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**Redistribution of  
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### LAND REFORM IN ITALY

#### 1. *Introduction*

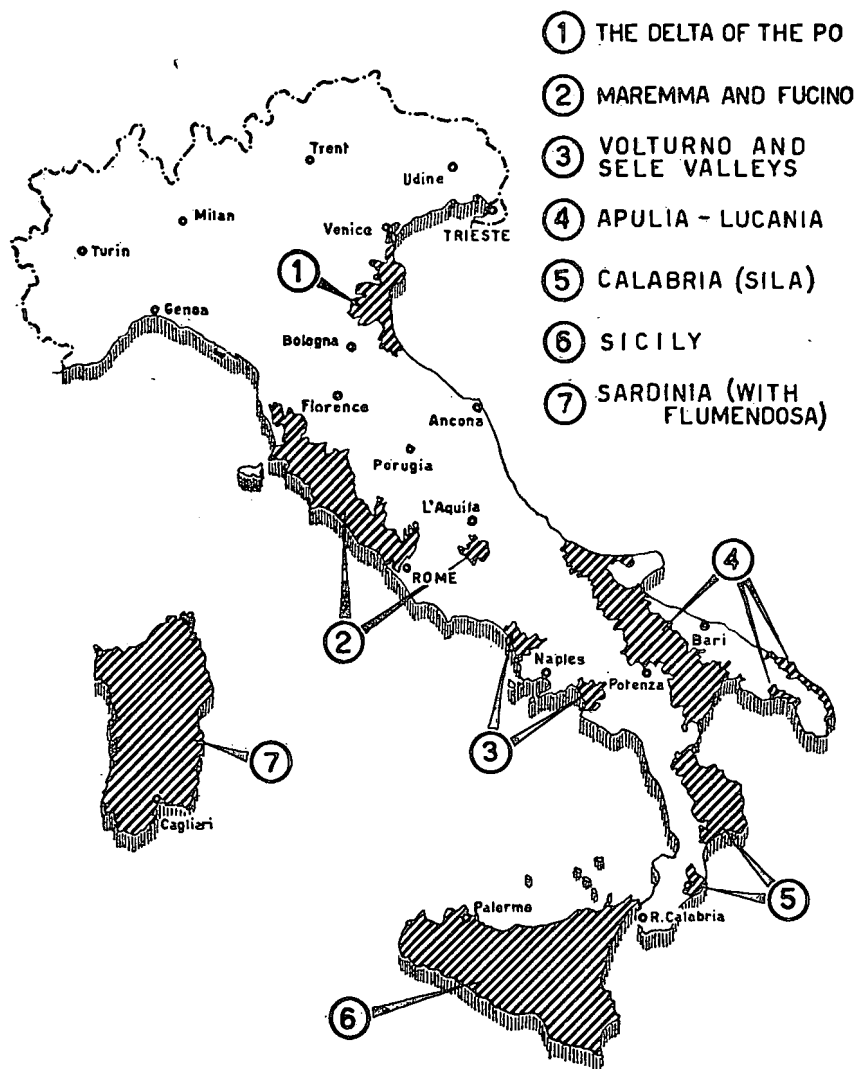
THIS study aims at giving an outline of the methods followed and of the results so far achieved in applying the laws of Land Reform in Italy.

At present these are:

- (a) a bill containing the *project of a general law on Land Reform* presented to the Senate in March 1950, the discussion on which has not yet started. The Minister of Agriculture, Senator Giuseppe Medici, in a recent declaration, announced his intention of arriving at a general land reform conceived, if necessary, on lines different from those of the original project;
- (b) a *special law for the Sila* (Calabria), of 12 May 1950, urgently passed in consideration of the gravity of the social situation in this particular region;
- (c) an *extract law (legge stralcio)* on land reform, of 21 October 1950. This is the basic legislative provision now in force, and represents an extract from the general law, applicable to start with in certain specified territories. The law for the Sila and the extract law differ only in some details concerning the methods of expropriation of land. For the rest they are practically identical;
- (d) a *special law for Sicily*, of 27 December 1950, emanating from the Regional Government, which differs considerably from the others.

The land reform laws now in force—(b), (c), and (d)—are being applied only in a part of the country's territory, as shown on the annexed map. The reforms aim at eliminating, or at least reducing in importance, a type of landownership which is now obsolete and anachronistic, which is essentially aristocratic and absentee and which is incapable of meeting the urgent needs of technical modernization of agriculture. The aim is to substitute the fresh, active forces of a peasantry in whom the hardships of the past, the ordeals of wars, better instruction and the experience of life lived more intensely and of human interrelations more intensely felt, have created a strong consciousness of their capacities.

