A Golden Age for All?

Income Inequality and Social Classes in Italy, 1951-1973[1]

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Abstract

This paper presents the first reconstruction of income inequality in Italy during the so-called 'Golden Age', by building Dynamic Social Tables (DSTs) from 1951 to 1973. The resulting estimates show increasing income inequality between 1951 and 1961 – that is, during the so-called "Economic Miracle". Then, with unemployment reaching its lowest recorded level, the first strikes in the metalmaking sector and a sudden recession led to a stagnation in inequality. While within-labour inequality steadily declined after 1966, overall inequality reached a peak in 1969, to decline towards the levels recorded by household surveys by early-1970s. This 'Kuznetsian,' inverted-U dynamics in the period of most sustained structural change of Italian history should, however, better be understood in the light of socio-political and institutional developments. Somehow at odds with prevailing narratives, we also find an increase from 1961 in the share of income accrued by Italian working women.

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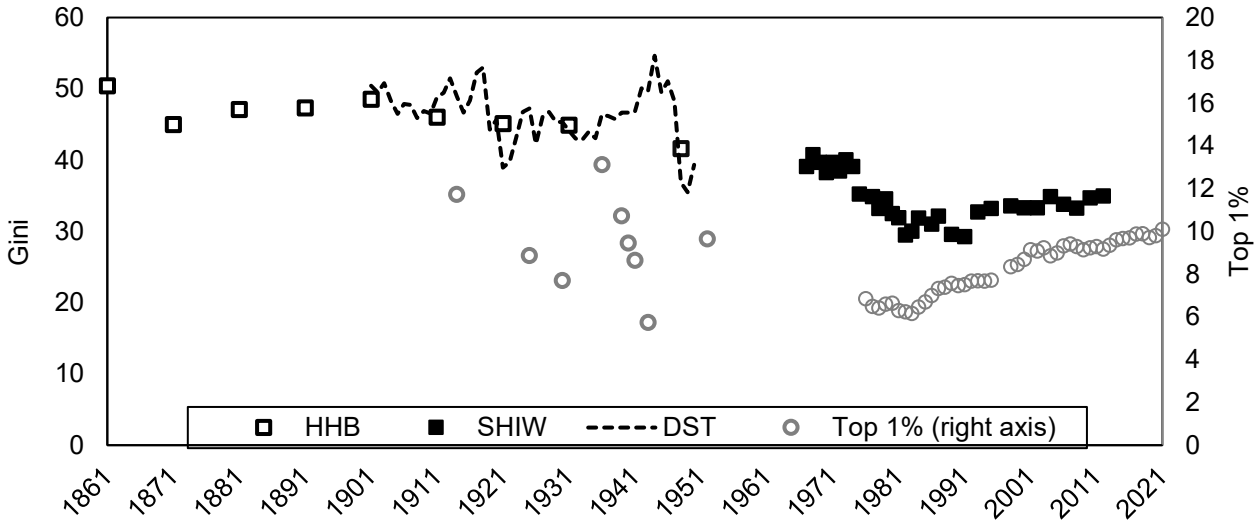
1. Introduction

In the two decades after the tragedy of World War II and the reconstruction – which for Western Europe are known as the "Golden Age" (Kindleberger, 1967; Eichengreen, 2008) – Italy witnessed unprecedented change. As Rossi and Toniolo (1996, p. 442) put it, "changes in the structure of the economy and of society at large, which in the advanced countries of the West took several decades to be completed, were compacted into less than twenty years, during which Italy was abruptly turned from an agrarian economy (and society) into an industrial one." Within 1950 and 1973, Italian GDP per capita grew at an annual real rate of 4.95, against the 4.05 level of Western Europe, thus converging with most of its partner (Crafts and Magnani, 2013). Economists and economic historians have debated the reasons behind what is commonly defined as an "Economic Miracle;" yet, we do not know anything about economic inequality in this period. As it is shown in Figure 1, the first Republican decades – and especially the crucial 1950-1970 period – remain a *terra incognita* in the otherwise rich history of inequality in Italy (Alfani, 2021; Vecchi, 2017).

Figure 1 - Income Inequality in Italy, 1861-2021: The Existing Picture



Authors' elaborations on several sources: HHB and SHIW series from Vecchi (2017); DST from Gómez León and Gabbuti (2025); Top 1% series until 1952 from Gabbuti (2022), and then from Guzzardi and Morelli (2024).

This strongly limits our understanding of both Italian economic development and its distributive implications. While the period clearly represents the most sustained period of structural change – calling for traditional, Kuznetsian interpretations of inequality dynamics (Milanovic, 2016) – most authors discussed the inability of Italian society to reach a compromise between growth and redistribution (considered a necessary condition of the European Golden Age) among the causes of the later difficulties of the Italian economy (Toniolo, 1998). Rather than a mere curiosity, an assessment of the distributive 'impact' of the Italian economic miracle is thus a crucial

component, to evaluate its legacy, and possibly, to discuss the political economy of the subsequent decline.

In this paper, we advance the first, consistent yearly estimates on income inequality in Italy from 1951 to 1973. We do so by applying Dynamic Social Tables (DSTs). While not based on micro sources, this methodology allows us to contribute in several ways to both the literature on the historical evolution of inequality, and Italian economic history. First, DSTs make it possible to investigate the distributive impact of structural change – adding the very interesting case of the Italian Golden Age to the long-standing debate on the link between economic growth and income distribution (Kuznets, 1955; Milanovic, 2016; Alfani, 2021). In fact, our paper is possibly the first work of historical inequality to focus on the European Golden Age, so far mostly covered by means of scattered evidence.

By construction, DSTs make also possible to investigate within-labour differences, which are often hidden by estimates focusing on top earners or household incomes. Despite the scarcity of sources, paradoxically more severe for these decades than for earlier periods, we contribute to the literature on gender gaps, by providing estimates on both income and employment divides in a period in which female participation to the labour force reached its historical minimum, and the long-run convergence in wage continued (Bettio, 1988). Moreover, considering the persisting importance and relevance of social classes in accounting for income and social inequalities in Italy (Cetrulo et al., 2023; Fana and Villani, 2024), in this paper we also contribute to the literature by producing comparable evidence on the evolution of differences between blue and white collars, as well as between owners and employees across different sectors, and to normal and' 'precarious' workers within agriculture and industry, making it possible to appreciate the evolution of these class divides, over the long-run and in more detail for this crucial period of social transformation. Finally, the yearly frequency of our estimates makes it possible to discuss the evolution of inequality around crucial historical juncture – the kind of short-term distributive episodes, which Atkinson (1997) recommended inequality researchers to focus on, which, as will be discussed, were also a crucial component of the economic and social history of Italy in this period.

To appreciate institutional, political and social developments, section 2 provides the reader with historical background on both the evolution of Italian economy and society in the Golden Age, focusing on the distributive episodes most frequently mentioned in the literature, before discussing economic inequality in Modern Italy. Then, section 3 discusses how to apply DSTs to Italy after 1950, and summarises the extensive documentation of our sources, reported in the Appendix. Section 4 introduces our series for inequality – both within labour and overall – and place them in a

long-run and comparative perspectives. In section 5 we then focus on the 1951-73 period, presenting Growth Incidence Curves (GICs), and discussing in greater detail the evolution of within-labour differentials. Before more general Conclusions (section 7), section 6 delves with the gender inequality aspects of the Italian Golden Age.

2. Background and Historical Framework

a) Italy in the European Golden Age

The so-called Golden Age is generally regarded as an extraordinary exception in the history of European and North American capitalism: "Between 1950 and 1973, the real per caput GDP of western Europe grew more than twice as fast as the secular trend and faster than any other comparably large group of countries" (Toniolo, 1998, p. 252). Compared with the troubled interwar decades, the post-1945 ones were relatively spared from inflation, depressions, and similar shocks, which are credited with redistributive effects in accounts such as Scheidel (2018). While advancing different explanations, authors from different disciplinary and theoretical background, recognise how most European countries experienced a sort of democratic compromise, made of increasing productivity and labour rights, progressive taxation and the expansion of the welfare state, allowing this exceptional period of high growth to go hand in hand with falling inequality (Crafts and Toniolo, 1996; Eichengreen, 2008; Glyn, 2006). Indeed, after the divergent trends in the interwar period (Gómez León and De Jong, 2019; Gómez León and Gabbuti, 2025), the post-WW2 era is when all European countries experience the so-called "Great levelling" – a sustained decrease in income and wealth inequality (Milanovic, 2016; Piketty, 2014). As noted by Toniolo (1998, p. 265), which recalls Kuznets' emphasis on the "social acceptability" of growth, "during the golden age Europeans brought home the lessons of the interwar years and satisfied their desire for growth in ways that in the light of previous and subsequent history appear to be remarkably acceptable."[2]

Italy, however, represented an anomalous case within this framework. As summarised by Nardozzi (2003, p. 140), the "three specific features" of Italy's golden age are "its importance for our national history, its particular intensity, and its brevity." The first can easily be accounted by Italy's relative backwardness. After WW2 – which had brought widespread devastation, but also the fall in 1943 of Mussolini's Fascist regime, and the transition to a democratic Republic, marked in 1946 by a Constitutional Referendum and in 1948 by a new Constitution – Italy was far from being a fully developed country. Despite the absence of unemployment benefits, and the likely

[2] As will be discussed in section 4, however, direct statistical evidence on inequality in this period, while not entirely absent as in the Italian case, is still limited.

underestimation of "the underemployed and the 'hidden' unemployed," between 1,5 and 2 million people were registered as unemployed (Alberti 2018, p. 89), and large portions of the population to extreme poverty and deprivation.

As for the intensity, between 1950 and 1973, while the labour force in manufacturing increased from 23 to 28%, the share of agriculture more than halved, from 45 to 17%. Per capita GDP was in 1950 only 38% of the US and 50% of the UK levels; by 1973, it had jumped to 64 and 88% respectively. In 1948, more than one third of Italian families were in absolute poverty, while possibly half of the population was undernourished; by 1973, both figures had dramatically shrunken to some 12.5 and 5% respectively (Vecchi, 2017). In Nardozzi's (2003, p. 141) words, "Italy alone rose from the second tier to become, thanks to its economy, a permanent member of the select club of important nations." Especially between 1950 and 1962, but throughout the whole period, Italy "outperformed its European peer group," thanks to the "relatively large scope for catch-up" (Crafts and Magnani, 2013, p. 75), to the foreign aid of the Marshall Plan (Bianchi and Giorcelli, 2023; Galofré Vilà, 2024; Martinez, 2025), a favourable external environment, a stable macro-economic outlook and a balanced budget, in turn, guaranteed by the very low public expenditure (Battilani and Fauri, 2008, p. 176). This resulted into unprecedented and fast social, cultural and economic transformations of everyday life, while "the North-South income gap narrowed for the first and only time since unification" (Toniolo 2013, p. 23).

