where the active population declined faster than employment. Cf. P. SYLOS LABINI, *Il problema dello sviluppo industriale nella particolare situazione siciliana*, «Problemi...», *op. cit.*, p. 993.

<sup>71</sup> An increase of 30% in retail trade employment 1951-61 was the second highest within the commercial sector. UNIONE DELLE CAMERE DI COMMERCIO, *op. cit.*, p. 71. On scarcity of modern factory jobs, cf. P. SYLOS LABINI, *Introduzione*, «Problemi...», *op. cit.*, p. xiii.

<sup>72</sup> Cf. also our discussion in part IV, p. 412.

<sup>73</sup> Data from UNIONE DELLE CAMERE DI COMMERCIO, *op. cit.*, pp. 13-15, 82, 93.

<sup>74</sup> These data are in fair agreement with our agricultural growth indicator, which strengthens confidence in this measure.

(e) *Growth and wellbeing.* An evaluation of the performance of the Sicilian economy over the entire period makes it clear that lasting advances have taken place only since the 1950s. The four-products indicator shows an average annual growth rate of only 1.7% between 1855 and 1969. The more inclusive figures for total agricultural product reflect a rate of 1.7% per year from 1911 to 1969, most of which was due to the strong growth after 1951. The picture, for all but the most recent decades, looks even bleaker if one relates the data to changes in population (see Table 4 and Graph 1). If we assign at least approximate trustworthiness to the four-crops series as related to the island's population,<sup>75</sup> it seems that only in 1963 did the Sicilians again reach the level of economic wellbeing they had enjoyed in 1861.

Per capita gross output indicators, of course, express only imperfectly the economic conditions of the average inhabitant. During periods of low agricultural prices even substantial harvests often hardly covered production costs.<sup>76</sup> It is wage statistics that point out more specifically the lack of material advancement for large groups of workers. Table 4 and Graph 1 contain the course of cost of living-adjusted daily wage rates of farm laborers (*braccianti*), which shows that only between 1906 and 1916 and then after the second world war significant wage rises occurred. The reason why this trend looks better overall than that of population growth-related agricultural output figures lies in the fact that the former applies of course only to those workers actually employed. Moreover, at times the increasing demand for and a shrinking supply of agricultural labor, especially during the years of large-scale emigration and the advent of industrialization, drove these wages up. For the thousands of small tenant farmers, however, if they chose to stay in Sicily and could not secure industrial employment, income would not increase. In the economically depressed sulfur mining areas, to name another example, daily wages often fell even during periods of rising output.<sup>77</sup>

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If we now assess the findings of our analyses of Sicilian economic structure and long-term growth, the following suggests itself. (1) By and large our review of economic growth has confirmed the structural weaknesses outlined in the first place. Because of a traditional, overly stable economic framework, output was stagnating or fluctuating until the most recent decades, when parts of the obsolete structure finally began to vanish. (2) Our comparisons

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<sup>75</sup> This measure does of course not constitute a series of *per capita* regional product data. Still, it is of significance for the overall economic wellbeing of those Sicilians directly engaged in or connected with, the production of the four (or similar) crops, i.e., a very substantial share of the population.

<sup>76</sup> A. ROMANELLI, *Imposta e debito pubblico*, «Nuova Antologia» (1894), pp. 319-320.

<sup>77</sup> G. BAGLIO, *op. cit.*, p. 408.

of Sicily with the rest of the South allow us to add a few differentiating remarks. At first it seems paradoxical that Sicily's agricultural economy, which was overall structurally disadvantaged relative to the continental South's, nevertheless managed at times<sup>78</sup> to surpass the latter's pace of agricultural growth. However, we also found that both world wars left heavier dents in Sicily's agricultural capacity than in the South's in general and that the island's margin of relative advancement over the Mezzogiorno as a whole after the second war shrank to near-insignificance. Thus the apparent paradox does really point out the substantially greater weaknesses of the Sicilian economy. It was well capable of going through short-lived and one-sided booms, but in the long run it did not achieve the lasting benefits that a structurally flexible economy could obtain. If one takes non-agricultural changes into account, structural as well as output comparisons reveal even greater disparities of potential and achievement between Sicily, the Mezzogiorno, and Italy at large, a point which will be taken up in the concluding part of this study.

The principal question, namely, what forces have been responsible for the long-lasting stagnation of the island's economy, is only partially answered by the examination of Sicily's structural shortcomings. We now need to consider some technological and capital constraints which are directly connected with the problems discussed so far.

#### 4. Technology.

(a) *Agriculture.* The chances for technologically induced improvements of Sicily's agriculture must be evaluated in the total context of land distribution and use. As for the large holdings typical of cereal cultivation, soil betterment and mechanization have been greatly hampered by the latifundist traits outlined above.<sup>79</sup> A survey in 1909 showed that of 539 *latifondisti* responding to the inquiry only 232 had undertaken any kind of improvement on their land in the recent past. Most of the changes (in 172 cases) implied building, which may or may not have affected cultivation, and only on 6% of the surveyed estates had agricultural machinery been introduced.<sup>80</sup> The cheapest way to increase output was to hire more *braccianti*. Small leaseholders who worked the land for a few years were not interested in or could not afford improvements of the soil, let alone employ machinery. Upon the

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<sup>78</sup> During Fascism and after World War II. For the nineteenth century, we cannot know for certain, but cf. our discussion, pp. 378-380.

<sup>79</sup> There were only 128 ha of private meliorations and water regulations compared with 180,000 in all of Italy. *Atti della Giunta per la inchiesta agraria e sulle condizioni della classe agricola*, vol. XIII, tome I, *Relazione del Commissario A. Damiani* (Sicily), Rome, 1884, pp. 380-385.

<sup>80</sup> G. LORENZONI, *Trasformazione e colonizzazione del latifondo siciliano*, Florence: Cya, 1940, p. 31.

partial fractionalization of the latifundia, allotments were for the most part too small to permit significant melioration and mechanization.

During the nineteenth century state aid to land improvements was negligible. Up to 1880 not a single hectare of Sicilian land was improved or irrigated at state cost.<sup>81</sup> Under Fascism, in what was announced as an all-out effort by the state, half a million ha of low-quality land was designated for reclamation by 1929. But seven years later the work was finished « or almost finished »<sup>82</sup> on only 4.4% of this area (as compared with 24.1% in the continental South) and had not yet been initiated on 74% of it (continental South: 39.2%), although 68% of the authorized funds had already been spent.<sup>83</sup>

Substantial improvements took place only after World War II, as the figures in Tables 9 and 10 demonstrate. Still, efforts slackened a great deal after the 1950s and have amounted to less in Sicily than in other parts of the Mezzogiorno.<sup>84</sup>

Whereas the areas of cereal cultivation were only open to a limited range of productivity increases, the growing of tree crops and vegetables lent itself potentially to considerable betterment through irrigation.<sup>85</sup> Yet in practice only very limited remedies were carried out. From 35,700 ha in 1877, Sicily's irrigated area grew to 48,500 ha in 1926, 88,700.

TABLE 9  
THRESHING MACHINES AND TRACTORS, SICILY  
AND CONTINENTAL SOUTH, 1925-1969 (in numbers of units)

	Sicily				Continental South			
	Threshing Machines	1951 = 100	Tractors	1951 = 100	Threshing Machines	1951 = 100	Tractors	1951 = 100
1925	121	12	244	12				
1937	402	39	682	34	4,063	72	3,179 <sup>1</sup>	54
1951	1,038	100	2,033	100	5,613	100	5,937	100
1962	1,102	106	7,719	380	5,458	97	29,843	502
1969	622 <sup>2</sup>	60	15,751	775	4,046 <sup>2</sup>	72	72,246	1,216

Notes:

<sup>1</sup> 1938.

<sup>2</sup> Substitution by combine-harvesters: Sicily, 791; Continental South, 2, 769.

Source: « Annuario statistico », various years; SVIMEZ, *op. cit.*, pp. 210-211.

<sup>81</sup> *Atti della Giunta...*, *ibid.*

<sup>82</sup> BANCO DI SICILIA, *Sicilia...*, *op. cit.*, p. 56.

<sup>83</sup> Similarly, private improvements declined by almost 50% 1926-36, while they increased slightly elsewhere. *Ibid.*, p. 57.

<sup>84</sup> 1948-60 public investment in land reclamation was 24,800 Lire per ha in Sicily, but 65,900 Lire in all of the South. S. SCROFANI, *op. cit.*, 127.

<sup>85</sup> On the importance of irrigation for Sicily's agricultural transformation, cf. SCROFANI, *ibid.*, p. 105.

TABLE 10

SOIL IMPROVEMENT AND LAND TRANSFORMATION IN SICILY  
AND THE CONTINENTAL SOUTH, 1951-1969 (in 1000s of man-days employed)

	Sicily				Continental South			
	Soil Im- provement	1960 = 100	Land Transfo.	1960 = 100	Soil Im- provement	1960 = 100	Land Transfo.	1960 = 100
1951			992	74	6,772	96	3,336	22
1960	1,365	100	1,336	100	7,056	100	15,373	100
1965	494	36	445	33	3,788	54	4,009	26
1969	370	27	268	20	2,835	40	4,458	29

Source: « Anuario statistico », various years.

ha in 1948, and 165,800 ha in 1960,<sup>86</sup> accounting for 15% (1877), 10% (1926), 17% (1948), and 31% (1960) of total tree cultivation in the respective years. Significant progress in irrigation has thus been made only after the last war. Of course such improvements always required collective efforts, which were difficult to generate in the wine, olive, and citrus fruit regions with their predominantly small-scale landholding structure.<sup>87</sup>

Short of sufficient initiatives for technological improvements, extremely wasteful adjustments to the market occurred repeatedly. For instance, due to falling citrus prices during the late nineteenth century, growers hoped to reduce their expenses or to push up the price level by cutting down parts of their orchards.<sup>88</sup> A further, universal, shortcoming was that up to recent times very little of the agricultural output was manufactured into secondary products. During the period of profitable wine exports, up to 1885, some progress was made in improving wine quality.<sup>89</sup> As for citrus cultivation, overproduction constituted a permanent problem in the face of completely insufficient facilities to process the crops into derivatives.<sup>90</sup>

(b) *Industry.* Given the artisanal characteristics of Sicilian industry, the slow technological change in that sector is not surprising. Even the relatively large cotton establishments employed, in 1876, one half the national average HP of steam power.<sup>91</sup> No doubt some technical modernization did

<sup>86</sup> BUFFONI, *op. cit.*, p. 325. The potentially irrigable land has been estimated at c. 250,000 ha (R. ROCHEFORT, *op. cit.*, p. 134).

