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A Tale of Two Fascisms: Labour Productivity Growth and Competition Policy in Italy, 1911-1951

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A Tale of Two Fascisms
Labour Productivity Growth and Competition Policy
in Italy, '1911-1951

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Abstract
This paper offers the first quantitative assessment of labour productivity dynamics within Italy's industrial sector over the period 1911-1951 and of their links with competition policy. By relying on a newly compiled dataset and on fresh labour productivity estimates, we find that the earlier period of the Fascist era was characterised by a productivity boom, which ended and was reversed following the switch to a more interventionist industrial policy. In the overall period 1911-1951, new industries did not perform any better than the old ones and labour productivity growth was explained largely by internal productivity growth within industrial sectors rather than from the contribution of structural change from old to new industries. Finally, we find that reductions in the level of competition, induced by specific policies, were associated with lower productivity growth. This paper thus casts a shadow on the optimist accounts of Fascist industrial policy and confirms the findings of a revisionist literature minimising the positive role played by the State in the earlier stages of Italian industrialization.

JEL Classifications: L16, L52, N14
Keywords: labour productivity, competition, Great Depression.

Contents
1. Introduction......................................................................................................................... 5
2. Shifts in Italian industrial policy........................................................................................ 8
  2.1 Pre-Fascism industrial and competition policy................................................................. 9
    2.1.1 A three-pronged approach to industrial policy, 1861-1913.................................... 9
    2.1.2 The impact of World War One.................................................................................. 11
  2.2 Industrial and competition policy in the age of Fascism.................................................... 12
    2.2.1 A “liberal” Fascist phase......................................................................................... 12
    2.2.2 Quota 90.................................................................................................................. 14
    2.2.3 Competition policy.................................................................................................... 16
    2.2.4 The creation of IRI and foreign exchange policy..................................................... 19
  2.3 Measuring the effects of shifts in competition policy....................................................... 23
    2.3.1 The evidence on concentration................................................................................. 24
    2.3.2 Prices and Cowling indices..................................................................................... 27
3. Labour productivity growth dynamics and structural change........................................... 31
  3.1 Output per worker: the data............................................................................................ 32
  3.2 Output per worker: results.............................................................................................. 36
  3.3 Accounting for changes in hours worked........................................................................ 41
4. Labour productivity growth and competition policy.......................................................... 47
  4.1 The existing evidence....................................................................................................... 47
  4.2 New econometric evidence for Italy................................................................................ 53
5. Conclusions.......................................................................................................................... 59
A. Data Appendix..................................................................................................................... 61
B. Robustness check: labour productivity growth based on industrial census data................ 67
  B.1 The data......................................................................................................................... 67
  B.2 The results..................................................................................................................... 68
References.................................................................................................................................. 73

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