# THE AREAS AFFECTED BY THE AGRARIAN LAND REFORM



## 2. *Italian agriculture and the land reform*

Italian agriculture over roughly three-quarters of its productive area has reached, through centuries of evolution, a degree of development which may be regarded as quite satisfactory. The irrigated dairy and stock farms (*cascine*) of Lombardy and the Piedmont, the hill farms of central Italy (wine, wheat, olive oil), the market gardens of Naples, the vineyards and citrus plantations of the south, the orchards of Veneto and of Emilia, all represent high standards of productive achievement based upon techniques which, if not always perfect, may fairly be judged highly advanced.

The situation is very different in the other regions, which together account for about a quarter of Italian territory. There, with few exceptions, agriculture is extensive and poor, landed property is represented by large estates, agricultural production consists of wheat alternating with pasture; roads, water and markets are lacking. The peasants, dependent upon day-work or share-cropping, live in large villages, far away from the land they cultivate, working on it for exceedingly low returns. These territories roughly correspond to the zones shown on the map and it is there that the land reform is now being carried out.

There are, indeed, those who say that these zones owe their low productivity to *natural causes*, such as poor soil, summer droughts or difficulties of access, that their situation is not the result of human neglect and that it is Nature's intention that they should be devoted to extensive farming. This, at best, is only partly true. The real culprit, to whom most of the responsibility should be attributed, is the excessively large size of landed property combined with the absenteeism of landowners who live in the cities and are exclusively interested in the income they derive from their estates which enables them to maintain their old standards of life. This condition can no longer resist the violent pressure of peasant forces capable of working the land with far greater efficiency.

## 3. *The principles of the land reform*

Italian landed property, as it stood on 15 November 1949 in the areas subject to the application of the reform, was liable to expropriation to a greater or lesser extent, according to the size of the holdings concerned and to the standards of intensity of farming practised on them.

The criterion used for the determination of size of holding is not

acreage but the cadastral (i.e. taxable) assessed income. This represents the annual assessed value of the property in terms of pre-war lire rated roughly at 90 to the pound sterling. The properties with an assessed income of under 10,000 lire are classed small; from 10,000 to

TABLE 1. *Percentages to be expropriated according to Classes of Assessed Income*

(Schedule annexed to the Law No. 841 of 21 October 1950)

Average assessed income per hectare, lire Average income classes, lire	1,000 and over	900	800	700	600	500	400	300	200	100 and under
	(Percentages of income to be expropriated)									
Over 30,000 to 60,000	..	..	..	..	..	0	15	30	55	70
Over 60,000 to 100,000	..	..	..	..	0	10	30	60	70	85
Over 100,000 to 200,000	35	40	47	55	60	65	70	75	84	90
Over 200,000 to 300,000	45	50	55	60	65	70	75	80	87	95
Over 300,000 to 400,000	52	57	60	65	70	75	80	85	90	95
Over 400,000 to 500,000	60	64	66	71	76	80	85	90	95	95
Over 500,000 to 600,000	64	70	76	78	80	85	90	95	95	95
Over 600,000 to 700,000	68	74	79	82	85	90	95	95	95	95
Over 700,000 to 800,000	72	78	82	85	90	95	95	95	95	95
Over 800,000 to 900,000	76	82	86	90	95	95	95	95	95	95
Over 900,000 to 1,000,000	82	86	90	93	95	95	95	95	95	95
Over 1,000,000 to 1,200,000	90	92	95	95	95	95	95	95	95	95
Over 1,200,000	95	95	95	95	95	95	95	95	95	95

50,000 lire—medium; from 50,000 to 100,000 lire—medium large; from 100,000 to 500,000 lire—large; over 500,000 lire—very large.

The intensity of farming is measured by *the average assessed income per hectare*. Holdings having an assessed income of over 700 lire per hectare are considered to be intensively farmed; those with 400 to 700 lire to be of average intensity, and those with under 400 lire to be extensive.

The percentages of land to be expropriated, in accordance with the standards of intensity, are indicated in Table 1.