<sup>87</sup> Partly because of the failure to seize irrigation opportunities, the yield of citrus fruit increased from 120 q. per ha in 1851 to only 135 q. in 1958.

<sup>88</sup> DE STEFANO and ODDO, *op. cit.*, pp. 117.

<sup>89</sup> *Atti della Giunta...*, *op. cit.*, p. 19.

<sup>90</sup> To this day it is easier in Sicily to purchase Libby's frozen orange juice of Greek origin or Pellegrino orangeade than comparable domestic products.

<sup>91</sup> The ratio for the continental South was 10 HP per plant, that for Italy 20 HP. ELLENA, *op. cit.*, p. 60.

occur if one may trust figures which indicate an increase in the number of steam kettles from 204 in 1876 to 727 in 1901.<sup>92</sup> But Sicilian technological change lagged behind that of other Italian regions. The industrial power ratio rose from 1.9 HP per establishment in 1911 (entire South: 4.2 HP) to 4.6 HP in 1951, a 142% increase as compared with one of 252% for all of Italy.<sup>93</sup>

Whereas it was true that the structure of Sicilian industry did not lend itself to or did not initiate, rapid mechanization, one has to be aware of the grave energy shortage with which it had to put up once the possibility of small-scale technological innovation through electric motors did offer itself. With respect to the production of electrical energy, Sicily remained a depressed area up to the very recent past. In 1938 the island's economy could draw on only 1.3% of Italy's supply of electrical energy, in 1951 on 1.6%; it faced, in 1960, what still had to be considered a severe bottleneck for technical modernization with a share in Italy's electricity output of only 3.2%.<sup>94</sup>

(c) *Communications.* Technological change in a more general sense is implied in the development of roads and railroads within the island and between Sicily and the continent, as well as in the improvement of port facilities.<sup>95</sup> The sluggishness of Sicily's agricultural and industrial modernization was indeed often attributed to the failure of means of transportation to provide access to wider markets.

In 1863, with only 2,470 km of roads (96 km per 1,000 sq. km or 103 km per 100,000 inhabitants), Sicily was in fact still splintered into dozens of sub-regions that had little contact between one another except for coastal navigation. Above all the interior lacked proper access to the port cities. Until 1910 the total length of roads was not quite tripled, but construction concentrated on the municipal and provincial levels. Sicily had now 300 km of roads per 1,000 sq. km compared with 413 km in the continental southern provinces and 706 km in the north of Italy. Between 1910 and 1969 the system of national highways was in turn greatly expanded, pushing the total road network of the island to 17,478 km, that is, 680 km per 1,000 sq. km. (continental South: 924 km per 1,000 sq. km).<sup>95</sup>

At the time of Unification Sicily had no railroads at all. Only when the island's politicians asserted themselves and demanded equitable railroad facilities in return for heavy taxation did the development of the network set in. Mileage grew from 330 km in 1871 to 1,305 in 1895 and reached

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<sup>92</sup> ELLENA, *op. cit.*, 36; BAGLIO, *op. cit.*, p. 346. Ellena's figure is probably too low, which makes the increase less significant. In 1901 only 11% of the boilers were in manufacturing other than food and wine processing.

<sup>93</sup> *Annuario statistico* 1912, p. 114; GALLO, *op. cit.*, p. 475.

<sup>94</sup> *Annuario statistico*, various years. In addition, electricity cost the Sicilian consumer 40% more than the Northern (1960; R. ROCHEFORT, *op. cit.*, p. 228).

<sup>95</sup> SVIMEZ, *op. cit.*, 1961, p. 487; *Annuario statistico* 1912, p. 203; 1970, p. 224.

its peak with 2,180 km in 1938.<sup>96</sup> These figures do not reveal, however, that at first only the easiest connections between coastal cities emerged, helping mainly economic development in the east of the island, and lines from a few sulfur mining centers to the sea. East-west routes were slow to develop, given the difficult terrain. Moreover, the network remained notably inefficient until it approached completion.<sup>97</sup> Although the overall Italian railroad policies contained deliberate initiatives to give the South a proportional share in the development,<sup>98</sup> supplementary financing had to be shouldered by provincial and municipal authorities, a burden less easily sustained in the Mezzogiorno than elsewhere in Italy.<sup>99</sup> In the end Sicily's railroad density still fell short of what other regions had obtained and, for a long time, Sicily's rates were higher than on the continent.<sup>100</sup>

As for the ports, it took almost twenty years to back up, with actual subsidies for improvements, the reclassification of Sicilian harbors, which had given Palermo and Messina first-class standing in 1866. The state investments in new basins and other works of renewal looked rather insignificant in the light of soaring customs duties which the state received from southern ports.<sup>101</sup>

Obsolete economic structures and insufficient state support for basic improvements were factors that strongly inhibited technical innovation. Related with these problems was the continued shortage of financial capital, a phenomenon which demands closer examination.

##### 5. *Savings and Investments.*

Sicily's agriculture and its marginal industrial sector traditionally generated only moderate funds for long-range improvements. The agriculturally prosperous period between 1860 and 1894 did witness investments for transforming former pasture and grain land into areas of intensive cultivation. But domestic and foreign market conditions allowed only this rudimentary

<sup>96</sup> SVIMEZ, *ibid.*, p. 477.

<sup>97</sup> Between 1886 and 1895, 46% of new mileage was added, but bulk freight on all lines increased by only 9%. Only by 1901 did the freight volume catch up (*Annuario statistico* 1903, p. 483). Cf. for the general Italian experience, G. LUZZATTO, *The Italian Economy in the First Decade after Unification*, «Essays in European Economic History 1789-1914», eds. F. CROUZET, et al., London: Arnold, 1969, p. 214.

<sup>98</sup> S. B. CLOUGH, *The Economic History of Modern Italy*, New York: Columbia, 1964, p. 66.

<sup>99</sup> Almost no private Sicilian capital became involved in railroad investments, which deprived the island from having much influence over policies. DE STEFANO and ODDO, *op. cit.*, p. 147.

<sup>100</sup> *Ibid.*, p. 148.

<sup>101</sup> Frequently, allocations of funds were not matched by eventual payments. The port of Licata, e.g., was promised 7 million Lire at the end of the nineteenth century, but received only a few 100,000 (*ibid.*, pp. 152-153).

kind of adjustment. Moreover, given the island's economic structure, profits accrued to a minority of privileged landowners and entrepreneurs who, as a rule, either reinvested their gains in land or transferred funds away from Sicily. For the first decades after Unification Luzzatto found that « all available capital, perhaps even more than was actually available, was absorbed by purchases of land ».<sup>102</sup> It seems, though, that at least in later periods surplus funds were not only put into *latifondo* agriculture but also transferred to banks, through which they became usable for industrialization in the North.<sup>103</sup>

(a) *Savings trends.* The few available data on savings stem from statistics on deposits in ordinary credit institutions and the postal savings system. As such they reveal a trend rather than comprehensive figures on total savings.<sup>104</sup>

TABLE 11

DEPOSITS IN CREDIT INSTITUTIONS AND THE POSTAL SAVINGS SYSTEM, SICILY, CONTINENTAL SOUTH, AND ITALY, 1885-1961 (*in 1000s of 1913 Lire*)

	Sicily		Continental South		Italy	
	1915=100		1915=100		1915=100	
1885	73,800	30	143,000	22	1,620,000	40
1895	64,000	26	209,000	33	2,210,000	55
1905	159,300	65	416,000	65	3,200,000	80
1915	246,000	100	640,000	100	4,020,000	100
1925	319,500	130	608,000	95	3,600,000	89
1938	780,000	317	1,414,000	221	10,130,000	252
1951	820,000	333	1,987,000	310	18,100,000	450
1961	2,240,000	910	5,260,000	822	46,500,000	1,160

Source: G. TAGLIACARNE, *Lo sviluppo economico delle regioni italiane*, in P. SARACENO and G. TAGLIACARNE, eds., « Scritti di economia e statistica in memoria di Alessandro Molinari », Milan: Giuffrè, 1963, pp. 697-725.

As Table 11 indicates, the amount of savings decreased from 1885 to 1895 in line with the overall economic difficulties.<sup>105</sup> Thereafter a steady increase took place, interrupted only by the World War II years. However, some qualifications are in order. The rapid rises from 1895 to 1915 and from

<sup>102</sup> G. LUZZATTO, *The Italian Economy...*, *op. cit.*, p. 219.

<sup>103</sup> M. HAMMER, *Probleme der sizilianischen Agrarstruktur: Grundlagen und Entstehung der sizilianischen Agrargenossenschaften*, Basel: Kyklos, 1966, p. 23.

<sup>104</sup> During the nineteenth century, however, savings in other banks were quite small. G. LUZZATTO, *ibid.*, p. 208.