Another fundamental difference is that Italy lacked the institutions which, according to Toniolo (1998), explained the progressive nature and the success of the European Golden age. According to Boltho (2013, p. 115), Italy "broadly matched the growth rates of Germany and Japan in the Golden age," but was more backward in "the labor market and social policy areas." While "migration and urbanization were hardly uniquely Italian features," Boltho continues, what strikes out is the country's "inability to accompany rapid economic change with parallel changes in infrastructure and social welfare provisions," which in turn led to "an overreaction." Boltho (2013, p. 110), as well as Capussela (2018), stress how the political situation led to much smoother replacement of both economic elites and public administration in Italy, compared to Germany and Japan – thus reducing the scope for Olsonian interpretations based on changing distributional coalitions, and preventing more radical, Keynesian reforms. Crafts and Magnani (2013, p. 76) also note how, "unlike what happened in the United Kingdom in 1948 and later in Germany," the increasing international openness "was not accompanied by corresponding attempts to implement competition policies; corporate governance structures remained closed, and sectors sheltered from international competition (retail, professional orders, public utilities) remained highly regulated."

Indeed, rather than on rational planning and regulation, the Italian miracle was based on a more 'classic' export-led model, based on the containment of labour costs that was essential to the productive system (Battilani and Fauri, 2008, p. 203). Despite the centralised bargaining system inherited by the Fascist period, wage moderation was not the result of the "corporatist social contract" discussed by Eichengreen (1996) and Toniolo (1998), but rather of "weak union bargaining power where, as Lewis (1954) might have put it, labor supply was 'unlimited' as labor was redeployed out of agriculture" (Crafts and Magnani, 2013, p. 79). Not surprisingly, an intense season of labour and social conflicts was soon to end the Italian miracle, explaining its "brevity," while contributing to the puzzle of Italian income inequality in the period.

b) Major Distributive Episodes

While growth remained sustained in 1963-73 – at 4,8% of annual growth rate, and productivity still well "above the secular trend" (Rossi and Toniolo, 1996) – by 1962, the gap between supply and demand in the labour market was almost rebalanced. Most importantly, in 1963 the unemployment rate reached its all-time low (4%), bringing Italy for the first time, and very few years, close to full employment (Alberti, 2018, p. 93). A spontaneous wave of strikes, leading to sustained increases in nominal wages, opened a long "instability of industrial relations" which, while marking the end of the economic miracle, "confirms the absence of institutions of a coordinated market economy" (Crafts and Magnani, 2013, p. 75).[3] As discussed by Rossi and Toniolo (1998, p. 443), by the late 1950s also the "the equilibria at the centre of the political spectrum, which had guaranteed stability since 1948, gave increasing signs of weariness starting in the late 1950s." After the dominance of the Christian-Democratic Party, together with very junior partners, 1963 saw the creation of the first centre-left government, with the inclusion of the Socialist Party – which, "as a price for its participation in the government," obtained "the nationalization of the electricity industry." However, this encountered strong opposition by conservative elites – including "vast and often illegal exports of capital" in reaction to projects of fiscal reforms, which contributed to the "widespread fears of currency devaluation" (Capussela, 2018, pp. 131-132).

In 1963, Bank of Italy set very restrictive measures to stop inflation and rebalance the balance of payments, leading to the first, sudden recession of the post-WWII period – the so-called *congiuntura* of 1963-64, which greatly impacted the Italian public. For Kindleberger (1967, p. 41), it simply revealed the fact that "Italy had run out of its surplus labor and would have to grow in a

[3] According to available estimates, the labour share – which had declined from 64% in 1954, to less than 61% in 1961 – increased by more than 4 points by 1964 (Torrini, 2015).

different pattern." The recession increased unemployment and halted workers' movements, so that also the labour share went back to 61% by 1969. In the following years, unions had to endure a new moderation policy, while profits – and profit share – were reestablished thanks to industrial restructuring processes (Graziani, 1998).[4] The first prominent episode of the distributive struggle in post-war Italy (1962-1965) essentially concluded with a throwback – according to Capussela (2018, p. 136), dealing "a blow to the very idea that meaningful reform was possible." Indeed, Boltho (2013, p. 129) considered the "lack of substantial reforms in the reconstruction years," the "administrative inefficiencies," the "continuing underdevelopment of the *Mezzogiorno*" and the "near-permanent state of conflict in industrial relations" as the most "disappointing features in Italy's performance" after 1945.

The lack of State redistributive intervention posed the basis for a new exceptional distributive event – the aforementioned "overreaction." In 1969, when unemployment had reached again the low levels of 1962, the contracts of some 70% of industrial workers had to be renewed: this triggered the so-called "Hot Autumn" (*Autunno Caldo*) (Battilani and Fauri, 2006, p. 211). Workers' protests managed to obtain 40 hours per week, and average 50% increase in manufacturing wages in just a few years (1969-1972) – also resulting from the equalisation, in these years, of bargained minimum levels, which have been previously differentiated by province to account for price differences (Ramazzotti, 2024a). In 1970, the introduction of a "Workers' Statute" (*Statuto dei lavoratori*) eventually "brought the Constitution into the factories," granting workers' new rights. Workers' movements were also able to carry out important battles at national level, aiming at broader reforms (Rappa, 2025). The period following 1969 was indeed one of broader social movements, which managed to finally obtain an expansion of the welfare state (Giorgi and Pavan, 2021) and a truly progressive personal income tax (*Imposta sulle persone fisiche,* IRPEF), introduced only in 1973 (Bozzi, 2021). On the other hand, the same 1969 marked the beginning of the so-called "strategy of tension:" neo-Fascist terrorist attacks, arguably supported by secret services, aimed at favouring authoritarian handling of this social tension (Ginsborg, 1990). As noted by Capussela (2018, p. 138), while "Italy was never inflicted a coup," its occurrence was so likely that "both opposition and ruling parties adjusted their strategies to the threat."

All in all, while Toniolo (1998), reflecting on the European post-1945 growth, had emphasized the importance of institutional arrangements which had balanced the need for growth with social equality, analysing Italy Rossi and Toniolo (1996, p. 443) agreed with Boltho (2013) in depicting the unwillingness of Italian capitalists to adjust to the "most immediate political and

[4] A brief, English summary of Augusto Graziani's influential interpretation is in Nardozzi (2003).

industrial relations consequences" of full employment. As most commentators, they also point to conflictual nature of Italian unions, which "were not culturally and ideologically equipped to use their newly acquired power to foster growth rather than to push for drastic immediate changes in income distribution" (Rossi and Toniolo, 1996, p. 443).As noted right at the end of the period by a foreign observer, after facing the aforementioned resistance to reform, Italian workers had "new objectives," which went "far beyond the traditional demands" on labour conditions, "involving confrontation not only with employers but also with the public authorities" (Pobdielsky, 1974, p. 42). For Pobdielsky, trade unions' "claims [were] directly related to the quality of life of the working population," but also to "an increasing involvement with more general policy issues," from "workers' participation in economic and social policy decision," and "against the excessive inequality of the distribution of income and wealth between social classes, economic categories and regions, and the shocking contrast between pockets of opulence and misery". As discussed by Accornero (1992, p. 29), in this crucial period, the Italian trade unionists explicitly identified "egalitarianism" as their main ideological driver and request. In this sense, a detailed investigating of the level, nature and trend in income inequality in post-1945 Italy is crucial to fully understand the limitations of its miracle.

c) Inequality in Republican Italy

Despite Toniolo (2013, p. 23), in the aforementioned references, added how "income distribution became steadily more egalitarian" during the Golden age, Figure 1 shows that we do not know much between 1948 and 1968 – when, in fact, income distribution seem relatively similar, just above 40 Gini points, despite the contemporary fall of absolute poverty from 34% to ca. 20% (Vecchi, 2017). The most authoritative labour share series from 1951 reproduce trends from real-time estimations by Istat, the National statistical institute, depicting a sustained growth of the dependent wage share, which did not translate into an equivalent increase in the overall labour share (Torrini, 2015). Brandolini (1999) critically scrutinised the reliability of the earliest household budgets surveys. While entirely discarding the early surveys by Istat, Brandolini (1999, p. 299) noted how also the pioneering survey run by the private institute Doxa in 1948 "falls short of the minimum requirements for serious quantitative analysis."[5] The early waves of Bank of Italy's *Survey of Households' Income and Wealth* (SHIW) also arguably underestimated non-labour incomes (and thus, overall inequality): before 1973, the only income from property recorded was

[5] Among the reasons, Brandolini pointed at "the indirect way of estimating income, the lack of updated information on the demographic structure of the Italian population and the sampling procedure made the results of this survey very imprecise."

"cash rents of property," while "income from participation in private companies" was recorded for the first time in 1989 (Brandolini 1999, pp. 203-4).

In any case, the "sharp fall" of income inequality is clear "only in the 1970s" (Brandolini, 1999). As shown in Figure 1, this can be confirmed only in part by the earliest reliable fiscal sources, starting only from the mid-1970s (Guzzardi and Morelli, 2024). Notably, the 1952 figure estimated by Gabbuti (2022) is almost 10%, a high level which was reached again only recently. In the absence of available archival resources, fiscal data cannot, however, can be used to bridge the gap.[6] To try to infer the trend in the 1950s, Brandolini (2000, pp. 218-220) showed also a simple Gini, obtained by the average dependent wage for the 21 sectors reported in the national accounts, weighted by the number of workers in each of these sectors. While confirming the "crucial episode" of the Hot Autumn, and the following "strong egalitarian push" throughout the 1970s, the 1950s and the early 1960s show slowly, growing divides within labour. Indeed, authors such as Gorrieri (1971), which talked about a "salary jungle" (*giungla retributiva*), and Sylos Labini (1974), which discussed "marginal" and "precarious" labour, shared the idea that most of inequality was taking place within labour.

In an opposite direction went the early results based on historical household budgets, which covered also the years 1951 and 1961, suggesting a statistically significant decline of inequality between these two years (Rossi et al., 2001) – a result which was not re-stated in later publications (Vecchi, 2017). Recently, Gómez León and Gabbuti (2025) bridged the gap between the decadal estimates until 1931, and the Doxa-based 1948 estimate: as shown in Figure 1, while obtaining similar level of overall inequality, their series strongly increased until 1944, dramatically declined after, and then increased again in 1949-50. In the next section, we will discuss how their methodology can be extended to the later decades.