The percentages of assessed income to be given up by the owners are fixed in a schedule annexed to the law; but the percentages of actual area expropriated are subject to variation in accordance with the principles adopted by the agencies (*Enti*) responsible for the carrying out of the reform. Thus, the agencies may expropriate land with low assessed income, which will involve a larger proportion of the area, or vice versa according to conditions and requirements. On the whole, however, it may be assumed that, in the four possible cases, the variations would generally be confined within the following limits:

Medium-large intensive holdings . . .	20-30 per cent.
"    "    extensive " . . .	45-50 "
Large and very large intensive holdings .	50-55 "
"    "    "    "    extensive holdings .	70-80 "

In determining the extent of the expropriation in each particular case, however, account is taken not only of the property owned by the person concerned within the limits of a particular region but of all the land belonging to him in any part of the country. The actual expropriation, however, is confined to the holdings situated within the regions to which the reform applies, even if their area happens to be below that subject to expropriation. Thus, in some cases the owners may lose the whole of their land within the regions subject to the reform.

Article 10 of the Law provides for exemption from expropriation of certain lands if they are recognized to be particularly well organized and managed as 'model' farms. Some of the criteria used in determining the claim to exemption are: (a) the existence on the estate of stable tenure relations; (b) crop yields exceeding the average for the district by at least 40 per cent.; (c) an average labour input not less than 0.30 man-units per hectare; (d) superior economic and social conditions for the workers employed; (e) superior sanitary conditions of the workers' and tenants' housing.

The compensation paid for expropriated land is equal to the value of the land as assessed for the purpose of the extraordinary levy on property of 1947. Payment takes the form of twenty-five-year 5 per cent. government bonds.

The land obtained by expropriation is allocated, within three years from the date of expropriation, to the peasants entitled to such allocation. These have to pay for it according to the formula

$$V_0 + (M - C)_{2/3} = S$$

in which  $V_0$  represents the value of the expropriated land, generally a good deal below the current market price;  $M$  is the cost of improvements carried out by the agency, including buildings;  $C$  stands for the usual amount of government subsidies towards such improvements, generally working out at about 38 per cent. of their costs. The total,  $S$ , represents the *maximum* to be paid by the peasant within the term of thirty years, with interest at 3.5 per cent.

The reform is financed out of a government appropriation of 35,000 million lire per annum for a term of ten years. Of this total amount 28,000 millions a year are to come from the recently established Fund for southern Italy and 7,000 millions from a similar provision approved for the depressed areas of central and northern Italy. In addition, the sum of 15,000 million lire was already allocated for the implementation of the 'Sila' Law over a period of six years. Thus, the total amount of the funds to be invested in the reform works out at 365,000 million lire, equivalent to about £210 million sterling.

#### 4. *Delimitation of areas and constitution of land reform agencies*

The agencies entrusted with the carrying out of the land reforms were set up, and their respective areas of operation under the 'Extract' Law were defined by a series of decrees. For reasons of economy, in some cases, recourse has been had to already existing institutions in which special departments have been created for the work. The areas covered are shown on the map. They are:

Area 1. *Po Delta*. This is dealt with by a special agency with headquarters at Bologna and comprises specified areas in Emilia and Venetia.

Area 2. *The Maremma of Tuscany and Latium and Lake Fucino*. A special agency located in Rome covers the specified areas in Tuscany and Latium, as well as land reform in the drained basin of Lake Fucino in the Abruzzi.

Area 3. *The coastal plains of the Sele and Volturno*. These areas of the Campania are dealt with by the War Veterans' Agency (*Opera Nazionale Combattenti*) with headquarters at Naples.

Area 4. *Apulia and Lucania*. These are covered by a special section of the Irrigation and Land Development Agency for Apulia and Lucania, with headquarters at Bari.

Area 5. *Calabria*. Here the work is carried out by the organization set up under the 'Sila' Law, with headquarters at Cosenza. The small detached area of Caulonia comes under a special section of the 'Sila' organization, but is covered by the 'Extract' Law.



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Area 6. *Sicily*. The land reform here comes under the special regional law for Sicily and is carried out by the Sicilian Land Reform Agency at Palermo.

Area 7. *Sardinia*. Here the work is done by the special Sardinian Land Reform Agency at Cagliari. In the southern part of Sardinia it is entrusted to a special section of the already existing Flumendosa Agency.

All these agencies and sections of other institutions dealing with the execution of the land reforms are subject to general supervision and co-ordination by the Ministry of Agriculture. The Ministry appoints the chairmen, general managers and members of the boards of directors of the agencies.

The decrees which set up the agencies and defined their respective areas of operation were all issued towards the end of 1950 and the beginning of 1951. The progress of their work and plans for the future are discussed below.