<sup>105</sup> This agrees with Maggiore-Perni's observations on net savings, which declined from 6.1 million Lire to 4.7 million 1885-91 (*op. cit.*, p. 567).

1951 to the present coincided with periods of high emigration. Funds sent to relatives at home swelled the savings accounts. Only in the late 1920s and in the 1930s were savings accumulated to a greater extent domestically. But neither foreign nor domestic funds led to effective investments in agriculture, industry, or commerce. Purchases of land or small businesses through savings from abroad failed particularly often. Also, for most of the period more than half of the savings were deposited with the postal savings system,<sup>106</sup> which made its funds available to state operations, leaving for the banks close to Sicilian investment opportunities only a small share of all accumulated savings.

Compared with the development of savings in other parts of Italy, Sicily did worse than the continental South up to 1951, though better than the country as a whole. Since the first world war savings accumulated faster in Sicily than in the rest of the Mezzogiorno but slower than in Italy at large.<sup>107</sup> Yet these trends do not tell us anything about the allocation of the funds, the fact that some Sicilians accumulated wealth unproductively while others lacked the funds to improve their economic condition. Other observations demonstrate more directly the financial plight that the great majority of Sicilians faced. A drastic sign that most peasants were unable to draw on a surplus to adjust themselves to changing market conditions was the growth of mortgage debts even before the depression of the late nineteenth century.<sup>108</sup>

(b) *Taxes.* Heavy taxation was an overriding factor of agricultural indebtedness and greatly responsible for the shortage of investible funds. The basic, direct, land tax rose on average by about 15% between 1861 and 1866 in Italy.<sup>109</sup> Breaking with the Bourbon tax structure, the Italian state imposed an income tax and increased registry and stamp taxes in 1861, added a higher tax on sales of property in 1866, reintroduced the hated grist tax in 1868, imposed the tobacco monopoly in 1876, and augmented drastically the rates of all traditional taxes. In 1886 a new register of land assessment was established which prompted higher levies.<sup>110</sup>

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<sup>106</sup> The most obvious reason for the preference of postal savings being the scarce spread of bank offices, whereas postal facilities were available everywhere. A. MOLINARI, *op. cit.*, p. 42.

<sup>107</sup> Still, as in 1885, Sicily had an underproportional share of savings deposits in 1961 with between 4 and 5% of the Italian total. G. TAGLIACARNE, *Lo sviluppo economico delle regioni italiane*, « Scritti di economia... », *op. cit.*, pp. 697, 725.

<sup>108</sup> From 535 million Lire in 1859 to 938 million in 1889. MAGGIORE-PERNI, *op. cit.*, p. 545.

<sup>109</sup> G. LUZZATTO, *The Italian Economy...*, *op. cit.*, p. 207.

<sup>110</sup> By 1890 all taxes taken together absorbed 25-60% of the agricultural net income (*Atti della Giunta...*, *op. cit.*, p. 177). In 1910 taxation could absorb as much as 80% of the net returns for some properties (G. BRUCCOLERI, *La Sicilia di oggi*, Rome: 1913, p. 10).

These fiscal policies not only implied a shock of adjustment but burdened Sicily overproportionally.<sup>111</sup> Examples of such discrimination were the grist tax (considering the predominance of cereals in the southern diet) and the consumption dues (given the high urban concentration of the Sicilian population).<sup>112</sup>

A computation including only the basic land, industrial, and business taxes shows for the first decades of unity a tax increase in Sicily from 10 million Lire (1860) to 18 million (1877) and 33 million (1889-90),<sup>113</sup> a rise that amounted to several times that of agricultural output. Table 12

TABLE 12

TAXATION, SICILY, CONTINENTAL SOUTH, AND ITALY, 1885-1961  
(in millions of Lire of 1913)

	Sicily		Continental South		Italy	
	1915=100		1915=100		1915=100	
1885	52.5	77	154.3	82	707.0	68
1895	57.7	85	169.7	90	761.0	74
1905	60.7	89	169.5	90	848.0	82
1915	67.9	100	188.4	100	1,033.0	100
1925	86.5	127	236.5	125	1,514.0	147
1938	148.7	219	378.5	201	2,420.0	234
1951	135.4	200	349.0	185	2,345.0	227
1961	236.0	348	538.0	286	4,505.0	436

Source: G. TAGLIACARNE, *op. cit.*, pp. 697-725.

gives a more complete picture for 1885-1961, containing the above-mentioned categories plus tobacco taxes, but leaving out the grist tax, consumption dues, and surtaxes.<sup>114</sup> The figures show that overall tax revenues increased more slowly in Sicily than in Italy as a whole but that the island experienced a faster rise than the southern continent. A comparison of the course of taxation with that of Sicilian long-range economic growth demonstrates a steadily

<sup>111</sup> Cf. discussion in DE STEFANO and ODDO, *op. cit.*, pp. 127-136.

<sup>112</sup> *Dazi consumi*, levied by the municipality on everyday consumer products crossing city lines, affected c. 90% of the Sicilian population. For other examples of discrimination, cf. HAMMER, *op. cit.*, p. 27; MACK SMITH, *op. cit.*, p. 473.

<sup>113</sup> MAGGIORE-PERNI, *op. cit.*, pp. 551, 584-585.

<sup>114</sup> The latter, imposed by provincial and local authorities, reached 100% of the basic land and industrial taxes in 1877, 633% in 1936 (MAGGIORE-PERNI, *op. cit.*, *ibid.*; E. CORBINO, *L'imposta fondiaria nelle regioni meridionali...*, « Questioni Meridionali » 5 (1938), 27). Of course, surtax returns were also spent in Sicily, but they were just as damaging as the national taxes to the individual's ability to accumulate capital.

increasing disproportion between output and the sums levied by the state (see Graph 1).<sup>115</sup>

(c) *Credit*. In order to ease the financial strictures of the Sicilian farmer and manufacturer the island would have needed a credit system offering funds for the improvement of land and equipment. The period immediately after Unification saw instead a decline in the number of small but, for the peasant, vital credit sources as the *monti frumentari* (local funds for the advancement of grain at low rates) disappeared or were transformed into ordinary savings banks, and the *opere pie* (church assistance institutions) became more and more corrupted by the interests of the oligarchy.<sup>116</sup> This aggravated a situation in which the small peasants and craftsmen often had to rely on private loans at 20, 40, or even 60% interest.<sup>117</sup>

Up to the 1890s the only nucleus of a more comprehensive credit system was present in the form of the land credit division of the Banco di Sicilia (initiated in 1870). This instrument provided only about seven million Lire of funds per year, which were mainly invested in urban projects and most of them for construction outside of manufacturing. Since 1890 a separate institution of *agricultural* credit, also part of the Banco di Sicilia, became active with, at first, 222 million Lire of loans (1890-92) and then declining amounts (92 million Lire 1905-07).<sup>118</sup> The actual benefits of these efforts remained small because the Banco di Sicilia instruments were not specialized enough and the loans were given to and usually absorbed by, the proprietors, which left the leaseholder as badly off as before. Observers dealing with the credit problem at the time found that as long as there was no thorough structural reform (breaking-up of large estates) or legal reform (prolonging of leases) monies for agricultural improvements would continue to be sponged off by the least deserving recipients.<sup>119</sup>

From 1907 a more promising agricultural credit scheme did offer some relief. A new section of the Banco di Sicilia made small loans available at 4% to local intermediary institutions (rural *casse*, funds), which in turn lent

<sup>115</sup> To take tax revenues as an indicator for economic growth, as Tagliacarne does (in *Lo sviluppo...*, *op. cit.*), thus means to overrate economic expansion. On a different aspect, namely, that today more tax money is spent in the South than received from it, whereas the situation was reversed before World War II, cf. G. TAGLIACARNE, *Socio-economic Dynamics between North and South*, « Review of the Economic Conditions in Italy » 25 (1971), pp. 102-105, 98.

<sup>116</sup> DE STEFANO and ODDO, *op. cit.*, p. 220. On the *monti frumentari* also G. LUZZATTO, *L'economia italiana...*, *op. cit.*, pp. 128-129.

<sup>117</sup> A few cooperative agricultural credit ventures were started rather early (a first one in Trapani in 1860) but remained weak up to the late nineteenth century.

<sup>118</sup> G. BRUCCOLERI, *Il Banco di Sicilia: Saggio critico-storico*, Rome: Unitas, 1919, p. 122.

<sup>119</sup> C. RICCI, *I moti siciliani e la crisi agraria: Considerazioni e proposte*, Oneglia: Ghilini, 1894, pp. 11-12.

at 6%. Up to World War I, 35 million Lire thus benefitted 15,000 to 20,000 individual members of 160 *casse*.<sup>120</sup> These developments of agricultural and small business credit were perhaps encouraging as signs of change, but they did not reach enough peasants and artisans. Sometimes funds were abused for purposes of usury or they became lost because the recipient still could not stave off bankruptcy. The overall agricultural debt load did not decline, and Sicily held the second position within Italy in terms of property sold in bankruptcy procedures before the first world war.<sup>121</sup>

As for the Fascist era, the grand-style reclamation efforts and their dubious effects have already been commented upon. Probably the operation and improvement loans that became available at that time did more good, amounting to 48.3 million Lire in 1932 and 89.6 million in 1936.<sup>122</sup> However, much of this money was misallocated in the sense that it helped to finance the ill-conceived colonization projects (resettlement of peasants in open spaces) and was thus ineffective in the long run. Only after the last war did Sicilian agriculture benefit from relatively generous and better planned credit policies. From 27 million Lire in 1948 agricultural loans reached amounts of 183 million in 1955 and 267 million in 1960.<sup>123</sup> Southern economic aid also included industrial credit. During the 1950s such loans increased from 21.4 to 98.7 million Lire annually. This constituted a share rising from 17% to 45% of all industrial loans awarded in the South.