3. Data and Methodology

a) The Dynamic Social Tables Approach

The discussion above would suggest inequality was all but stable in the Italian Golden age: intense structural change and a turbulent socio-political environment could have determined any trend within the 1948 and the late 1960s. There are also reasons to believe both estimates could underestimate the true level of inequality, which workers and their organisation perceived as very high. To try to address these issues, in this paper we will apply the DSTs approach. An authoritative

[6] As discussed by Gabbuti (2023), it could be possible only to estimate the top 0.1% in few years in the 1950s. Preliminary findings suggest an increase between 1952 and 1955.

scholar such as Milanovic (2023, p. 289) described DSTs as one of the "three remarkable developments in the work on inequality," together with Piketty (2014), and global inequality studies. After the first explicit adoption of the definition in the dissertations of Rodríguez Weber (2017) and Gómez León (2019, 2021) on Chile and Brazil respectively, DSTs-based estimates have been recently advanced for 1900-1950 for Germany and UK (Gómez León and de Jong, 2019) and Italy (Gómez León and Gabbuti, 2025). While not precisely DSTs, the earlier work on Spain since 1850 by Prados de la Escosura (2008), and most recent works on Eastern Europe and again Latin America by Nikolić et al. (2024) and Astorga (2024), adopted similar approaches. Works such as Rodríguez Weber (2023) stressed the possibility of estimating DSTs in period and geographical areas where fiscal sources – not to mention surveys – are not available. Even in presence of these sources, this literature showed how DSTs can deepen our understanding of inequality, covering gender, skill and class divides.

As described by Gómez León and de Jong (2019), DSTs are an 'extension' of the classic social tables, adopted since the earliest discussions on income inequality in economic history. Rather than relying on 'original' social tables obtained from historical sources, researchers build consistent social tables first, by relying on sufficiently detailed sources on active population – usually, censuses. For instance, in Gómez León and Gabbuti (2025), Italian population censuses from 1901 to 1951 were arranged to obtain 30 work categories – owners, self-employed, salary and wage earners across different sectors – in turn for both genders, resulting in a total of 60 classes. Each of these classes were then attributed an income, relying on a range of different sources. By interpolating censuses, 'dynamic' social tables – with yearly information on the number of individuals within income groups and their respective associated incomes – are obtained, making possible to compute several yearly indicators of inequality. Most importantly, it is possible to obtain Gini coefficients by following the formula:

$$G = \sum_{i=1}^{n} G_i p_i \pi_i + \frac{1}{\mu} \sum_{i}^{n} \sum_{j>i}^{n} (y_j - y_i)\, p_i p_j + L$$

$$\left\{ \begin{matrix} inequality \\ within \end{matrix} \right\} \qquad \left\{ \begin{matrix} inequality \\ between \end{matrix} \right\} \qquad \{overlap\}$$

where *n* is the number of classes; μ is the overall mean income; p_i is the proportion of people belonging to the i-th class; and y_i is the mean income of people belonging to the i-th class, with classes ranked in ascending order ($y_j > y_i$); G_i is the Gini among individuals belonging to i-th class; and L is the overlap between classes, which is different from 0 if members of a lower class (i) have incomes exceeding that of members of a higher class (Gómez León and Gabbuti, 2025). As in that

paper, we follow the most conventional approach where the first term (inequality within classes) and L (the overlap term) are assumed to be zero. In other words, we assume that individuals belonging to a particular group earn the same mean income and, consequently, that incomes do not overlap across classes.

b) Extending Dynamic Social Tables to Post-WWII Italy

From the discussion above, it follows that DSTs allow us to measure inequality of individual monetary incomes among those who earn them – a good proxy of pre-tax, market inequality. While the potential underestimation of inequality can be mitigated by introducing the highest possible level of disaggregation within each occupational group, a clear limitation is the lack of information on transfers which becomes more problematic when government redistribution through transfers and taxes became important (Gómez León and de Jong 2019, p.1079). Importantly, the limited welfare state in the early Republican decades was largely based on workers' and employers' contributions, with limited government redistribution (Giorgi and Pavan, 2021). As for taxation, in 1945 state tax revenues accounted for only 15% of the GDP, up to only 18% by 1974 (Pobdielsky, 1974), when revenues from (not very progressive) direct taxation amounted to barely 7% of the GDP – placing Italy at the bottom of European comparisons. Only the introduction of IRPEF from 1973 led to an increase in both progressivity and tax revenues, and convergence with the OECD average (Bozzi, 2021). As for the absence of rental incomes, while the period saw a strong reduction of sharecroppers, whose remuneration should include imputed rents, national accounts point to an increase of this figure from some 4% to 7% during the 1950s, later stagnating around 6% (Golinelli, 1997): only from the 1980s housing rents rose steadily, getting close to 15% by 2010 (Torrini, 2015). Another limitation – the absence of information on family composition and dynamics – could be reduced by the fact this period was characterised by the lowest levels of female participation in Italian history.

All in all, while these limitations should be considered especially in comparing DSTs with existing alternatives, this approach seem suitable to the case of Golden Age Italy. In this paper, we do not innovate on the methodology: as our aim is to fill the gap in Figure 1, we will follow closely the work by Gómez León and Gabbuti (2025), to ensure the greatest possible consistency: first of all, by building our DSTs with the same number of groups, and then following, whenever possible, the same assumptions. In section 5 and 6, we will exploit the unusual situation of a 'modern' statistical environment, in which some further statistical evidence became available, to bring further detail on labour market dynamics.

In section 5, we will also estimate the new indicator proposed by Neef and Robilliard (2021): the female share of labour income, defined as "the sum of labor income earned by women relative to the national aggregate of labor income within a country," inclusive of "wage and salaries as well as the labor share of self-employment income." As they notice, "female labor income at the national level is equal to the product of female employment and average female earnings:" this means this indicator provides historians with a useful, synthetic indicators of dynamics in income and labour force participation gaps, already applied by Bengtsson and Molinder (2024). In this paper, we highlight how DSTs make its estimation straightforward and adopt it to offer a novel perspective on gender inequality in Italy's Golden Age – when female labour force participation reached its secular minimum (Mancini, 2018), while wage gaps, after the short-run reversal of the Fascist period (Gómez León and Gabbuti, 2025), continued their long-run decline (Bettio, 2015).

While full details are reported in the Appendix, the rest of the section describes the main sources and assumptions behind our DSTs.

c) Population Data

Compared to works on earlier periods, our DSTs are built combining many different sources – censuses, labour force surveys, wages, national accounts – mostly provided by public institutions, both in 'real time' and in the following decades. Consistently with Gómez León and Gabbuti (2025), population census (carried on in 1951, 1961 and 1971, simultaneously with industrial censuses) represent the main source to reconstruct population figures. In this period, censuses classify the active population into 24 main sectors (agriculture, 18 industrial sectors, and 5 services sectors); for each sector, workers were reported by 5 occupational categories – entrepreneurs, self-employed, clerks and managers, dependent workers, and helpers – in turn by gender. To interpolate these figures between census years, and after 1973, we rely on sectoral employment figures from Istat (1976), based on labour force surveys. The only exception is entrepreneurs in agriculture, due to their abrupt reduction between the 1951 and 1961 census, which we preferred to linearly interpolate, to avoid a dramatic shift in 1960-61.[7]

[7] The direct evidence from Labour Force Surveys, collected from 1954, but until 1963 together with managers, also show dramatic changes from year to year, suggesting the sample was probably too limited.

Table 1 – Structure of the Sample by Work Categories and Sectors

Year	Population					Work categories (% of Active)					Sectors (% of Act.)	
	Active (% Pop.)	*Of which, women*	Unoccupied	Earning (Act.+ Unocc.)	House wife	Entr.	Self	Helpers	Salaried workers	Waged workers	Agr.	Ind.
1951	42	*25*	12	54	26	2	23	17	9	48	41	31
1961	39	*25*	18	56	27	2	21	10	12	55	29	40
1971	36	*27*	21	56	25	2	21	5	20	52	17	43

Sources: authors elaborations on ISTAT, various years.

To obtain the greatest consistency with Gómez León and Gabbuti (2025), we first aggregated some industrial sectors (metallic and non-metallic mining; chemicals and rubber; food and tobacco; some very small sectors, such as the movie industry, were included among miscellaneous industries). Then, we grouped white-collar and self-employed workers in one group each for industry, and two groups each for services, while a separate group of self-employed professionals was created by consistently selecting them throughout the census, as documented in the Appendix. Helpers – separately reported by censuses only from 1931 (Gabbuti and Licini, 2025) – were grouped with the self-employed, as it is (implicitly) done in historical national accounts (Golinelli, 1997; Torrini, 2015), despite these figures were not formally entitled with any labour income. As will be shown for women in section 6, this is arguably biasing not only the level, but also the trend of labour shares.

While our series are built following these standard assumption, Section 5 documents the changing nature of the Italian labour force in the period, not only in terms of structural change, but also with a broader shift towards stable, dependent employment. Building on the earlier work by Sylos Labini (1974), we exploit the difference between population and industrial censuses (caused by the difference in the respondent: the household head, and the employer, respectively) to obtain a proxy of "precarious workers" – those who were employed in irregular, or short-term occupation, when not, by modern standard, unemployed.[8]

Indeed, censuses did not capture unemployment, for which reliable series become available only after 1977 (Alberti, 2018). This is relevant also for another group, which Gómez León and De Jong (2019) define as "unoccupied." In the DSTs logic, these people, while not properly 'active,' should be considered as earning some money: following Gómez León and Gabbuti (2025), we include in this group retirees, students and people in search of first employment. As shown in Table

[8] As mentioned in the introduction, among the pioneers of this approach we can quote Sylos Labini (1974). The same intuition can be seen in Giordano and Zollino's (2015) adoption of industrial censuses as a proxy to estimate full-time equivalent (FTE) labour inputs, and population censuses for the headcount figures. For a discussion of the latter assumption, see Gabbuti (2021).

1, this group massively expanded as a result of Italy's structural change. Attributing the same income (as will be discussed below, low, and necessarily questionable) to such growing share of the population, while ensuring consistency with Gómez León and Gabbuti (2025), might affect the reliability of our estimates. For this reason, in the appendix, we document alternative series which include only retirees – the only component of this group which unarguably perceived monetary incomes in this period, considering that unemployment benefits have never been available for Italian first job seekers, and that in an increasingly affluent Italy, even adult students could have increasingly depended on their families.