### 5. *The progress of land reform work*

The land reform has been put into effect in three consecutive stages:

1. expropriation of the land;
2. allocation of the land to new peasant owners and its improvement;
3. organization and upkeep of the peasant holdings thus constituted.

The work done by the agencies naturally proceeds through the same three stages. From the start, all their efforts had to be concentrated upon expropriation and their staffs were fully engaged in it. At present, it is the second stage that has come to the fore (1954).

Land obtained by expropriation has to be transferred to the peasants within a maximum of three years. The transfers, however, actually take place earlier. At this point, two urgent problems have to be solved, namely that of the improvements to be made on the land to be allocated, and that of the criteria upon which the allocation is to be made.

The basic principle about improvements is that those that are essential for the settlement of the new owners should be provided as part of the scheme of land reform. It is the peasants themselves who have to complete and to supplement these essential improvements, with the agencies helping them technically by providing plans and expert advisers.

It is obvious that during the first few years the return from the new holdings will not be sufficient for the maintenance of the family and for enabling them to devote much of their work to the improvement of the land. This is the case particularly with holdings used for the cultivation of vines, olives, almonds, citrus fruit and other similar crops which require several years before yielding any return at all. During this period of waiting the new settlers will be in a position to supplement their resources by working on the improvement schemes sponsored and financed by the agencies.

The consecutive stages of the reform, from the point of view of the peasant families concerned, are as follows:

*Stage 1.* The agency carries out the basic drainage and other improvement works, entirely on its own account, using as far as possible the labour of the peasants to whom the land is to be assigned and paying them normal wages.

*Stage 2.* The peasants are settled on the land. They collect any produce the holding can yield in its initial state and assist in carrying out the improvement works the agency has to perform on their land. At this stage the peasants are either paid cash for the work done, or the wages due to them may be retained in payment for the machinery, seeds or livestock with which they have been provided on settlement.

*Stage 3.* The peasants carry out further improvement works on their own initiative, while the agency provides them with technical assistance and with contributions to the cost of the work by subsidies.

With regard to the nature of the improvements thus carried out, it should be noted that, as a matter of principle, they must be such as to yield a certain and quick return, because the essential object of the reform consists in raising the general level of productivity of the land. Care is being taken, therefore, to avoid improvement works of secondary importance or aimed exclusively at increasing the amenity value of the holding. The intention is to enable the peasants to rise on the social and economic scale through their own efforts, their spirit of enterprise and their self-sacrifice. This means that they are to be given all that is necessary, but nothing superfluous. They must be well aware from the start that if things take a wrong turn by their fault there will be no one to save them from the consequences. Indeed, the reform is conceived not as an act of charity but as a measure requiring a strict selection of peasants intending to keep the land and to make good.

It should be borne in mind that one of the chief dangers of the

reform would be to cause the peasants to think of themselves as a kind of civil servant, employed by the state, instead of as free tillers of the soil, fully responsible for their conduct and actions. It will be for the agencies to prevent such an attitude.

Rational management and efficient cultivation of the land are matters of decisive importance in the hot, arid zones of southern Italy. In these regions, too much stress has been laid generally upon river control, while little attention has been paid to the radical remedy which consists of adopting systems of cropping capable of retaining rain water and of preventing its being rapidly lost by drainage. A system of water retention thus conceived would result in considerably increased production and, besides, would prevent the water courses from becoming excessively swollen and causing disastrous floods. Systems of cropping aimed at preventing soil erosion would thus provide a solution for the characteristic agricultural problems of these zones.

Another essential there consists of tilling the clay soils in summer. Clay soils are very common in Italy, especially in the areas in which land reform is being carried out. They are by no means naturally poor as they possess high plant nutrient content, but they are prevented from being productive by their physical structure, which can be greatly improved by deep summer ploughing immediately after the wheat harvest. This needs suitable machines and men who know not only how to operate them generally, but how to work them in a way that ensures the proper tillage of the given kind of soil. This is the reason why, from the very beginning, the land reform agencies have given a good deal of attention to the problem of mechanization.

Another basic factor in securing the progress of agriculture in the zones of land reform is the development of animal husbandry. A large proportion of the land where the farming was extensive was used almost exclusively for wheat-growing. What was most needed there was a better balanced rotation of crops, including suitable fodder (especially alfalfa and clover), coupled with an increase in stock farming. Wherever possible, rational farming in these zones should imply irrigation. Much may be achieved by the application of modern methods of spray irrigation which prove quite efficient even with very low rates of water consumption (0.2 or 0.3 litres a second per hectare).