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The review of technological and investment characteristics of the Sicilian economy yields few surprises. With respect to almost all factors considered, the island was substantially handicapped within the general southern context and therefore showed even greater disadvantages relative to the Italian economy overall. If one relates these traits to the previous findings, it is clear that technical innovation and capital investment were not sufficient to break the vicious circle of structural backwardness and slow economic growth.

Yet these interconnections hardly amount to an explanation of Sicily's long-lasting stagnation. The problem is what, in turn, has been responsible for the lack of technological and investment initiatives. Some points of our analysis may serve as a clue to the answer. It has been shown that in terms

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<sup>120</sup> Pure self-help organizations did not offer much assistance. Such credit associations had nominal assets to work with of only 19.5 million Lire in 1892, 7.8 million in 1912. MAGGIORE-PERNI, *op. cit.*, p. 566; *Annuario statistico* 1913, p. 318.

<sup>121</sup> G. BRUCCOLERI, *La Sicilia di oggi*, *cit.*, p. 10.

<sup>122</sup> Expressed here and hereafter in 1913 Lire for comparability with earlier data. BANCO DI SICILIA, *Sicilia...*, *op. cit.*, p. 94.

<sup>123</sup> Amounting to 8.5-20.6% of the agricultural loans made available for all of Italy. P. NUCCI, *Credito e usura*, « Problemi... », *op. cit.*, p. 802.

of savings the island's economy did not do as badly relative to the Italian or southern average as might have been expected. The reasons for this phenomenon, as so far suggested, are all not purely economic: emigration, class disparities of savings and uses of funds, and the peculiarities of tax policy. This indicates the need for an inquiry into the social determinants of Sicily's experience of economic change.

### III. SOCIAL DETERMINATIONS OF ECONOMIC CHANGE.

In the economic history of European countries it is evident as a matter of course that growth has been fast where favorable geographic circumstances and a generous endowment with natural resources have offered some areas primary advantages over others. And it is equally clear that such advantages have been complemented — or their lack compensated — by a people's special capability to increase its wealth through changes in its institutions. In the case of Sicily this means that inherent natural weaknesses in her economic potential would not have condemned her to almost a hundred years of economic stagnation. What also weighed on Sicily was a framework of outside domination and her own social immobility. Both outlived the period in which other regions of Europe shook off such restrictions to change.

An analysis of the social forces which have ultimately been responsible for Sicily's lack of economic growth and structural innovation must deal with two main complexes: the economic and social measures of united Italy (external factors) and the basic characteristics of the island's society itself (domestic factors). In the context of the present article, only a brief outline of the first aspect and a list of characteristics of the second one can be given.<sup>124</sup> These remarks will allow us to come to grips with the hypothesis that Sicily's social structure has been the main reason for the island's economic retardation.

#### 6. *Italian Government Policies and Sicilian Economic Change.*

(a) *Unification and the first two decades.* The incorporation of Sicily into a united Italy in 1861 marked a decisive turning-point in the external conditions of the island's economic life. For the overall context most crucial was the outcome of the dispute over Sicily's relative autonomy within the new Italy. Among the island's political groupings a consensus emerged that Sicily needed a well-defined *administrative* autonomy within the politically unitary state. In reality, though, even before formal integration, the groundwork was laid for the enforcement of Piedmontese legal and administrative

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<sup>124</sup> A more extensive treatment has been attempted in my *Social Factors of Sicilian Economic Change, 1860-1960* (unpublished MS).

rules throughout Italy.<sup>125</sup> A uniform tariff, conscription, and electoral statutes were extended to the South together with all ordinances that were congenial to Cavour's proclaimed goal of «(imposing) national unification on the weakest and most corrupt part of Italy» with moral and, if necessary, with physical force.<sup>126</sup>

In economic terms the new régime implied, in principle, equal treatment of all parts of the reign under a highly centralized mode of decision making. This maxim of equal treatment, however, was passive except for the postulate of aiding railroad construction and the merchant marine, and the application of a uniform tariff.<sup>127</sup> These arrangements compared, for Sicily, unfavorably with the administrative set-up under the Bourbons.<sup>128</sup> A limited measure of home rule had been matched by economic benefits. Since the 1820s Naples had tried to cope with problems of overpopulation by creating new industry and by carrying out public works.<sup>129</sup> Although only a small part of these efforts touched Sicily, the island did profit from the Neapolitan protectionist tariff that formed an umbrella for such policies. For the agricultural sector as well, a development program had been promulgated under Ferdinand II.<sup>130</sup> It is less than certain, of course, whether such measures could have been successful in view of the staunch resistance of landowners against structural reforms and given «the profound divisions between Sicily and the continent».<sup>131</sup>

With Unification, Sicily had to face the preoccupation of Turin with state finances, the effect of which, in the form of rapidly increasing taxes, has already been outlined. Because of rising state indebtedness no program of urgently needed subsidies for infrastructural improvements was forthcoming.

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<sup>125</sup> New measures included the Albertine Statute, ordinances on public safety, monetary unification, municipal and provincial administration, the military code, etc. DE STEFANO and ODDO, *op. cit.*, pp. 47-48.

<sup>126</sup> Cavour to Victor Emmanuel, 12-14-1860, in: D. MACK SMITH, ed., *The Making of Italy 1796-1870*, New York: Harper, 1968, p. 332.

<sup>127</sup> T. KEMP, *Industrialization in Nineteenth-century Europe*, London: Longmans, 1969, p. 166.

<sup>128</sup> A Lieutenant General, assisted by a council of directors of Sicilian departments, had ruled the island, linked to the government through a minister for Sicilian affairs. R. BENINI, *La burocrazia di stato in Italia dal 1859 al 1891*, «La Riforma Sociale» 3 (1896), p. 252.

<sup>129</sup> Cf. an inquiry «on the progress of manufacture, agriculture, pastures, and industries in the continental provinces of the Reign», «Annali civili del Regno delle Due Sicilie» 55 (Sept.-Dec., pp. 1855 ff.).

<sup>130</sup> Only by 1855, though, and thus too late. This program contained reforestation, irrigation, road construction, land reapportionment, introduction of new crops, agricultural industries, etc. Cf. SCROFANI, *op. cit.*, p. 12.

<sup>131</sup> R. VILLARI, *op. cit.*, p. 209. But there were tangible advantages for the island. Taxation was relatively low and simple. The tax burden, in 1859, was 16.1 Lire per inhabitant in the Two Sicilies and 24.5 Lire in Sardinia-Piedmont (*ibid.*, pp. 222-224).

The expropriation of church and common land benefitted the intermediate and upper classes and the state itself.<sup>132</sup> The new liberal tariff exposed the South to the forces of free trade. Effects on Sicily were twofold. Its manufacturing lost virtually all protection,<sup>133</sup> whereas its agricultural production at first enjoyed the advantages of new markets throughout Italy and abroad.<sup>134</sup>

(b) *From protectionism to World War I.* By the 1880s the changing European market conditions made themselves felt. A new Italian tariff introduced protection in 1887,<sup>135</sup> but not the kind Sicily needed. Her textile industry having been greatly reduced under northern and foreign competition, little was left to be protected. Agricultural products that were well suited for export now met retaliatory tariff measures of other countries. Wheat growing alone, now sheltered by import duties on foreign grain, began to expand at the expense of potentially more profitable cultures.

The « equal treatment » of all parts of Italy thus turned out to be highly discriminatory. Earlier liberal trade measures of the Italian state tended to destroy beginnings of non-agricultural developments that had appeared in the South by the mid-nineteenth century, whereas uniform legal concepts in no way altered the obsolete productive structure of agriculture in the Mezzogiorno. The 1887 tariff, now, was geared to assist various branches of industry while it reversed diversification in agriculture.

From the few policies consciously undertaken to economically integrate the disadvantaged regions of the peninsula, railroad construction in particular, Sicily did not profit proportionally. In road building the financially weak municipalities of the island were burdened excessively. At the provincial level the state imposed the costs of housing the national police and the provincial bureaucracy, the expenses for technical education, health services, water supplies, provincial roads, and so forth.<sup>136</sup> There was indeed truth in the accusation that the North preached national unity and egalitarianism while it created for itself a framework of economic and financial legislation that was blatantly self-centered and thus of a — North-oriented — regionalist nature.<sup>137</sup>

<sup>132</sup> DE STEFANO and ODDO, *op. cit.*, pp. 194, 228.

<sup>133</sup> Overall tariff protection was reduced by 80% in the South. J. LA PALOMBARA, *Italy: The Politics of Planning*, Syracuse: Syracuse University Press, 1966, p. 3.

<sup>134</sup> For the large wheat growers, though, the situation became less favorable because of the relatively high price of Sicilian grain. HAMMER, *op. cit.*, p. 19.

<sup>135</sup> Metal and textiles had already begun to be sheltered in 1878. With the 1887 measures, an actual redistribution of national wealth took shape to the disadvantage of agriculture, especially in the South. A. DE JOHANNIS, *Sulle cause della crisi*, « Nuova Antologia » (1891), pp. 639-645.

<sup>136</sup> DE STEFANO and ODDO, *op. cit.*, pp. 215-216.

<sup>137</sup> N. COLAJANNI, *Contrasti economici regionali*, « Rivista Popolare » 2 (1897), p. 242.