What is possibly the harder figure to reconcile with earlier figures, is the number of entrepreneurs and professionals (*imprenditori e liberi professionisti*), both in agriculture and in the rest of the economy. The joint organization of industrial and population censuses lead to more consistent, but also much smaller, figures in our DSTs, compared to those in Gómez León and Gabbuti (2025). In agriculture, also due to the lack of this category in earlier DSTs, and the difficulty of assigning them a separate income, we decided to include the few managers and white collars reported by censuses in this sector among the entrepreneurs. On the other hand, we did not include the "wealthy" (*possidenti*) among industrial and service owners, as in Gómez León and Gabbuti (2025): this category also suddenly shrank, according to the 1951 census, and was not reported at all in 1971. As a result, this group is quite smaller than in Gómez León and Gabbuti (2025). While this inevitably poses issues of comparability, we preferred to rely only on industrial and service entrepreneurs classified as such in the censuses, and to avoid our results to be driven by sudden changes in the size of this small, top category.

d) Labour and Capital Incomes

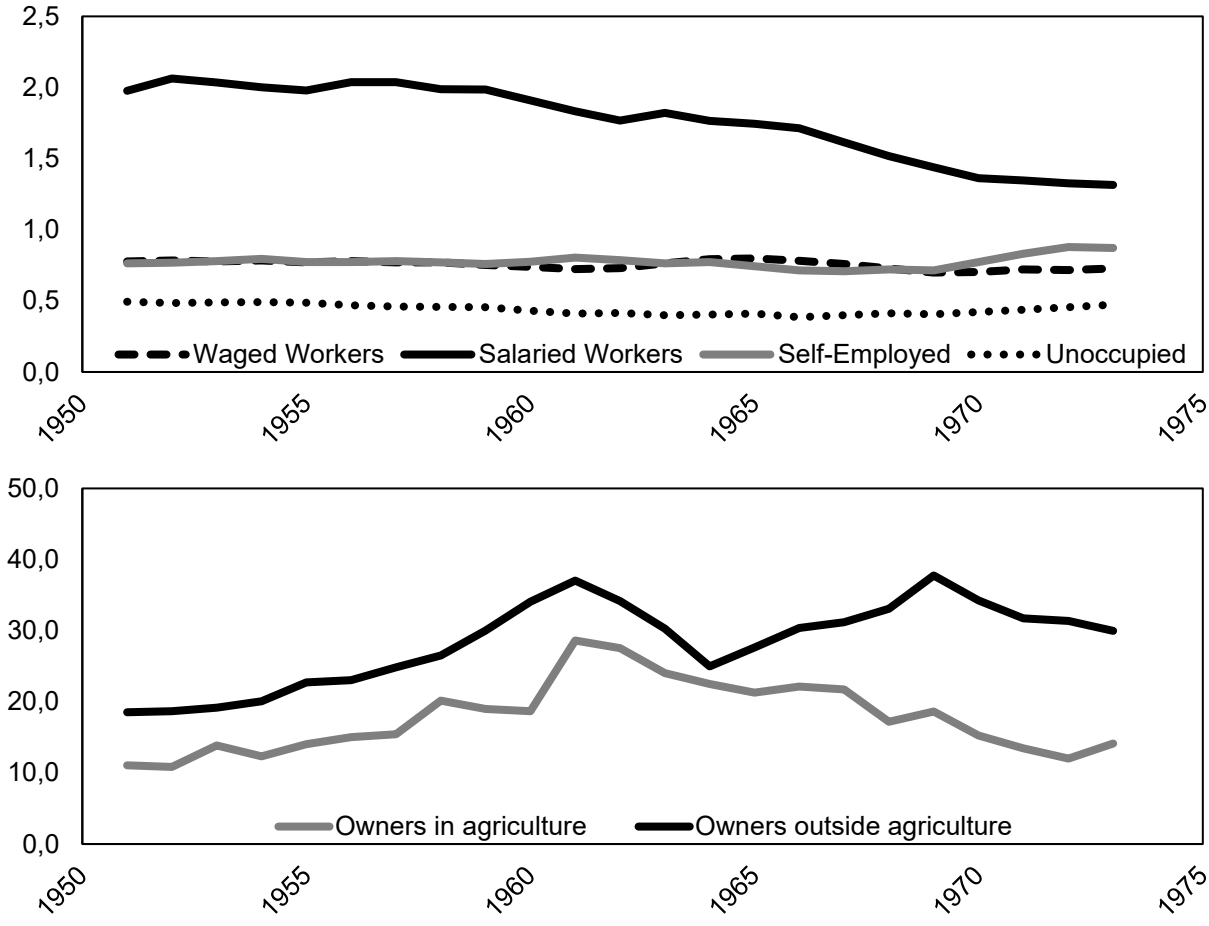
As discussed in section 2, there are reasons to believe that intra-industry differentials were among the major driving forces of income inequality in the Italian Golden age. In this sense, it is reassuring that we can rely on several detailed sources, especially for industry and services. For these sectors, gross wages – containing net wages and small amount of taxes without social contributions – are obtained directly from industrial censuses, broken down into clerks/managers and dependent workers. Dividing the total amount of gross wages by employment figures – from the same censuses – we obtain the gross average yearly wage for all sectors. Inter-census years are interpolated following minimum wage trends – differentiated for different sectors – collected from Istat (1976).

For the Public administration, which was not included in the industrial census, incomes were obtained from Istat (1976). First, we assigned to waged workers the gross average wage of the three

lower workers categories (*carriera ausiliaria*). For the white collars, we assigned the average of the wages of the three categories of "executive career" (*carriera esecutiva*) plus the first three categories of "directive career" (*carriera direttiva*). Finally, for agriculture, as only daily agricultural wages are available, we decided to assign 250 days to dependent workers, reaching levels very close to those of Gómez León and Gabbuti (2025) in 1950, and then applied to women a constant 75% wage gap, as the one recorded in the late-1940s, but surprisingly no longer available for later years.

As in Gómez León and Gabbuti (2025), in our baseline series, we also assigned this lowest income to the unoccupied as well, which, as shown in Figure 2, thus always earned something less than half of the average of the economy in this period. In the appendix, we include alternative series, obtained by assigning this figure only to retirees – as discussed above, the only category which certainly earned some monetary income; also, we assign them an alternative, much lower figure, the average pension resulting from the statistics of the National social insurance institute (INPS).

Figure 2 – Income-to-mean Ratios by Work Categories, Italy, 1951-73



Source: authors' elaborations. Owners' ratios are reported for the 50% version.

Unfortunately, information on gender gaps is highly deficient for this period. The same problem affected the later years of Gómez León and Gabbuti (2025), when, as discussed in greater detail in Gabbuti and Gómez León (2024, p. 147), the number of sources available for gender gap strongly decreased, and trends had to be inferred from arguably overestimated sources, possibly leading to an excessive reduction of gender gaps during the 1940s. For waged work in agriculture, as already mentioned, we keep constant the only directly observed ratio: for industry, we are able to obtain a satisfactory picture, by combining two different sources. First, for the period after 1961, we can rely on the News on Labour Statistics (*Notiziario di Statistiche del Lavoro*), issued by the Ministry of Labour – the source behind Bettio (2015). From this source, we were able to gather data on male and female wages for 17 different industrial sectors until 1973 – a detailed, highly reliable measure of the gender gap, to be applied on our gross data obtained by the industrial census, differently for each industrial sector in our sample. To cover the first decade, we are also forced to retropolate our gaps by means of the minimum bargained wage of mechanical workers, differentiated by sex – it was only in the early 1960s that different minima by sex were abolished, leading to equality, at least in this 'minimum' sense. In the absence of direct evidence on gender pay gaps in services, the average of gap in industry was applied also to these sectors.

Having discussed dependent labour, as clear from Table 1, we are still left with a relevant share of Italian population which was self-employed. In calculating the labour share, economists assume these workers earned at least the average compensation in the relevant sector (Gabbuti, 2021). By assigning them this average, the idea is that the average wage is going to remunerate their labour input, while the positive difference with their unobserved, total income, is correctly going to the capital share. However, in historical Southern Europe, as in developing countries nowadays, self-employment is often better understood as an alternative to unemployment or underemployment: it would be incorrect to assume these workers earned as much as their counterparts in dependent employment, as well as to have their incomes following the same trends, especially in a period in which wage labour, through unions, managed to significantly improve its position – something which we have no reason to assume would automatically translate into higher self-employment incomes. For this reason, we expand the approach experimented in Gómez León and Gabbuti (2025), and first obtain a series of average tax declaration for independent workers, inflated by a third to account for under-reporting.[9] As shown in the Appendix, we then compared this average with the earliest evidence on individual incomes, obtained from SHIW. While the two sources – clearly independent – result into almost identical levels in the 1960s, the SHIW show a very marked

[9] That is, the B-category of the *Imposta di Ricchezza Mobile*: see Gabbuti (2023) for an extended discussion.

increase in the early 1970s. We thus decided to obtain a series of independent workers incomes, as the retropolation of the SHIW evidence by means of the average tax declarations. As shown in the same Appendix, these levels are interestingly close to the weighted average of salaries and wages for the three groups in which we grouped self-employed workers: as in Gómez León and Gabbuti (2025), we thus obtain three different series, by averaging our new series with each sectoral average. A similar combination of SHIW and tax declarations is adopted for professionals. In this way, while allowing for overall trends which are different from those of the dependent labour in the same sectors (as clear, for the 1960s and early 1970s, in Figure 2), we also allow for differences across sectors within the self-employed.

Finally, we follow Gómez León and Gabbuti (2025) also on the imputation of entrepreneurs' incomes. Direct evidence on this group is extremely scant in Italian economic history (Gabbuti, 2022), and fiscal sources on top incomes cover a very limited number of years in this period (Gabbuti, 2023). For this reason, we also imputed them the residual obtained after subtracting the respective labour bill from the national income, separately for agriculture and the rest of the economy. Considering the previous discussion on the very limited number of entrepreneurs registered by industrial censuses in these years, 'splitting' the residual is going to produce very high incomes for this restricted group – arguably unrealistic, even for the very top percentiles of our distribution.

It should also be considered that in post-1945 Italy, while progressivity and redistribution were still limited, the share of the residual which was appropriated by the state, either in form of 'flat' and regressive taxation, or directly as profits by SOEs, substantially grew. For this reason, despite clearly unrealistic in the levels, instead of making arbitrary assumptions, we follow Gómez León and Gabbuti (2025) – that is, splitting the 80 and 50% of the residual among the entrepreneurs in the two macro-sectors. The result is shown in the second panel of Figure 2 for the 50% series, which already shows higher ratios than in Gómez León and Gabbuti (2025), especially for agricultural entrepreneurs. Below, we will show the results for both series: reassuringly, both series show the same, parallel trend. While better, direct evidence would greatly improve the picture, our DSTs will reflect not only within-labour differentials, but also the capital-labour trend.