As far as arboreous crops are concerned, the reform agencies have to turn to account the well-known favour these crops enjoy among the farmers, a favour so excessive sometimes that it has to be curbed rather

than encouraged—for example, vine-growing, considering the present trend of the wine market.

Of decisive importance is improvement in the methods of performing different farm operations. Here, indeed, there is much to be done. The principal improvements would involve:

1. mechanical threshing. In many a more backward zone among those concerned in land reforms, threshing is still being done by flail or by horse treading, with the loss of at least 3 to 5 per cent. of the grain;
2. improved methods of extracting olive oil. While in many parts of Italy modern methods are used, in these areas primitive methods are still common, with the result that much oil, in some cases up to 20 per cent., is lost and the oil obtained is poor in keeping quality and in other respects;
3. improved methods of wine-making, as the wine produced in the backward areas is poor owing to wrong methods of handling the grapes and to the diversity of types grown;
4. greater attention to dairy farming. Though the dairy industry is generally of minor importance in the areas of land reform, which are not generally adapted to the production of milk, in some parts of these zones its importance is far from negligible;
3. the organization of production and marketing of fruits and vegetables, as well as of the canning industry.

The Land Reform agencies need to pay great attention to these and other improvements because the economic development of the poor, backward areas with which they are concerned depends rather on the progress achieved in these directions than on ambitious land improvement schemes of questionable economic value.

#### *6. Distribution of land and organization of new family farms*

The next problem is the division of the available area into holdings, though occasionally the order of precedence may have to be reversed in practice because the productive capacity of the new farms to be formed cannot be determined without taking into account the effects of the necessary improvements. The area of the holding to be allocated to a peasant family must be determined on the basis of the family's composition, of the labour force at its disposal and of the potential productivity of the land. This problem demands careful consideration in each particular case as it is of vital importance for the peasants concerned and an error cannot easily be corrected.

The ideal solution would obviously consist of creating self-sufficient family farms which would provide full employment for family labour and yield incomes sufficient for the support of the families and for amortization payments over a period of thirty years. In many parts of the areas subject to the reform this may be attained, either because enough land is available to permit the needs of the peasants to be met on a sufficiently generous scale, or because of the possibility of improvements, such as irrigation, the introduction of arboreous plants, &c., which would ensure independence to very small holdings. In other areas, however, the ratios between the available land and the number of claimants are such that the holdings can only be small and incapable of independent existence, so that their owners are forced to look for additional earnings outside their farms. In carrying out the reforms the general aim is to reduce the creation of such holdings to a minimum, as it does not provide permanent and satisfactory solutions of the agrarian problem. Yet, in many parts of Calabria, Apulia, Campania and the Po Delta, the conditions are such that it cannot be avoided, the available land having to be divided among too large a number of claimants. Any discrimination between the claimants, where all have equal rights to an allocation, would unavoidably become a source of discontent and great social tension. Moreover, experience gained in the Sila zone of Calabria shows that smallholders in need of additional earnings have opportunities of employment on neighbouring medium-sized farms which survived the reform.

The sizes of the new family farms vary within a fairly wide range, according to whether independent farms or smaller holdings are involved, as well as to the present and potential productivity of the land and to the composition and labour force of the families concerned. The smaller holdings vary from 2 to 5 ha., and the farm holdings from 8 to 15 ha.

The reform would be incomplete and might even fail in achieving its object if the agencies did not ensure continued assistance to the newly formed farm units. This involves, firstly, technical assistance and advisory work; secondly, the organization of farm co-operatives; thirdly, the organization of agricultural credit.

An essential condition accompanying the allocation of land is that the new owners will not operate their farms in a wholly unco-ordinated and independent way. Immediately following the allocation, the new farmers are grouped together in settlement centres, each comprising from 50 to 100 families or from 300 to 1,500 ha. of land,

according to local conditions. To each centre is assigned an expert who must keep in continuous contact with the new farms. He helps the organization of the farms and sees that they have the necessary technical assistance. He acts as permanent adviser to the new farmers, helping them in the choice of plants and seeds and bringing the needs of the families belonging to the centre to the attention of the agency or of the other authorities. Advisory work is done, as far as possible, by means of demonstrations and it is considered desirable for every centre to be provided with a demonstration farm.