Whereas the government, partly out of ignorance of the problems and partly because of the pressing task of maintaining Italy's solvency, disregarded southern economic needs, contemporary economists and publicists pointed out the key issues and suggested remedies.<sup>138</sup> Through their writings it became obvious that the Mezzogiorno was not the Eldorado dreamt about in the early days of the reign, but an area that needed a policy of prudent economic, social, and educational assistance.<sup>139</sup> But many of these experts had little hope that the politicians would « attempt a solution of (the southern economic) problems by radical and fundamental methods ».<sup>140</sup> Italian politics was marked by compromises among political forces which disregarded programs of economic and social reform.<sup>141</sup>

While the views of experts became increasingly realistic, the government learned about and reacted to, distressing economic and social conditions in Sicily in an eclectic fashion. Typical of the authorities' responses were several official investigations.<sup>142</sup> What prompted them, though, was less the economic difficulties but the problems of insufficient public safety, that is, the frequency of violent crimes, brigandage, and Mafia exploits on the island.<sup>143</sup> In the course of these inquiries it did not go unnoticed that public unrest often had its roots in the quasi-feudal conditions of agriculture, which drove impoverished peasants into banditry, or in the poverty and unemployment of the cities. But these basic problems, the intricate aspects of the overall social circumstances, were for the most part brushed aside by parliament and government officials.<sup>144</sup>

Although the early inquiries were ill-conceived and the later ones, though ably carried out, not backed up by a firm commitment to treat the root of the Sicilian problems, it must also be stressed that the island's ruling class itself

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<sup>138</sup> P. VILLARI, *op. cit.*; L. FRANCHETTI, *Condizioni economiche ed amministrative delle provincie napoletane*, Florence, 1875; S. SONNINO, *I contadini in Sicilia*, Florence, 1877; G. FORTUNATO, *Antologia dei suoi scritti*, Bari, 1948, etc.

<sup>139</sup> Cf. the economic proposals of L. SABBADINI, *La produzione agraria e la esportazione agricola del Mezzogiorno*, « Nuova Antologia » (1911), pp. 247-248; or the pleas for structural reforms by NITTI, *op. cit.*, pp. 364-391; and DE STEFANO and ODDO, *op. cit.*, pp. 263-264.

<sup>140</sup> NITTI, *ibid.*, pp. 390-391.

<sup>141</sup> T. KEMP, *op. cit.*, p. 163.

<sup>142</sup> By BONFADINI (1876), DAMIANI (1884-85), LORENZONI (1909); and the independent authors L. FRANCHETTI (*La Sicilia nel 1876*, Florence, 1877) and S. SONNINO (*op. cit.*). There were also several parliamentary debates on the issue.

<sup>143</sup> The prevailing view was that these disorders stemmed from conservative, Bourbon-clerical, or even foreign instigation.

<sup>144</sup> This was made easier by the fact that many investigators themselves simultaneously criticized the ineffectiveness of the police and the courts. Cf., e.g., MINORITY REPORT, *op. cit.* Crispi proposed a land reform in 1888, but it was delayed. A parliamentary draft of the law (1894) was never enacted. HAMMER, *op. cit.*, 42.

was not eager to face the truth.<sup>145</sup> To the laissez-faire attitude of Rome (with the exception of police measures) was thus added the defensiveness of the Sicilian power holders, whose vested interests in the status quo made them improbable advocates of thorough remedies.

In the immediate pre-World War I years, finally, a number of clear-cut policies were promulgated which envisaged a preferential treatment of the South. A combination of tax, customs, and investment privileges became available for selected areas, and an across-the-board equalization of the tax rates took place in 1906. The latter device, however, was not progressive in the sense that it would take into account the southern peasants' and artisans' underproportional ability to pay taxes according to their low productivity.<sup>146</sup> The whole experiment yielded only « indifferent results ».<sup>147</sup> No basic efforts such as stepped-up investments for public works emerged.<sup>148</sup>

If one considers the twenty-year period before the first world war, there appeared only one development that could be termed beneficial: the consciousness grew — and public opinion began to reflect it — that the social and economic backwardness of the Mezzogiorno formed an issue of national dimensions. As for material assistance to the South, however, tangible results did not come about and would not for some time in the future.

(c) *From Fascism to the present.* In spite of generous promises, Fascist economic policies held little in store for the prospects of Sicily's wellbeing. Mussolini's main interests lay with the strengthening of northern industry. The propagated agrarian reform was largely ineffective in Sicily until the very end of the regime.<sup>149</sup> The yielding to agriculture's protectionist interests and even more strongly the policy of achieving self-sufficiency (from 1935) implied the extension of grain cultivation and thus strengthened the latifundists. The growing of intensive crops languished as foreign markets were lost, and what remained was sheltered by price support, which discouraged modernization. Outside of agriculture, contradictions between lofty ideals and the

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<sup>145</sup> Franchetti's and Sonnino's studies on the social background of Sicilian stagnation and popular dissatisfaction, e.g., caused a storm of criticism on the part of Sicilian notables.

<sup>146</sup> The difference in p.c. taxation between South and North was 7.6% to the disadvantage of the former in 1904 (F. S. NITTI, *La ricchezza dell'Italia*, Turin-Rome, 1905, p. 126). This difference was ironed out in 1906, yet Southerners would still have to spend a higher share of their incomes for taxes.

<sup>147</sup> F. VÖCHTING, *Industrialization or 'Pre-Industrialization' of Southern Italy?*, « Banca Nazionale del Lavoro Quarterly Review » 5 (1952), p. 67.

<sup>148</sup> Not a few Sicilians found it outrageous that the state spent large sums for improvements in the African colonies while Sicily and other regions of the South waited in vain to be freed from malaria and the lack of road communications.

<sup>149</sup> Cf. the completely erroneous view of Mussolini's « legislation of 1928, later embodied in the law of integral land reclamation in 1933... (as) a big step forward... » in R. E. DICKINSON, *The Population Problem of Southern Italy: An Essay in Social Geography*, Syracuse: Syracuse University Press, 1955, p. 54.

realities of production were not resolved either. The small craftsman was idealized in Fascist propaganda while programs to modernize and coordinate industrial production were reserved exclusively for large-scale units.<sup>150</sup> To a greater extent than in previous periods of Sicily's economic development did outward growth hide the misery of the masses. Fascist economic policies promoted southern growth largely to the benefit of the rest of Italy and did nothing for the formation of more productive structures.<sup>151</sup>

Only after the second world war did the Italian government design a plan of deliberate reconstruction and innovation of the southern economy. In this context Sicily was given for the first time a framework and the necessary funds to embark upon a period of sustained growth.<sup>152</sup> The key instrument of development was the *Cassa per il Mezzogiorno*, a general development agency established in 1950.<sup>153</sup> Up to 1957 this authority concentrated its efforts mainly on agriculture and transportation and provided general assistance rather than specific productivity measures.<sup>154</sup>

From 1957 the interventions of the *Cassa* strengthened industrial development specifically and in a preferential fashion. The policy comprised incentives for private industry to locate plants in the South, industrial stimulation via state-owned industrial concerns, and a «growth center» approach which was to establish nuclei of industry to provide the necessary infrastructural requirements for continued growth.<sup>155</sup> Although slow in becoming fully effective, the great amount of investments certainly formed a powerful stimulus to southern income. But further spread of industrialization around the predominantly basic industries implanted in Sicily has been quite disappointing. Even the most optimistic plan estimates do not foresee the possibility of creating enough jobs for the large numbers of unemployed and underemployed in the near future, given the decline of agricultural employment and steady population increase.<sup>156</sup> Beyond these few remarks we must refer the

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<sup>150</sup> R. SARTI, *Fascism and the Industrial Leaderships in Italy, 1919-1940: A Study in the Expansion of Private Power under Fascism*, Berkeley: University of California Press, 1971, p. 84.

<sup>151</sup> F. VÖCHTING, *op. cit.*, p. 68.

<sup>152</sup> A change of framework came about with the granting of regional autonomy to Sicily in 1946.

<sup>153</sup> Organizationally, the *Cassa* is a supra-ministerial agency for the coordination of policy. Considerable financial assets are directly or indirectly at its disposition.

<sup>154</sup> The hoped-for multiplier effect of this assistance turned out to be very low, much of the funds benefitting indirectly northern industry. K. ALLEN and M. C. MACLENNAN, *Regional Problems and Policies in Italy and France*, London: Allen and Unwin, 1970, p. 50; VÖCHTING, *op. cit.*, p. 69.

<sup>155</sup> ALLEN and MACLENNAN, *op. cit.*, p. 53 ff. Various investment, research, planning, and technical agencies were also created.

<sup>156</sup> *Ibid.*, pp. 102-104. On the problems of the so-called «growth center» approach, which makes the prospects for the interior zones look very bleak, cf. *ibid.*, p. 69, and TALIA, *op. cit.*, p. 1423.

reader to the ample literature on the development policies for the Mezzogiorno.

Italian economic policies vis-à-vis Sicily may be summarized with respect to the following crucial criteria. After almost nine decades of overall indifference and a few isolated attempts at coping with the economic problems of the island, the Italian government committed itself to a course of assistance and economic restructuring.<sup>157</sup> Although these measures looked especially impressive in the light of the historical record, they could not be expected to alter age-old characteristics of Sicilian economic life in a few decades. As has been the case with a great many other deliberate development efforts in the postwar period, the policies for the Italian South tended to account only slowly for the complex realities of a backward, quasi-colonial economy with its peculiar social context.

Further problems of this nature will be considered in the final part of this study. What should concern us at this point is the relevance of the general social context of Sicilian economic life, a question that came to be recognized in the most recent years of Italian development assistance but which had loomed large throughout the vicissitudes of the island's economic history since 1860. Economic analysis has sometimes maintained that, with her natural assets (even if those were few) and some special effort from the outside, Sicily could very well substantially increase her wealth. Such a view does not do justice to the long-lasting political inequities not resolved or imposed by Unification. The study of the island's own social characteristics reveals further crucial barriers to economic growth that have often been neglected. Within the limits of the present essay, the following section deals with such non-economic factors of retardation.