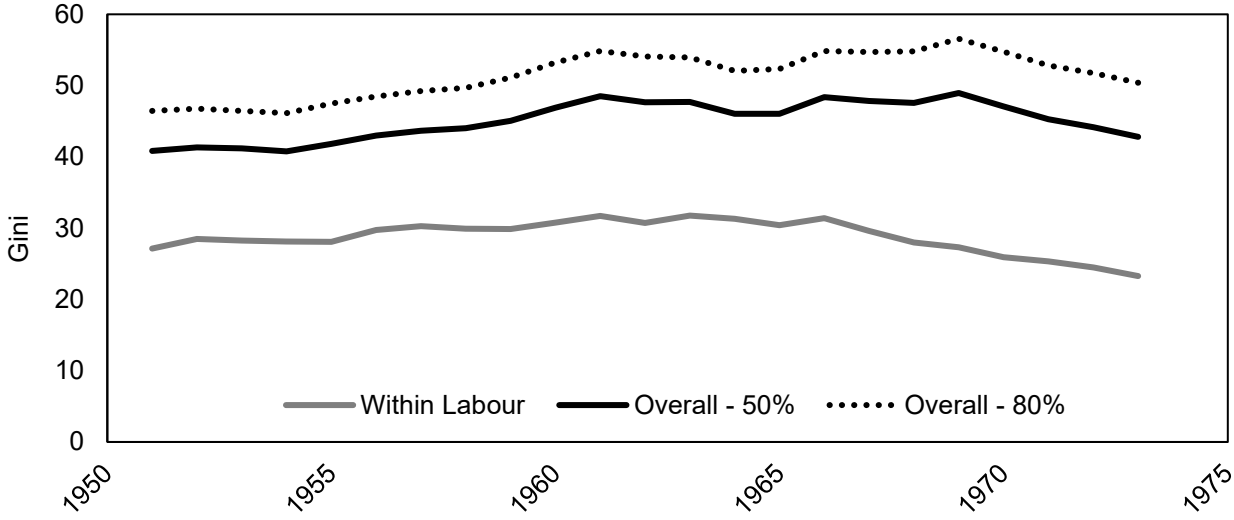
4. Income Inequality in Italy: The Golden Age in Comparative Perspective

After the long discussion of methodology and sources, we are finally able to appreciate the results. Figure 3 shows the inequality level observed both within-labour, and overall, when applying the 50 and 80% assumptions on the incomes of entrepreneurs. First, within-labour inequality confirms the early results by Brandolini (2000): the 1950s were a decade of increasing, rather than

decreasing, differentials within the employed. Our Gini grows from 27.15, to than 31.7 in 1961, to then fluctuate around that level until 1966, and then decline down to 23.27 by the end of the period.

As anticipated, including entrepreneurs' incomes has the same impact on the trend, whether at 50 or 80% of the residual. In both series, adding capital income reinforces the 1950s increase in inequality (from 40.8 in 1951, to 48.5 in 1961, according to our preferred series), confirming the disproportionate growth of profits. After 1961, the sudden explosion of distributive struggles, and moreover, the 1963-64 recession, drove down profits, leading to a short-term decrease in overall inequality. From 1965, however, profits counterbalanced the decline in within-labour, leading inequality up to the peak of the period according to both series in 1969 (48.9 in the 50% version). The Italian Great Levelling eventually started only after the Hot Autumn – well after the end of the Miracle, and at the end of the Golden Age.

Figure 3 – Overall and Within Labor Inequality in Italy, 1951–1973



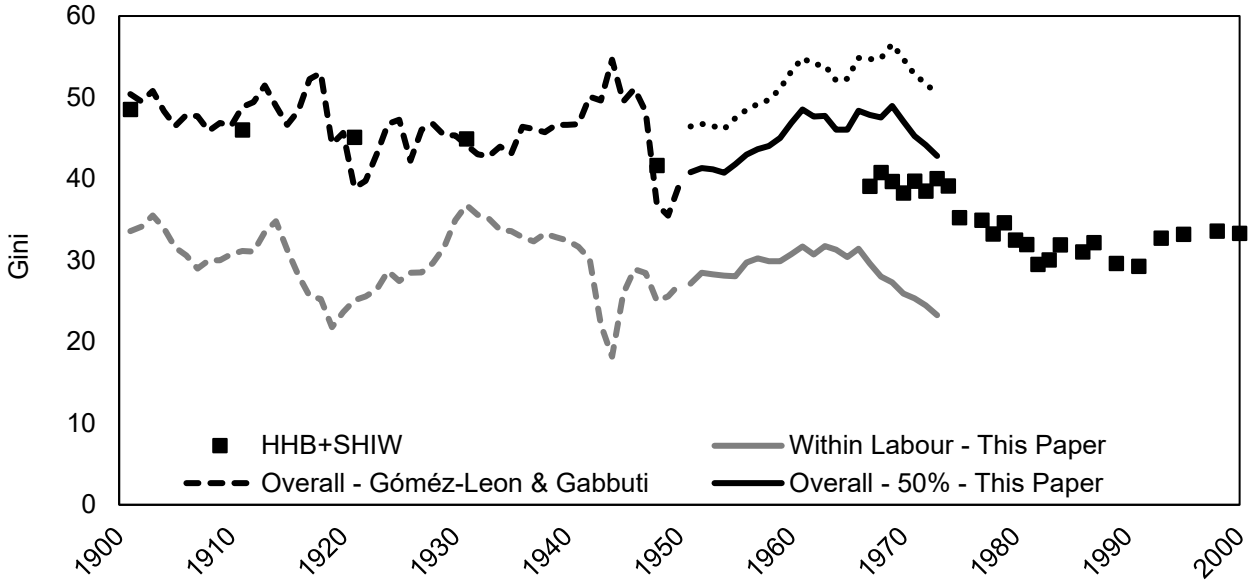
Source: authors' elaborations based on the sources listed in Appendix. Overall estimates attribute 50 and 80% of the residual to entrepreneurs, as discussed in section 3.d.

These results support those who argued the fruits of Italy's growth had not been distributed equally. It is tempting to link these trends with statements, such as the famous 1962 *Note* by the economist Ugo La Malfa (1973), who, as Budget Minister, argued for a substantial change in economic policies, towards explicit redistribution, stressing how the "tumultuous development [had] left persisting sectoral, regional and social backwardness" across the country. If we go back to the analysis of authors such as Boltho and Capussela, discussed in Section 2, the strong push for the increase in labour compensation, which had its first episodes precisely at the turn of the decade, to explode at the end of the 1960s, was all but an "overreaction."

Before investigating these trends in greater detail, it is interesting to discuss how they fit in the broader historical picture. Figure 4 places our new series in comparison with the existing figures

for Italy. A first, reassuring result is that both the within-labour series, and the 50% overall inequality series, almost perfectly continue the series by Gómez León and Gabbuti (2025). As for the latter, while it starts from level compatible with the 1948 Doxa survey, it would point to higher inequality in the late 1960s, compared to the estimates based on SHIW: nonetheless, by the end of the period, the two series converge. Considering the existing series are based on household level microdata, as in Gómez León and Gabbuti it seems reasonable to use the DSTs to infer short and medium-run trends, while substantially confirming the established levels, except for the late 1960s-early 1970s. Indeed, it is tempting to read our 50% series as the lower-bound estimate of inequality in Golden Age Italy: while the 80% series levels are arguably too high, they remind us that, due to the likely underestimation of capital incomes discussed in Section 2, actual levels of inequality might have been even higher than those registered by the 50% series – and thus, the inequality reduction which took place in the 1970s might have been even more relevant.

Figure 4 – Income Inequality in Italy, 1901-2000



Sources: Figure 3, Gómez León and Gabbuti (2025), and Vecchi (2017).

On a more substantial level, this long-run perspective would lead to consider the 1950s as a period in which pre-war inequality levels were restored, after the only temporary compression induced by war and inflation. The Reconstruction period, were already Gómez León and Gabbuti noted a recover of inequality, marked a renewed period of what Zamagni (1975) defined as "wage repression": according to the economic historian who had estimated wage series for both the liberal and fascist period, the Economic miracle had been nothing new, "but a (better) repetition" of the old combination of external demand, and "wages below productivity growth" (Zamagni, 1975, pp. 547-9). By extending the analysis to the entirety of labour incomes, and then including profits, our DSTs allow us to appreciate how the labour, and then more broadly social unrest which had started in the

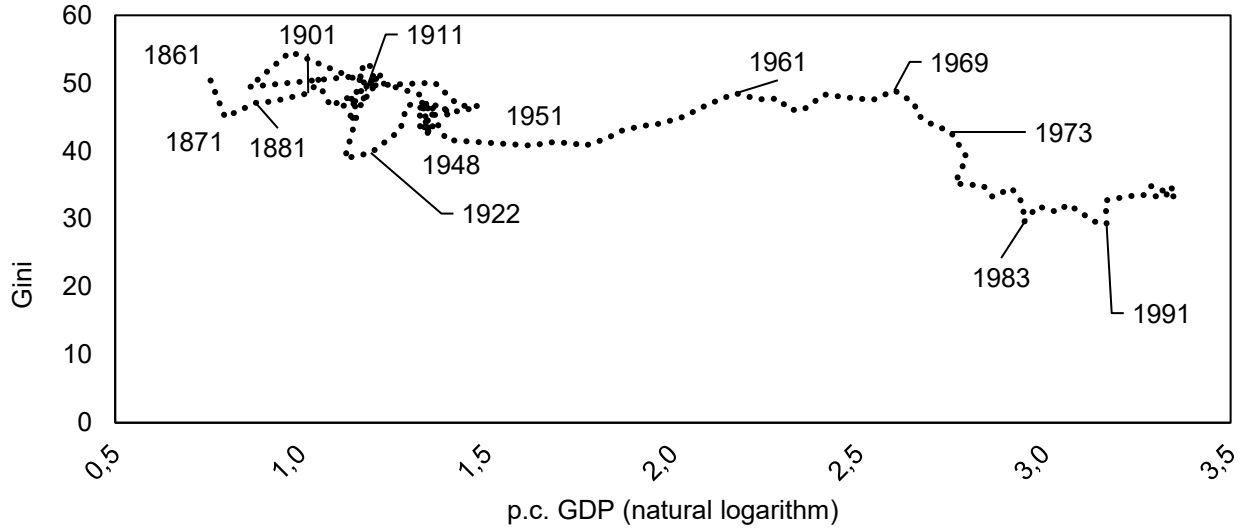
early-1960s and fully developed from 1969 represented "something new:" for Zamagni, "the first crisis provoked by mainly endogenous factors."

