

Chapter 4. Old Patterns Die Hard: Regional Aspects of Italian Industrialization in the Long Run

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The regional dimension is a fundamental one when studying the economic history of Italy. In particular, the forging ahead of the Northern regions of the country from the late 19th century and the consolidation of the “Italian economic dualism” over the 20th century have been attracting the attention of scholars. At the time of the Unification of 1861, the regional divide in terms of GDP per capita and industrial value added was already present but not particularly marked. On the other hand, many of the preconditions for industrialization, such as literacy and energy endowments, were already unevenly distributed. Moreover, the access to markets of the different regions was unevenly distributed, with the North being better positioned within the domestic market. Therefore, the development of a modern industrial sector in the second half of the 19th century is regarded as a fundamental turning point in the shaping of the economic and industrial geography of the country over the second half of the 20th century. This paper reviews the main contributions in this area, both quantitative and qualitative, and proposes an interpretative model that takes into account of both the Heckscher-Ohlin view on factor endowment and the New Economic Geography view on market access to explain the rise and persistence of the uneven industrialization of the Italian regions.