### *7. Sicilian Society and Economic Change: The Major Problems.*

Although we cannot analyze here in depth the various interrelationships between Sicily's society and the island's economic stagnation, the main problem areas will be briefly identified in order to map out the path for a fuller treatment.<sup>158</sup>

(a) *Population development and emigration.* Sicily's steady natural population increase (about 11.5 per thousand a year) during a period when no new opportunities for work emerged led to a massive emigration movement. On the positive side, this relieved the oversupply of labor and caused an influx of savings from abroad; negative, however, was the drain of healthy

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<sup>157</sup> For the first time this implied deliberately preferential treatment of the South, limited only by the principle that no negative effects for the northern Italian economy should thereby take place.

<sup>158</sup> See note 124.

workers with initiative as well as the fact that savings sent home very rarely promoted innovative investments. On balance, emigration was part and parcel of the « Sicilian Question » rather than an element of its solution.

(b) *The class structure.* Just as economic mobility was missing in Sicily, so did a rigid class system hinder the peasants' emancipation and stop enterprising individuals from pursuing the innovation of production. The abolition of feudalism early in the nineteenth century did not create a bourgeoisie. Instead, newly influential men such as the *gabelloti* managed to exploit economically both the former aristocracy and the peasantry on the basis of unaltered landholding and production structures.

(c) *Political constellations.* In political terms, the absence of a true middle class guaranteed the persistence of traditionally oriented exponents of power. The notorious « Sicilian Left » first opposed and then accommodated itself with Italian political forces without yielding any influence to progressive political ideals and measures. The brutal crushing of the populist *Fasci* movement in 1893-94 demonstrated the strength of the island's elite. It fared well under Fascism, too, and did not disappear with the advent of the Republic either. Sicilian political conditions were a serious factor of retardation because they helped to preserve the *latifondo* economy, stifled new non-agricultural initiative, and slowed down post-World War II reforms.

(d) *Education.* Greatly interconnected with the passivity of the lower and the narrowmindedness of the upper classes was the low education level of the Sicilian population. Widespread illiteracy hindered economically rational behavior, whereas scarce medium and higher-level training caused a shortage of entrepreneurial and general leadership talent.

In the context of these general social shortcomings, specific characteristics such as the nature of towns, families, and other interpersonal relationships offer further insights into the causes of long-lasting stagnation.

(e) *Settlement patterns.* Sicily's frozen social structure has been almost physically evident in the typical agro-towns. This settlement pattern, forged by social conditions of the past, made it difficult for the individual to escape from traditional roles. An urban value system implied low status for manual work and respect for the least productive pursuits of the intermediate and upper classes.

(f) *The role of the family.* The inward-orientation of the southern Italian family has often been seen as an important explanatory factor of social and economic inertia overall. Newer research, however, has pointed out to what extent family roles are in fact determined by a society's structure and economic functions in general. Extreme « familism » would therefore seem to have

been less of an independent cause of lacking dynamism, as examples from particular historical periods and the behavior of Sicilians in emigration show.

(g) *Clientelism*. This phenomenon explains much better than familism the relationships among individuals and small groups, within and across class lines, locally as well as beyond the community. Clientelism helped to cope with the realities of limited economic means, lack of social mobility, and powerlessness. It constituted an outstanding feature of relationships within the *latifondo* as well as the more modern sectors of the economy. It was paramount in politics. In virtually all instances it benefitted the traditional power holders and made the lower classes pay, thus preventing economic mobilization.

(h) *Mafia*. Mafia has been the clientilistic phenomenon *par excellence*. It formed a genuinely western Sicilian trait that was especially manifest during the period under study. Amounting to much more than a network of criminal activities, Mafia persistently stood in the way of economic change. Surprisingly little systematic attention has been paid to the phenomenon's economic-historical significance, so that an in-depth analysis from that angle is necessary.

#### IV. ASSESSMENT AND CONCLUSIONS.

In this final part we must try to summarize and evaluate our observations on Sicily's economic change since Unification. This will be done in the light of two problems of a more general nature: (1) the issue of North-South differences of economic performance during the period and (2) the question of how the particular case treated here can be interpreted from the vantage point of research results presented in the economic-historical and development literature.

##### 8. *Sicily and the North-South Differentials of Development.*

It is not possible to introduce here the manifold aspects of the controversy on North-South differentials in Italian economic development. However, by concentrating on a few essential points of this issue, we will be able to place the experience of Sicily in a larger context. Traditionally, many economists and public leaders of southern Italy argued that, at the time of Unification, the South had met the rest of Italy on an economically equal footing. Subsequently, according to this view, the Mezzogiorno was not permitted to follow its already mapped-out course of steady economic growth.

This interpretation has been substantially revised and is for the most part no longer accepted by students of southern economic history.<sup>159</sup> For one, it had to be stressed that at least with the advent of Spanish rule in the South essential previous economic assets were stifled while such assets continued to prepare the ground for later rapid growth in the North.<sup>160</sup> Apart from its purely physical disadvantages, the Mezzogiorno suffered, in the middle of the nineteenth century, from a shortage of infrastructural investments, rigid latifundism, low agricultural output per worker, drastic internal disparities of wealth, high illiteracy, and an inflexible economic policy. The South could show some examples of large-scale manufacturing units, for instance, in metallurgy and shipbuilding. Yet these did not have much weight in total output.<sup>161</sup>

Industrially as well as agriculturally, the Mezzogiorno's problems were structural. Its mining and manufacturing ventures and its industrial policies were geared to variety rather than large-scale output.<sup>162</sup> As has been shown for the Sicilian case above, the astonishingly high proportion of the active population employed in the secondary sector merely hid the fact that this sector was handicraft-oriented; it did not constitute any true advancement over the North.

Whereas the existence of a development gap between North and South at the time of Unification is quite easily demonstrated, the dynamic aspects of it, that is, the problem of its widening over time, has caused further controversy.<sup>163</sup> Economic historiography has to distinguish two aspects of this problem: (1) the causes of growing disparities and (2) the determination of time and scale of the gap's widening.

(1) Spokesmen for the South traditionally claimed that discrimination by the North was responsible for growing disparities. More recent writings, however, stress that political unity brought equal treatment in economic policy and even some measure of preferential nature which were to benefit the South.<sup>164</sup> The reasons for the nonetheless widening differentials of growth thus would lie in the poverty of the South, its geographical disadvantages, its sluggishness of economic enterprise, its lack of social reform.

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<sup>159</sup> For a list of special studies and statistical inquiries, cf. SYLOS LABINI, *Osservazioni...*, *op. cit.*, p. 647.

<sup>160</sup> LUZZATTO, *The Italian Economy...*, *op. cit.*, p. 221. The beginnings of the southern problem lay in the period of Spanish rule or even earlier. In the immediate post-Unification years, subjective elements of inferiority were added.

<sup>161</sup> Sulfur production might be seen as an exception, but it valued less than, e.g., the North's silk output. Cf. the conclusive data in ECKAUS, *op. cit.* A contrary assessment was still upheld by MOLINARI, *op. cit.*, p. 35.

<sup>162</sup> FOSSATI, *op. cit.*, 185.

<sup>163</sup> It has been necessary to explain «... why such disparities showed no sign of diminishing after economic development had begun». KEMP, *op. cit.*, p. 160.

<sup>164</sup> CLOUGH, *op. cit.*, 165-169.

Such counterarguments to partisan southern viewpoints and monocausal analyses are certainly justified. Yet one has to be careful to separate authentic southern shortcomings from disadvantages that persisted because of the imperfections of the so-called equal treatment. It has often not been acknowledged clearly enough that already in the nineteenth century mere equal treatment was not sufficient to correct relative southern backwardness. What would have been necessary was a deliberate push of preferential treatment. Such measures were, however, few and far between in Italian economic policy up to the post-World War II period.<sup>165</sup> The expropriation of feudal land, for example, was not designed to lead to a restructuring of landholding. Or the first measures of preferential treatment of southern areas, granting the tariff and tax privileges of 1906 (almost half a century after Unification!) « ... were not great enough to effect much change ».<sup>166</sup> This is exactly what the inhabitants of the Mezzogiorno meant when they argued neglect by Rome, although their reasoning was often flawed by the omission of the South's authentic shortcomings.

(2) As for the timing and magnitude of the development gap, recent assessments have provided a clearer understanding than that offered in many polemical writings of the nineteenth century. The study by K. Allen and M. C. MacLennan estimates that the gap between the Mezzogiorno and the rest of Italy widened very little between 1860 and the end of the century, since the Italian economy as a whole grew only slowly during that period.<sup>167</sup> Southern agriculture achieved growing output at least until 1887. Even industry seemed to fare rather well up to the 1880s if one considers the rising share of industrial employment at that time as indicative.<sup>168</sup> It was after 1900 that, according to the authors, the economic gap began to widen greatly. Between 1900 and 1940 Italian industrial output increased by 300%, the agricultural product by only 26%. This points to a steady economic deterioration of the predominantly agricultural Mezzogiorno relative to the industrializing North, a trend that continued until 1961 and beyond.<sup>169</sup>

The foundations of unequal growth lay in the fact that southern social and economic structures were kept frozen after Unification, which continued to affect the development lag unfavorably in the twentieth century.<sup>170</sup>

<sup>165</sup> LA PALOMBARA, *op. cit.*, pp. 8-9.

<sup>166</sup> CLOUGH, *ibid.*, p. 169.

<sup>167</sup> ALLEN and MACLENNAN, *op. cit.*, pp. 36-37.

<sup>168</sup> Cf. Table 1. See, however, p. 410 for an evaluation of these figures.