In this sense, the almost secular perspective offered by DSTs bring an interesting comparison between the late-1960s and early 1970s, and the other period of sustained within-labour inequality compression, occurred between the Great War and the following 1919-1920 "Red biennium" (Gabbuti, 2021). While the 1950s and early 1960s did not bring equalisation, despite the radical changes in the economic and political institutions, the following period represented the only period of wage compression which could entirely be attributed to "benign", redistributive forces, and not to world wars or major recessions. The definition of 1968-1969 as a "second red biennium" by metalmaking union leader Bruno Trentin seems vindicated. The resulting low level of inequality was maintained until the early 1990s – that is, before the period of sustained decline opened by the 1992 currency crisis.

It would be tempting to read Figures 3 and 4 as a Kuznets curve: when discussing its absence for the Italian case, Rossi et al. (2001) had not accounted for the period of most sustained structural change in the history of the country. This stands out very clearly from Figure 5: the sizeable, at times dramatic changes experienced by Italian income distribution before 1948, occurred when the country moved only slowly in terms of per capita GDP. Almost half of the overall improvement in Italian incomes since 1861 were realised in the 25 years between the Doxa survey and the end of the Golden Age.

The first, more sustained increase in mean incomes was associated to rising income inequality, which during the 1960s was around the late-19th century levels (but below the peaks reached in the early 20th century). The timing and extent of the decline, however, are only partly consistent with the drivers discussed by Kuznets (1955) and rather seem to call into question socio-political developments. In this long-run perspective, it is important to note that the post-1973 decades were still characterised by relatively fast growth: the more effective redistribution of these years did not seem to effect income growth: on the contrary, Italy's second "Kuznets wave" took place in the period of prolonged stagnation and relative decline which followed 1992.

Figure 5 – Income Inequality and Per Capita Income in Modern Italy



Source: authors' elaborations. Gini obtained by combining estimates from Vecchi (2017) for the years 1861 to 1901; Gómez León and Gabbuti (2025) from 1902 to 1947; Vecchi (2017) for 1948; Figure 3, Overall – 50% from 1951 to 1973; Vecchi (2017) from 1974 to 2012. of p.c. GDP at 2010 euros, from Baffigi (2015).

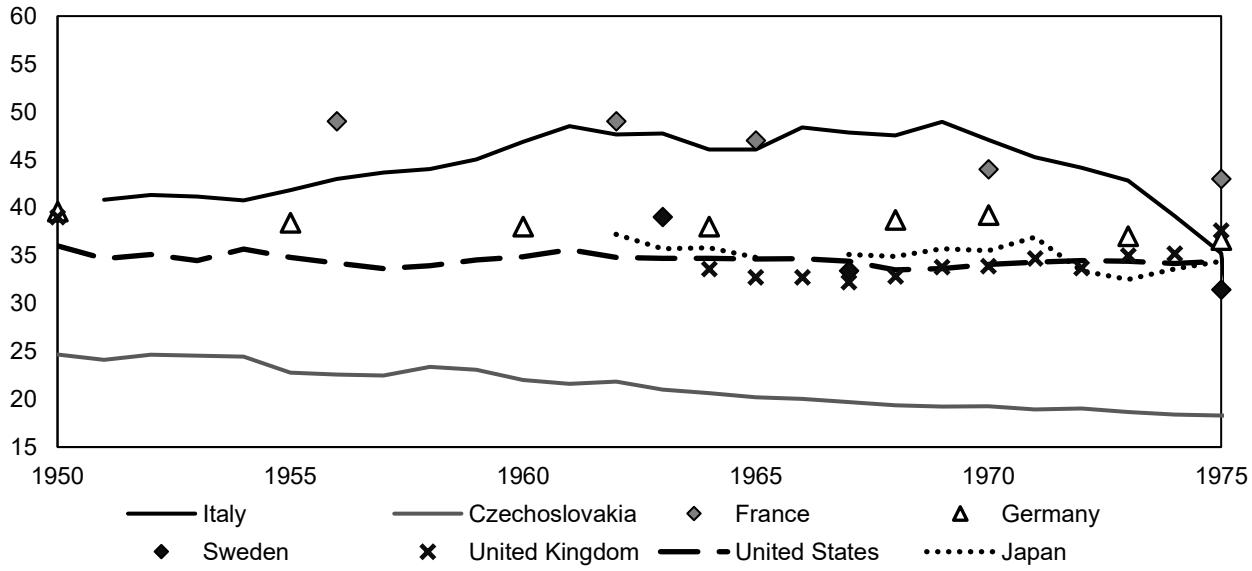
Is the Italian story exceptional in international comparison? As mentioned, the evidence on inequality during the Golden Age is somehow limited. To overcome the fact that most modern databases, including the LIS and World Bank data, start in the late 1960s, Milanovic (2019) assembled the "All the Ginis" dataset, which includes datasets crated by institutions such as WIDER and CEPAL, as well as some academic studies, with some coverage from the early 1950s. In their insightful work on Latin America, Alvaredo et al. (2025) noted how the estimates for this period often "combined information from the first household surveys with other sources, including censuses an the (then incipient) national accounts computations" – which could possibly relax the concerns about the comparability of these figures with DST-based ones. Since the dataset last update in 2019, few paper proposed novel evidence on these decades – for instance, the aforementioned longer-run accounts by Gómez León (2021) and Nikolić et al. (2024).

Building on this evidence, Figure 6 compares our baseline series with some of the most continuous and historically relevant evidence available for the 1950-1975 period, starting from the new and old "leaders." By 1945, the US had already reached the "historically low level of about 35 Gini points," maintained until the end of the 1970s (Milanovic, 2016, pp. 71-72). While the last estimate by Gómez León and De Jong (2019) is slightly higher, when the first modern statistics became available, the same held for the UK. Both countries had experienced pronounced Kuznets curves during their (early) industrialisations: however, interestingly, the US Great Levelling had occurred only after 1933, and especially in the "booming" 1935-1950 year, alongside doubling average incomes (Milanovic, 2023, pp. 193-196). In this sense, it is interesting to compare Italy with the other two post-1945 "miracles." Germany, somehow surprisingly, seem to have stabilised

just few points below the 40 recorded just before the Great War, and most of all, the 41 reached at the end of World War 2 (Gómez León and De Jong, 2019). Japan, on the contrary, had already reached levels similar to the US one – that is, some 10 points below our Italian estimates – by 1963.

Extending the comparison to other European countries, while not showing any increase, France seems to have experienced a slower decline of inequality, from relatively high levels. Indeed, alongside the well-known trends in top income and wealth shares (Piketty, 2014), the Gini in household income was still 47 in 1965: it was only later, and especially in the 1970s, that French income distribution became more egalitarian, although historical estimates show wide fluctuations. Czechoslovakia was at the opposite extreme: in this highly industrialised Eastern European country, inequality had dramatically collapsed during the war devastation and the transition to socialism; nonetheless, it continued to decline for the whole period. In between, a Nordic social democracy like Sweden, after showing "German" levels in 1963, had converged to the UK and US by 1967, to become one of the most equal (non-socialist) European countries by the end of the period (Bengtsson and Molinder, 2024).

Figure 6 – Income Inequality in the Golden Age: Italy in International Comparisons



Source: authors' elaborations. Italy from Figure 4; Czechoslovakia from Nikolić et al. (2025); United Kingdom in 1950 from Gómez León and De Jong (2019); other countries and years from Milanovic (2019). For comparability issues, we excluded the German figures for 1963 and 1969.

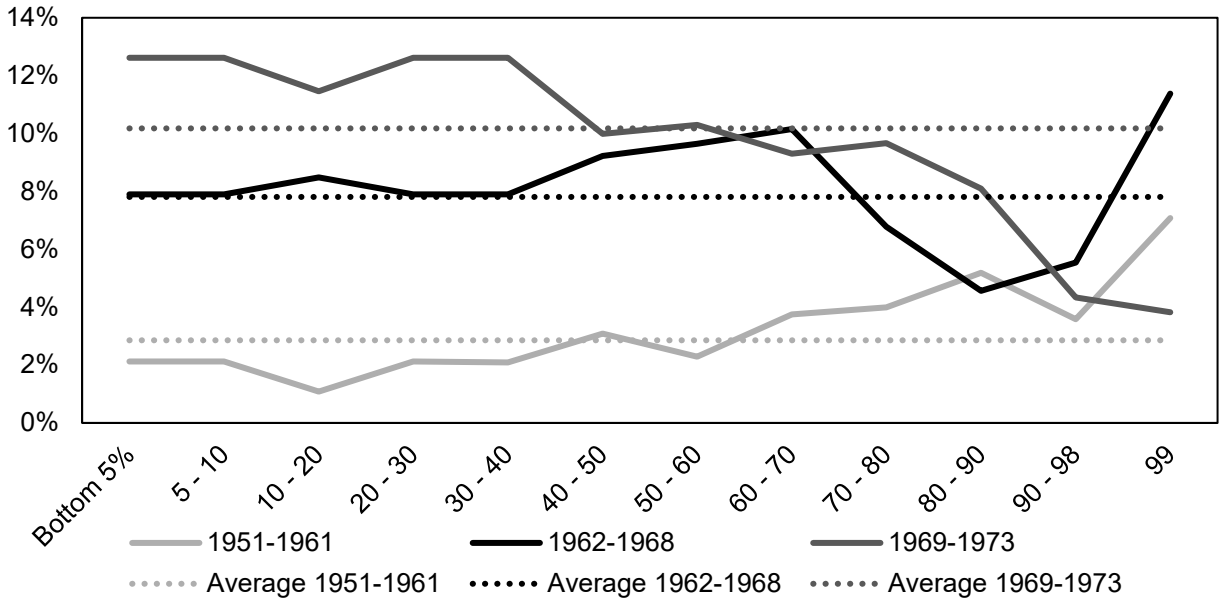
While other evidence from the Golden Age, such as the one for Latin American countries, is less clearly relevant for the Italian case, more recent economic history offers interesting cases, such as the Spanish transition from Francoism to democracy in the mid-1970s. Contrary to the picture offered by official household surveys, by correcting them by means of national accounts, Torregrosa-Hetland (2016) argued for a "quite persistent" level of inequality. In this sense, the

failure of Italian democracy to immediately deliver equality could not be historically unique. What seems more peculiar, even in later comparisons, is the regressive outcome of the "boom" period: according to Hong et al. (2025), South Korea's rapid development was accompanied by further inequality reduction, after the substantial, "malign" collapse experienced in the interwar decades.

