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'Bold and bright? Italy's 1962 school reform and human capital accumulation'

This paper investigates the impact of a major school reform in Italy passed in 1962. The reform implemented the articles 33 and 34 of the Republican Constitution of 1948, bringing about compulsory schooling for those aged between 6 and 14. Most importantly, the reform obliged virtually all of Italy's municipalities to build a lower-secondary school (*scuola media*) while fully liberalizing access to the post-primary educational level. Although the reform has been studied by historians, economic historians and economists have not yet explored whether the reform had implications in terms of human capital accumulation and, therefore, economic growth and development.

We analyse the impact of the reform on attainment rates – defined as the share of the population 15+ with at least a lower-secondary-school diploma. Attainment rates are the only educational variable that can be reconstructed for Italy's 8,000+ municipalities in the period concerned by the reform. Indeed, we combine a Diff-in-Diff model with propensity score matching (henceforth PSM). The rationale behind this choice is the study of attainment rates in a treatment group – the municipalities that built a school following the reform – vs a control group – the municipalities that did not build any over time (leaving out the locations that had already built a school before the reform was passed), including three benchmark (census) years, i.e. 1951, 1961 (pre-treatment), and 1971 (post-treatment). Clearly, the two groups are not necessarily the same, in that they might differ concerning various social, political, and economic – if not institutional – features. Due to this, we implement a PSM algorithm to reduce intrinsic differences between the treatment and control groups, and obtain a result based on an experiment where the treatment is “as good as random”. The analysis is based on a brand-new dataset at the municipal level, almost entirely obtained from primary sources.

Our preliminary results show a clear impact of the reform. Treated municipalities display a premium on attainment rates in 1971 equal to one percentage point compared to the control group. Considering that, in 1951, the average attainment rate in the subsample of treated and control municipalities was c. 7 percent, this is a sizeable effect. Our analysis, though expandable in the nearest future, shows no major differences in the impact of the reform across Italy's regions or across space within them. Further research should also pay attention to the distributional impact – and the effect on social mobility – of the reform.

All in all, our study shows that the increase in compulsory schooling had a positive effect on human capital accumulation in Italy, although the present results are limited to the short-medium run. Future research should deal with the long-term impact of the reform and the implications of its approval for Italy's economic history at large.