<sup>169</sup> According to the index presented in ALLEN and MACLENNAN, *op. cit.*, p. 39. Expressed in total income, Italy saw a growth of 93% between 1951 and 1960, the South an expansion of 79% (L. SAVILLE, *op. cit.*, p. 41). For less aggregated figures, cf. the specialized literature.

<sup>170</sup> ALLEN and MACLENNAN, *op. cit.*, p. 40.

The crucial question of just when and how much the economic gap between North and South widened significantly has been analyzed by R. S. Eckaus.<sup>171</sup> According to the findings, Unification did not create the persistent economic gap and « ... it may have reduced the rate at which it widened ».<sup>172</sup> Eckaus documents that in the first fifteen years after 1860 *agricultural* output in southern and central Italy grew faster than in the North, but that afterwards it lagged behind.<sup>173</sup> With respect to *industry*, on the other hand, most data point to a relative deterioration in the South from the beginning of political unity, except for a disturbing discrepancy shown in the 1881 census figures. These figures seem to indicate a transitory industrial development not in line with earlier and later change. If one disregards this not easily accountable phenomenon for the moment, the overall findings suggest that the existing disparities between North and South increased further at least from the 1870s to 1914.<sup>174</sup> The widening of the gap then continued steadily up to the present.<sup>175</sup>

How does the Sicilian case fit into this general picture? In section 3 the course of the island's agricultural growth has been compared with that of the Mezzogiorno at large. We may now compare Sicily's economic growth with that of Italy as a whole and, in the light of our specific case, gain additional insights into the timing and scale of the North-South differentials of development. Graph 2 contains curves on Italy's and Sicily's *agricultural outputs*. According to these data, the island's agricultural growth was brisker than that of Italy up to the late 1880s. Adverse conditions after 1890, however, led to a widening discrepancy of growth rates.<sup>176</sup> A renewed upswing of Sicilian agriculture in the decade before the first world war did not match northern expansion, so that the gap grew until after the war.<sup>177</sup>

<sup>171</sup> *Op. cit.* This study offers the benefit of a threefold, North-Center-South analysis.

<sup>172</sup> *Ibid.*, p. 301.

<sup>173</sup> According to Sylos Labini, who considers only the two years of 1861 and 1911, agricultural output per ha and per worker showed no greater gap in 1911 than in 1861 (*Osservazioni...*, *op. cit.*, p. 652). Eckaus' judgement is more precise.

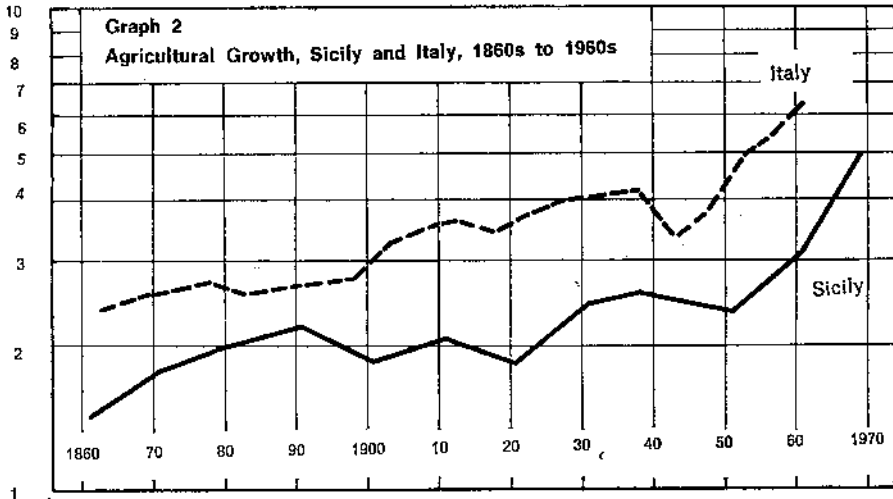
<sup>174</sup> ECKAUS, *op. cit.*, pp. 315-316. His study ends with the year 1914. According to Sylos Labini, the disparity grew from 1881, (*ibid.*, p. 654). But cf. the possibility of faulty data for 1881, p. 410. See also Tagliacarne, note 175.

<sup>175</sup> As testified also by Tagliacarne's compound indicator of economic development, to name but one of the measures (*Lo sviluppo...*, *op. cit.*, p. 675). The share which the South held in the Italian total of 9 sub-indices declined as follows: 1915: 27.0; 1925: 25.6; 1938: 25.3; 1951: 23.6; 1961: 21.5. If space would permit it, some differentiations would have to be considered.

<sup>176</sup> Disparities of growth rates is what we examine here and take as indication of the « gap ». We must always remember, of course, that « ... in absolute terms, even equal growth rates would magnify any original differences », which, as we have seen, certainly existed (ECKAUS, *op. cit.*, p. 286).

<sup>177</sup> This is also the finding of an independent evaluation by G. SCHEPIS, *Profili statistici della Sicilia economica*, Società italiana per il progresso della Scienza, « Atti », XXIV riunione (Palermo, 1935), vol. 5, Rome, 1936, pp. 97-113.

During the Fascist period Sicilian agricultural output rose faster than that of Italy, especially during the 1920s. This expansion was rather unique, since it was not paralleled by the entire South's agricultural growth (see p. 382). World War II and the immediate postwar years left Sicily with great losses of output, whereas those of Italy (and the Mezzogiorno) were less severe and more quickly recovered. During the 1950s, finally, the rates of agricultural expansion were higher for Italy overall than for Sicily: the agricultural development gap widened further. Thus, as far as agricultural



## Notes:

Sicily: Value of four major crops at 1938 prices (cf. Table 4).

Italy: Value of agricultural output at 1938 prices (ISTAT data, cf. *ECXAUS, op. cit.*, 303, and *GALLO, op. cit.*, 652).

growth since 1860 is concerned, differentials have in the long run been to the disadvantage of the island.<sup>178</sup>

As for the realm of *industrial change*, at first view, the proportion of the population active in industry seems to point to a short-run improvement of that sector in Sicily (as well as in the South in general) around 1881. Yet indications we have gained that once hopeful industrial ventures declined under northern and foreign competition during this very period do not let us assume that this increase was more than a superficial, inflated rise in

<sup>178</sup> The discrepancies are even more distinct if one takes into account the more rapid population growth in Sicily. This considered, almost no temporary narrowing of the gap took place 1871-91 and none in the 1930s.

the number of industrially active individuals without much gain — or even accompanied by losses — of productivity. There is also a strong possibility that the 1881 census figures are simply faulty.<sup>179</sup> If this is the case, it appears that in industrial terms the development gap between Sicily and the rest of the country widened very soon after Unification.

The only unresolved question now is whether the industrial losses outweighed the agricultural gains of Sicily up to 1890. Since no industrial output figures are available for that period, the matter is one of educated guessing. Because the island's industrial assets were not very substantial in the 1860s and 1870s, their disappearance probably did not damage overall (agricultural plus non-agricultural) growth to the extent that a gap developed relative to Italian output increases at large. The crucial years are the early 1890s. Then Sicily lost ground in farm production compared with total Italian agricultural output. Although afterwards Sicily's agriculture reached at times growth rates roughly similar to those of Italy's agriculture, the island had now lost its industrial assets and developed no new ones until after World War II. In any case, from the 1890s northern Italian industry grew so fast<sup>180</sup> that Sicily had no longer any chance of keeping up: the gap steadily widened from the 1890s to the present.

These considerations lead us to the following differentiations, which are not always observed in discussions of the North-South disparities of Italian economic development. (1) Depending on whether one focuses on agricultural or non-agricultural growth, the answer to the question of timing and scale of the development gap differs. In agricultural production Sicily (and probably the Mezzogiorno as a whole) held its own up to the early 1890s. As for industrial development, however, disparities between North and South grew almost immediately after Unification. The odds of development were heavily against southern Italy, which lacked a highly productive industrial sector after the last third of the nineteenth century.<sup>181</sup>

(2) A related, though not identical, judgement applies if one considers structural assets and changes. In this respect the South was so severely handicapped vis-à-vis the North, both in agriculture and other sectors, that a gap between the two parts of the country existed already before 1860. These structural differences then increased more and more.

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<sup>179</sup> An indication for this is the decline of the service sector. Quite obviously, different census criteria were used. Cf. also ECKAUS, *op. cit.*, 310.

<sup>180</sup> A. GERSCHENKRON, *Notes on the Rate of Industrial Growth in Italy, 1881-1913*, in: «Economic Backwardness in Historical Perspective: A Book of Essays», Cambridge: Harvard, 1962, p. 76.

<sup>181</sup> This is also the finding of Tagliacarne (see note 175), who established an increase of the gap ever since 1885, the starting point of his series. His indicator is, however, not differentiated by agricultural and non-agricultural growth. We still lack a direct or indirect measure of industrial output.

9. *The Significance of the Sicilian Case.*

To what extent Sicily's experience of economic change has resembled that of other economically backward countries can best be discussed in the light of research dealing with (a) major supply and demand factors of economic growth and (b) their social determinants.

(a) *Factors of economic growth.* Among the *supply factors*, let us first consider the realm of capital assets.<sup>182</sup> We have seen that such assets in the form of social overhead capital (roads, railroad, water supplies, schools) have, for most of the period under study, not been sufficient to prepare the ground for steady economic expansion. The reason for this shortcoming lay in the fact that Sicilians were unable or unwilling to accumulate the capital funds and make the investments needed to expand the capacity of their economy, although, unlike many other underdeveloped countries, savings rose faster than economic growth. But savings remained idle or were absorbed by residential construction, land purchases, short-term lending, and transfers to the continent.<sup>183</sup>

Of similar consequences for the prospects of economic development was Sicily's scarcity of entrepreneurial skill. One of the preconditions for ample entrepreneurial talent, sufficient basic and specialized schooling, was slow to emerge in Sicily.<sup>184</sup> In any particular case, economic innovation through entrepreneurial initiatives is strongly related to the flexibility of social conditions.<sup>185</sup> This, more so than the strictly economic aspects of the supply factors of economic growth, constitutes the crucial problem. Why did Sicily, whose economy did at times create a surplus that could have been used in favor of innovation, not provide an infrastructure and the entrepreneurial initiatives necessary for future growth?