5. Zooming In the Miracle: Income Inequality and Social Classes in Italy

After discussing the long-run and cross-country comparison, it is time to explore in greater detail what our new evidence reveals about the Italian Golden Age. To consider shorter-run dynamics, as in Gómez León and Gabbuti (2025) and Vecchi (2017), it is useful to discuss the so-called growth incidence curves – that is, how the average income of the different parts of the distribution changed in the period, compared to the average growth in incomes. While the Appendix report the GIC for the whole 1961-1973 period, Figure 7 report 1962-1968 and 1969-73 separately. During the whole Golden Age, incomes clearly increased for all groups. However, the 1951-61 GIC is "growing;" that is, poorer deciles did worse than richer ones. Moreover, while average incomes grew by 2.8% annually (that is, way less than the 7% of GDP per capita: Baffigi, 2015), the bottom half of the income distribution earned less than this level, with the top percentile (represented by the capital earners) earning way more than the average. DSTs, by not combining individual incomes into households, and possibly underestimating other sources of income, could underestimate the growth of the lowest percentiles: on the other hand, the cumulated growth in the 1950s, and especially between 1961 and 1968, is probably enough to explain the strong poverty reduction occurred in the period. In any case, the graph vindicates Zamagni's interpretation: the incomes of wage earners grew less than the average during the miracle years. The very opposite story held true for the following years. Despite the slow-down of GDP growth (6% in the whole period), average incomes increased yearly 7.8% until 1968, and 10.2% in 1968-73. In both periods, the bottom 50% of the distribution earned at least as much as the average. Interestingly, in 1961-1968, the top three deciles grew below average, but the top 1% still outperformed all the others. The very opposite of 1969-1973, when they grew less than half the average, followed by the two top deciles.

Figure 7 – Growth Incidence Curves in Italy, 1951–1973

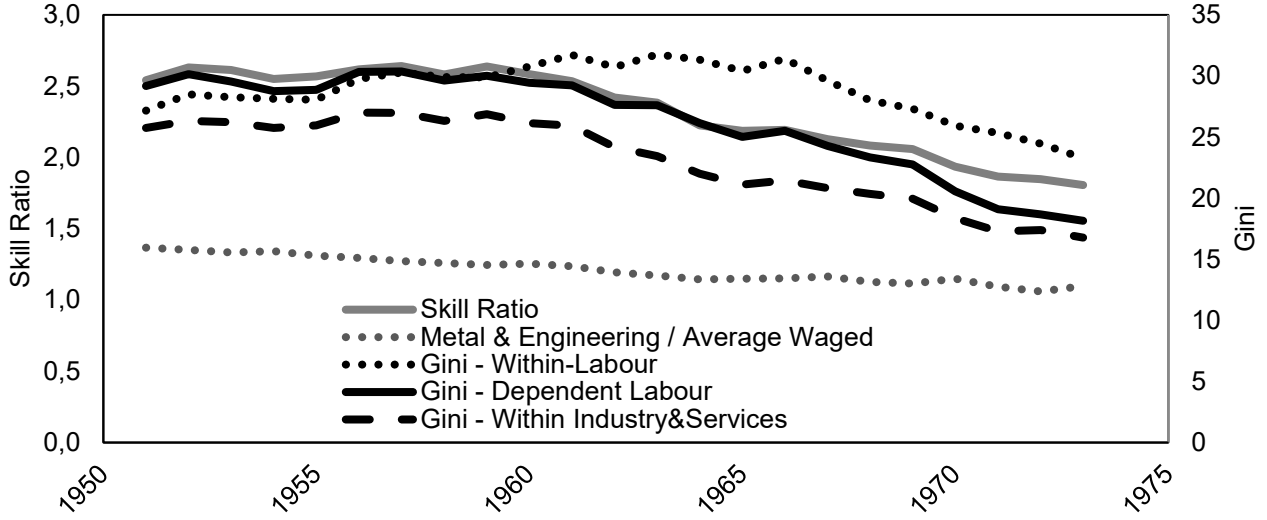


Source: authors' elaborations. The y-axes show the average annual compound growth rates of real incomes (expressed in %) at different fractiles of the distribution (drawn on the X-axes) between two benchmark years. Continuous lines show average annual growth for different segments of the distribution; dashed lines show overall average annual growth. All series expressed in real terms.

One of the mechanisms behind these trends is shown by Figure 8. The 1950s saw the stability of the skill ratio – the difference between the average blue- and white-collar workers' incomes – just above 2.5. Then, it declined to 1.8 in less than 15 years – in line with explicit unions' demands.[10] This trend is substantially reflected by the trend in inequality within both dependent labour, and industry and services only. A combination of the changing size of self-employed, especially in agriculture, and their different relative fortunes (Figure 2), might explain the differences between these indicators and overall within-labour inequality. The same figure shows the declining relative status of white collars from the 1960s, contributing to the fall in both the skill ratio and the dependent labour Gini.

[10] If we were to include the compression between categories, and across provinces, induced by national bargaining in these years, and analysed in works such as Ramazzotti (2024a, 2025b), the trend would be further reinforced.

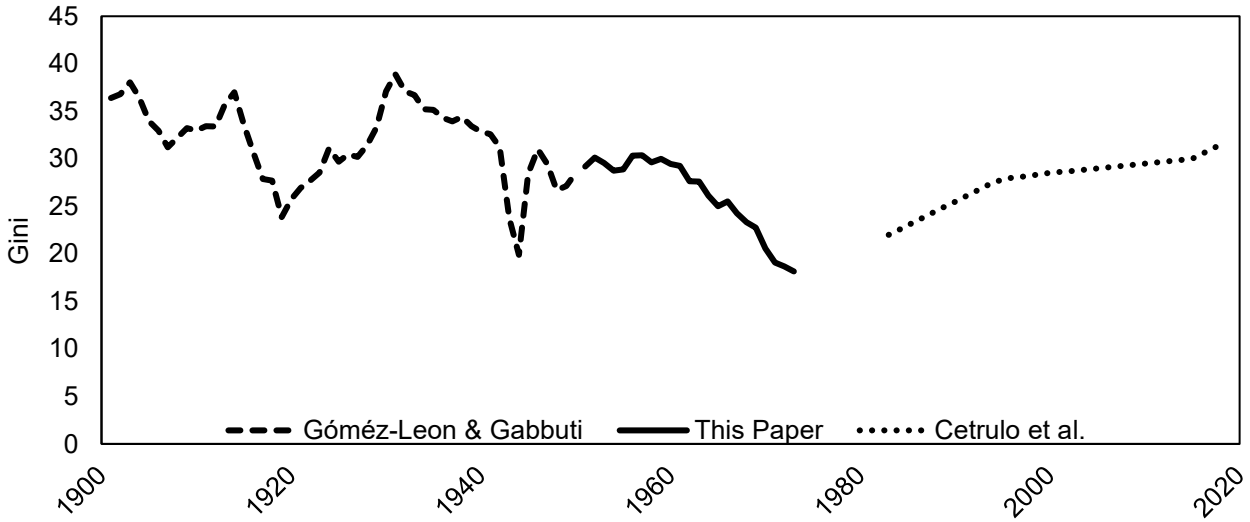
Figure 8 – Skill Ratio and Within-Labour Inequality, 1951–1973



Source: authors' elaborations. The skill ratio is a weighted average of salary versus wage earners, by sector. The Metal & Engineering / Average Waged series report the ratio between waged workers' incomes in these sectors, and their average. Gini series for overall within labour, dependent labour only, and industry and services only, are reported on the right y-axis.

In Figure 9, we better appreciate the historic extent of this compression. After the very high levels of the early 20th century, and the sudden decrease during the Great War and the subsequent period of labour unrest, early Fascism marked a period of strong increase in inequality within dependent workers, peaking in 1931 at 38.9. The following compression, accelerated in inflationary periods, was partly reverted in the 1950s: by 1973, this indicator had reached its absolute low (18.15). This is just few points below the Gini computed by Cetrulo et al. (2023) by means of INPS data, available from the early 1980s, capturing the increase in within-dependent labour differences in the most recent decades – even before the increase in overall inequality, but in line with the trend in top income shares (Figure 1).

Figure 9 – Within-Labour Divides in Italy in the Long-Run: Dependent Workers, 1901-2018

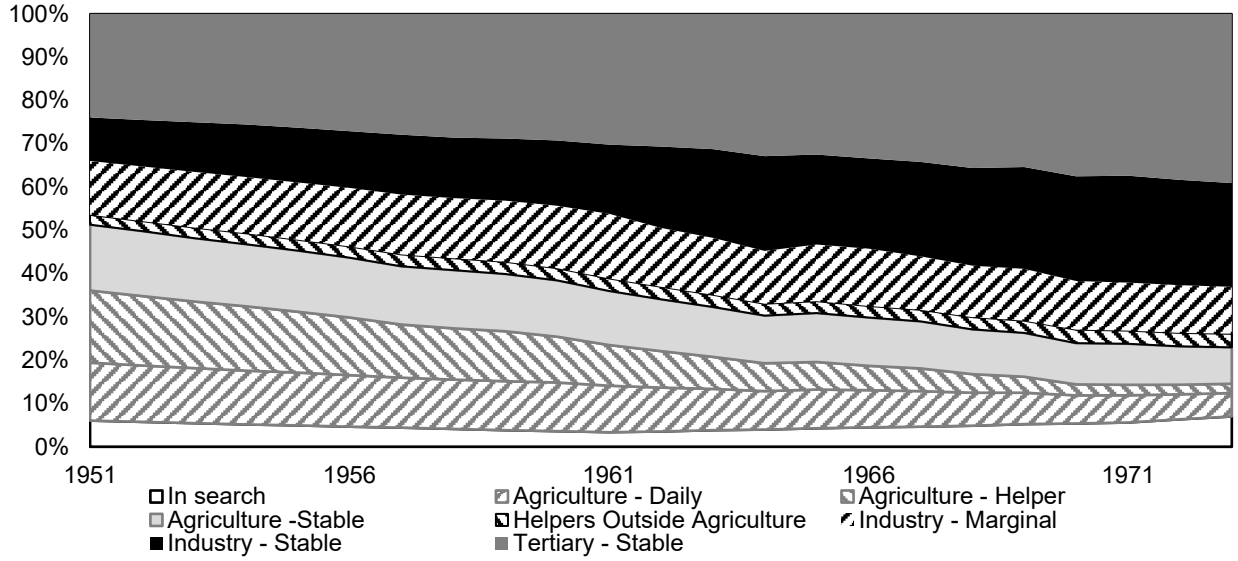


Source: authors elaborations on Gómez León and Gabbuti (2025), Cetrulo et al. (2023), and Figure 8.