The settlement centre is also the base of the co-operative organizations of the new farmers which constitute one of the principal features of the land reform and an essential condition of its success.

The most important forms of agricultural co-operation to be promoted among the new farmers are:

- (a) the collective use of farm machinery. Each settlement centre will be provided with from three to five tractors with working equipment, drills, threshers and, in some cases, combine harvesters;
- (b) the co-operative organization of processing industries for the production of oil, wine, cheese and canned goods;
- (c) the co-operative organization of plant protection;
- (d) co-operation in the upkeep of works of public utility, such as roads, aqueducts, &c.;
- (e) the collective purchase of farm requisites, such as fertilizers, selected seeds, feeds, &c.

Finally, to be successful the reform must make available to the new farmers a flexible and prompt organization of credit, thus enabling them to finance the purchase of farm requisites and to obtain the advances necessary until their produce is sold. Credit facilities, indeed, have a vital importance. From past experience of land reforms it is possible to see how expropriations and redistributions of landed property have failed, and sometimes have actually ended in the return of the land, under some title or other, to the original owners, owing to the lack of adequate credit facilities and of organized assistance to the peasants concerned. What happened in these cases was generally that the peasant was given a plot of unimproved bare land from some *latifundium*. He had to provide seeds and the necessary wheat, maize or beans for the family until the harvest. This he had to obtain from someone in the village, from the larger farmers or from merchants. Considering the risks involved, the peasant's lack of security, &c., the

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interest charged for these loans in kind were exceedingly heavy, often amounting to 30, 40, or 50 per cent. for a term of seven or eight months. After the harvest the peasant could scarcely pay his debt and, being hard pressed to meet the food needs of his family, he sowed all his land to wheat and went on doing the same for years. The result was that the land was exhausted while the debt continued to grow, so that eventually he was compelled to sell his holding for what it would fetch.

The existence of a sound credit system, even without any particular favours for the peasant borrowers, removes this danger and ensures them against what in effect would involve the forced liquidation of their new holdings.

### 7. *The work accomplished up to the middle of 1954*

By July 1954 the work of the land reform may be said to have reached a very advanced stage throughout Italy. Roughly speaking it may be considered completed for about 50 per cent., and there are good reasons to expect that in 1956 it will be finished. There will then only remain the work of technical assistance and the organization of agricultural co-operation and credit facilities.

Below is given a brief summary of the work done so far.

### *Expropriations:*

The area expropriated in the different zones by the Land Reform agencies concerned:

	hectares
Delta of the river Po . . . . .	45,697
Maremma and Fucino . . . . .	207,406
Apulia and Lucania . . . . .	199,368
Campania . . . . .	9,049
Calabria (Sila) . . . . .	75,567
Sardinia . . . . .	47,498
Sicily . . . . .	36,924
Total . . . . .	<u>621,509</u>

To this total should be added: 33,465 ha. acquired from the *Ente Sardegna* and 63,076 ha. to be realized in Sicily as soon as the necessary proceedings are terminated, the special Sicilian law being slower in its application than those in force in continental Italy.

Thus, the Land Reform has been applied so far on a total area of 718,050 ha., equivalent to nearly 1,800,000 acres.

*Land allocated to the peasants*

By July 1954 the total area of land allocated to the peasants amounted to 333,758 ha., divided as follows between the different zones:

Delta of the river Po . . . . .	16,575 ha. to	3,102 families
Maremma and Fucino . . . . .	113,732 „	21,930 „
Apulia . . . . .	103,721 „	15,477 „
Campania . . . . .	3,861 „	884 „
Calabria (Sila) . . . . .	56,785 „	15,648 „
Sardinia . . . . .	18,735 „	1,701 „
Sicily . . . . .	20,349 „	4,739 „
Total . . . . .	<u>333,758 ha. to 63,481 families</u>	

*Various works completed*

<i>Fundamental works</i>	<i>Total projected</i>	<i>Completed</i>	<i>To be completed</i>
Agricultural villages . . . . .	85	26	59
Peasant houses (exclusive of those in villages) . . . . .	25,178	14,217	10,961
Roads, kilometres . . . . .	4,751	2,086	2,665
Cattle, head . . . . .	300,000	60,681	239,319
Farm tractors . . . . .	7,500	3,805	3,695

The increase in agricultural production from the land reform zones during the first two years of its application is estimated at about 66 per cent. When the arboreal plantations begin to bear fruit it is estimated that the total production of the zones will be considerably in excess of twice that preceding the reform.