Some basic facts of the *demand side* of the island's development problem which are relevant for this question can be relatively easily assessed. Incentives to growth could hardly be expected from the limited consumption expenditures of a growing but vastly impoverished population.<sup>186</sup> Whereas

<sup>182</sup> H. J. BRUTON, *Contemporary Theorizing on Economic Growth*, «Theories of Economic Growth», ed. B. F. Hoselitz, et al., Glencoe: Free Press, 1960, p. 282.

<sup>183</sup> G. M. MEIER, *The Problem of Limited Economic Development*, «The Economics of Underdevelopment», ed. A. N. Agarwala and S. P. Singh, New York: Oxford University Press, 1963, p. 61. Sicily faced a domestic savings gap throughout the period as well as an external capital gap (a more serious shortcoming) until after world War II. Cf. for the importance of this aspect, S. ENKE, *op. cit.*, p. 1126.

<sup>184</sup> Sylos Labini (*Osservazioni...*, *op. cit.*, p. 665) considers the lack of education a more severe shortcoming, which is correct given the fact that savings would have allowed capital accumulation. Substantial funds were available through government assistance after the second world war.

<sup>185</sup> BRUTON, *op. cit.*, pp. 291-292.

<sup>186</sup> Within that population, the sources of income not related to agriculture were extremely weak. VÖCHTING, *op. cit.*, p. 67.

the small upper class showed a greater propensity to spend its wealth than to invest it, much of its demand was for construction, luxury goods of foreign origin, and domestic artisanal products, all characterized by low growth inducement.

Quite unique in the Sicilian case was the phenomenon of funds being sent back by emigrants. This formed a strong asset, although emigration also caused severe costs. Unfortunately, these funds did not constitute an independent demand but flowed into traditional channels (especially land and small business purchases and residential building), through which they became least growth-inducive or were even lost before long.

From evaluating supply and demand sides of the Sicilian problem of economic development it becomes clear that the crucial factors for remedying the island's difficulties lie on the supply side, in the realm of physical and human capital investments. Past experience of economic change has shown that shortcomings of this kind could best be overcome by a « push » of investments, permitting long-range increases of economic capacity.<sup>187</sup> No such efforts took place in Sicily up to the recent past.<sup>188</sup> The economic development policies for the South after 1950 have, in principle, introduced just the kind of « crash program » of investments that appeared to be necessary for economic expansion. But this program, as mentioned above, has not been unproblematic. For one, the creation of new jobs has not exceeded the growth of the labor supply. Secondly, the problem of promoting either agriculture or manufacturing or both has not been solved.<sup>189</sup> Further difficulties are connected with the balancing of investments within the major sector of a backward economy. It seems crucial that « the expansion of agricultural production... be based mainly on labor-intensive, capital-saving techniques... »<sup>190</sup> so as to absorb surplus labor most effectively. Instead, *industrial modernization* has been seen as the means for creating jobs for the unemployed and underemployed. However, this goal has not been reached because industrial development ventures, too, have put little emphasis on labor-intensive, capital-saving investments.<sup>191</sup>

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<sup>187</sup> *Ibid.*, p. 70.

<sup>188</sup> One must even look at the effects of Unification as an example of a negative shock, which narrowed margins for capital accumulation and destroyed a number of promising non-agricultural assets.

<sup>189</sup> In the case of a predominantly agricultural economy such as Sicily, the channeling of investments into industry bears the danger of withholding funds from agriculture and thus reduces the prospects for continued overall growth. BRUTON, *op. cit.*, p. 282.

<sup>190</sup> JOHNSTON, *op. cit.*, p. 378.

<sup>191</sup> Even with a better balancing of incentives, additional problems are posed by outside economic conditions. Sicily faces uncertain chances of selling a growing output in the north of Italy and abroad. On pessimistic outlooks for exports of agricultural products, cf. FAO, *Provisional Indicative World Plan for Agricultural Development*, Rome, 1969, vol. II, p. 12.

In the course of this review we have seen that in its struggle to overcome economic backwardness Sicily has suffered from weaknesses similar to the majority of today's less developed countries. However, it witnessed a considerable accumulation of savings that was in part promoted by the emigrants' transfers of funds. After the second world war it also received relatively generous assistance through various development measures. These were factors on which many backward countries could not rely. The fact that, despite such advantages, capital investments were insufficient indicates Sicily's drastic problem of absent structural change. Not only did its agricultural and industrial structures not provide a fertile ground for investments, but the wider « socio-economic context that largely determines (capital) productivity in use »<sup>192</sup> was such that potentially available funds did not yield any significant results of economic growth and innovation.

(b) *Social factors.* Past and present experience shows that when an economy begins to grow after a long period of stagnation, the institutional framework and social organization in general may constitute more severe bottlenecks for the growth process than a low volume of capital investments.<sup>193</sup> Similarly, the answer to the question why actually available surplus was not put to good use in the Sicilian example, is likely to be found in the social and political context of the island's economy.

We have seen that the most pervasive feature of Sicily's social structure has been the survival of feudalistic traits beyond the nominal end of feudalism. These traits were preserved because the exponents of a rising intermediary class stepped into important social positions without modifying the structures that supported traditional privileges (landholding patterns, archaic educational institutions, or clientelism). In its economic results such a social framework was necessarily characterized by low productivity.<sup>194</sup> Individuals seldom ventured into new fields of activity. Yet this prevailing lack of initiative was not innate to them but, rather, imposed by a rigid social structure which failed to offer chances for agricultural reform and industrial modernization.

Within this inflexible social set-up, powerful groups of middlemen tended to control rural and urban economic activities, a phenomenon frequently observed in underdeveloped countries. Such groups obstructed direct contacts between owners and workers, producers and exporters, of financial institutions and entrepreneurs.<sup>195</sup> It is here that, in the Sicilian case the Mafia lowered its anchors and assumed dimensions that clientelism in its milder forms did not reach elsewhere in the Italian South.

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<sup>192</sup> ENKE, *op. cit.*, p. 1128.

<sup>193</sup> BRUTON, *op. cit.*, p. 267.

<sup>194</sup> MEIER, *op. cit.*, p. 61.

<sup>195</sup> *Ibid.*, p. 69.

The intervention of the State has been seen in most cases as a key instrument in overcoming obstacles to economic development. But «the state is not a metaphysical entity: it reflects the degree of development of a society... Inefficiency can be perpetuated and rendered even graver by the acts and omissions of a political class which does not intend to use the public administration as an instrument for attaining reforms and a means of direct intervention in the economy because it would thus be hurt in its privileges».<sup>196</sup>

From whatever angle we therefore approach the problem of Sicily's backwardness, the impoverishment of the masses, the stagnation of agricultural productivity, the lack of real expansion in trade, the scarcity of capital, or the severe barriers restricting recent push measures for economic development. We are always thrust back to the overall problem of an encrusted social and political order within which the privileged have successfully held down or abused the forces of innovation.<sup>197</sup>

Students of economic development have come to realize — as have economic historians perhaps to a greater degree — that «there will never be real economic development in most (less developed countries) without extensive cultural change and an erosion of 'dualism'»;<sup>198</sup> dualism not only in the sense traditionally applied to the Italian case but also in terms of lasting contrasts between modern industrial development projects and an archaic agricultural and artisan structure, between narrow elite interests and the yearning of the masses to escape misery, between professed political ideals and the ineptness of politicians and administrators. In this light the rigidity of Sicily's social and political structure must be seen as the single most important cause of the island's economic backwardness and its disappearance as virtually the only way towards advancement.<sup>199</sup>

Throughout the period studied here Sicily did not witness a successful upheaval or revolution which might have revamped its archaic social order as was the case in the course of many other nations' or former colonies' experience of development. Popular revolts and populist ideas in Sicily have proven too weak in the face of deliberate upper-class oppression under the disguise of national unity and the central authorities' determination to uphold

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<sup>196</sup> SYLOS LABINI, *Osservazioni...*, *op. cit.*, pp. 662-663; for a similar view, cf. ROCHEFORD, *op. cit.*, pp. 328-329.

<sup>197</sup> For this essential aspect particularly relevant is P. A. BARAN's analysis *On the Political Economy of Backwardness*, «The Economics of Underdevelopment», *cit.*, 76-91. According to him, economic growth and social progress can only take place if the political framework is thoroughly transformed.

<sup>198</sup> ENKE, *op. cit.*, pp. 1135.

<sup>199</sup> Although it is important, as a precondition for development, that new norms of behavior emerge and spread, these forces can succeed only if they are combined with the power to control personal and material assets in an open society. Cf. BRANDT, *op. cit.*, p. 9.

this unity at any price. In this, for the South, vital respect the political framework which Italy built up was not as suited for modern economic and social life as is sometimes too summarily assumed.<sup>200</sup> It did not bring thorough democratization. Because internal social constraints remained untouched, the country's economic growth, though considerable, remained lopsided. In terms of social and political harmony the course that Italy's elites steered was self-defeating. The fact that such elements of ignorance, prejudice, and injustice stood in the way of Sicily's betterment added to the « Sicilian Question » the dimensions of a moral problem.<sup>201</sup>

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<sup>200</sup> Cf. KEMP, *op. cit.*, p. 166.

<sup>201</sup> DE STEFANO and ODDO, *op. cit.*, pp. 444-449.