As discussed in section 3, however, this story does not fully capture how the Golden Age represented, for a great number of Italian workers, the way out of precarious work – together with "underemployment," a very common feature of the post-1945 period (Betti, 2019), and actually, most of modern Italian history (Alberti, 2018). From 1951, the difference between population and industrial census (consistently and simultaneously collected) figures for industrial workers, could indeed be seen as a proxy of marginal workers in secondary sector. For agriculture we were able, thanks to the sources discussed in the Appendix, to compute separately the number of yearly waged, from the daily labourers. While, as discussed in Gabbuti and Licini (2025), gender historians argued to include helpers among an enlarged definition of "entrepreneurs," as they share some of their functions, helpers were clearly marginal figures from our perspective, as they were not entitled with a contractual wage, nor could benefit from any sort of welfare state provision. This component of the labour force, somehow natural in the Italian economy, characterised by the widespread presence of small, family firms, rapidly contracted in the Golden Age (Table 1), driving most of the reduction in self-employed and, as we will see, in female employment.

In Figure 10, by reporting stable workers, precarious workers, and helpers by sector of activity, together with people in search of first employment, we show how structural change – the strong reduction of the labour force in agriculture, from almost 50% to less than 20% – went hand in hand with a decline of marginal positions. Within agriculture, daily labourers decreased their relative relevance, but by far the greatest reduction was the one from the helpers, which almost disappeared from this sector, while remaining stable in the rest of the economy. Industrial stable jobs increased, but the relative weight of marginal work did not decline much, even at the end of the period. While the strong economic growth led to an increasing share of stable workers in industry– which, by 1973, together with those in services accounted for slightly less than two third of the total – and the great reduction of helpers (that is, workers which did not formally receive a wage), a sizeable number of marginal, or precarious, workers remained within the Italian labour force even at the end of the Golden age. All together, these categories accounted for 47% of the total in 1951, and still some 29% in 1971.

Figure 10 – The Role of Marginal Labour



Source: authors' elaborations on the sources discussed in the paper and the Appendix.

6. The Other Side of the Miracle: Gender Inequality in Incomes and Employment

The Golden Age is generally regarded as a period of decreasing female labour force participation (FLFP). For the US, the literature has mainly highlighted the male breadwinner culture and supply-side issues to explain the phenomenon (Goldin, 2006). In the Italian long-run story, first unveiled by the seminal contribution by Mancini (2018), after a short reversal in the late 1930s, the Golden age is the period when FLFP reached its minimum. Among others, Betti (2010) and Barbiellini Amidei et al. (2023) also reveal considerable uncertainty in the short-run dynamics.

As discussed in the introduction, among the motivations for applying DSTs to the Italian Golden Age is precisely the possibility of exploring gender inequality. By construction, DSTs make possible to consider not only gender pay gaps, but also the changing participation of women to the labour market, and its sectoral composition (Gabbuti and Gómez León, 2024). Of course, our main population source, censuses, suffer from well-known biases against female work (Humphries and Sarasua, 2012). Interestingly, however, they offer a rosier picture than the one from the earliest labour force surveys. As shown by Table 2, our DSTs record the lowest FLFP level in 1961 (26%), and a partial recover already by 1971.

Moreover, aggregate figures hide wide sectoral differences (Gabbuti and Gómez León, 2024). Within the inactive, housewives (*casalinghe*, a crucial, and hotly debated category, as discussed by Patriarca, 1998) decreased their relevance in the period, by almost 10 percentage point, as shown again by Table 2. At the same time, the share of female students increased. Going back to the active, most of the reduction between 1951 and 1961 is due to (rural) helpers: while this group more than halved, waged workers only slightly decreased, and 'proper' self-employed and

salaried workers increased. Among marginal workers, the share of women decreased from 14% (1951) to 8% (1971). All in all, during the Golden Age, Italian working women slowly moved to a more central, better remunerated part of the labour force.

Table 2 – Female Employment in the Golden Age: The Census Perspective

Year	FLFP	The sum of:					Plus:		Women as % of employment in		
		Self	Salaried	Waged	Helpers	In search	House wives	Students and other	Agric.	Industry	Services
1951	29%	3%	3%	14%	7%	2%	69%	2%	41%	28%	31%
1961	26%	3%	4%	13%	5%	1%	67%	7%	31%	31%	38%
1971	28%	4%	7%	12%	3%	2%	60%	12%	18%	33%	49%

Source: authors' elaborations on Istat, various years.

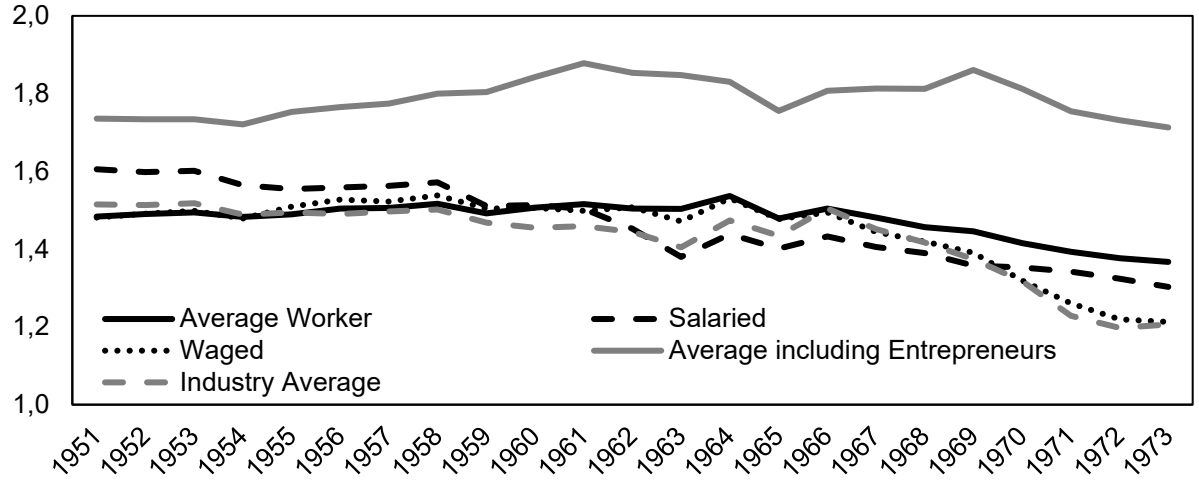
Usually, this literature also described the decline in FLFP as brought by the structural change and the transfer of big portions of labour force from countrysides to cities. Indeed, looking at the share of women by sector, reported in the last column of the same Table 2, confirms this idea. Female agriculture workers declined from more than 2 million in 1951 to less than 1 million in 1971; in relative terms, they went from 41% of the total, to 18% in just two decades: for instance, the *mondine* – Northern day-labourers in rice harvesting – almost disappeared during the miracle, replaced by machines. The opposite trend can be observed in industry, were women increased from 1.3 to 1.6 million female workers, and most of all, services (from 1.5 to almost 2.5 million). While women increased their relative share in both 'light' and 'heavy' industries, reinforcing a trend in place since the interwar period (Gabbuti and Gómez León, 2024), they came to account for half of the total labour force in services.

On top of the reduction of marginal employment discussed above, jobs in industry and services were typically less precarious and better remunerated. Indeed, while these were hardly the best remunerated, nor the most skilled or technologically advanced sectors, it should be noted that, contrary to labour within the family farm, or even traditional domestic textile production, the new industrial and service jobs available for Italian women tended to be performed outside the house – thus contributing to overcome the "separate spheres."

Despite the limitations discussed in Section 3, the gender pay gap series seem to capture these developments. In Figure 11, we show the average gender gap for workers, computed over all sectors in the period 1951-1973. We also add separate ratios for salaried and waged workers only; and one including entrepreneurs. Interestingly, despite the latter are assigned the same income for both women and men, is their great gender segregation, together with their very high incomes, leads to an increase in the overall income gap for most of the period. The story is quite different if we

focus on workers only. Starting from 1.48 – slightly above the final level recorded by Gómez León and Gabbuti (2025)[11] – gender pay gaps slightly increased, together with within-labour inequality, until 1964, when it reached 1.54. In the later decade, the ratio went down to 1.37 – arguably, driven by contractual improvement, starting from 1963, which strongly reduced the distance between the various categories, while overcoming the gender segregation. Also in this period, as already highlighted by Bettio (1988), women benefitted from the egalitarian culture of Italian trade unions. Interestingly, this result is mostly confirmed when looking at waged workers – whose gaps, however, declined even faster from the late 1960s. More unambiguously, gaps among skilled workers steadily declined, from 1.61 in 1951, to 1.30 in 1973. This is also the result of compositional change, with women leaving the less remunerated white-collar positions in agriculture to men only.

Figure 11 - Gender Income Ratio in Italy, 1951-73

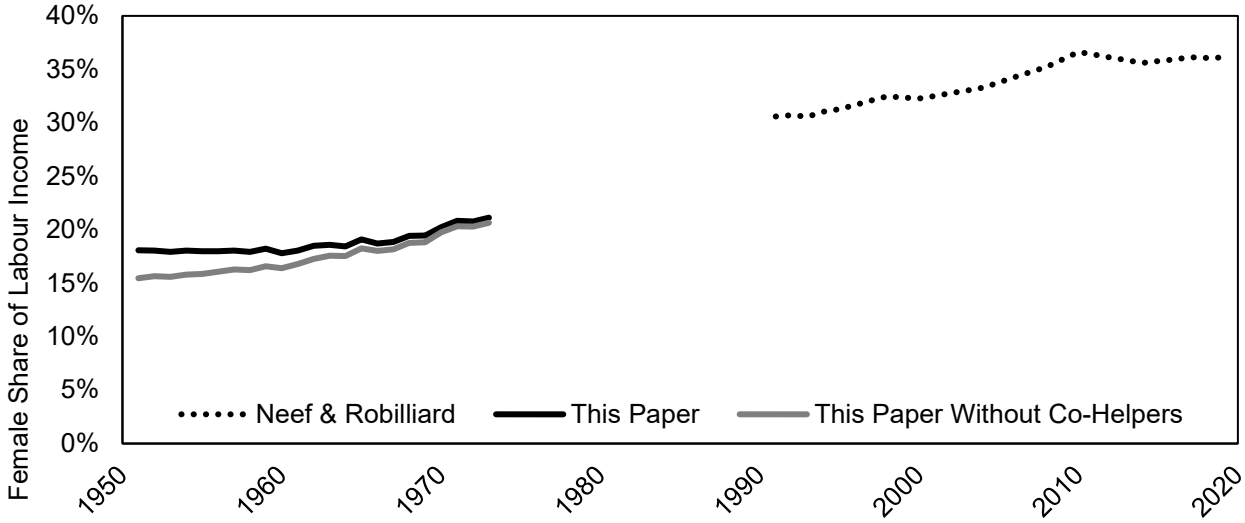


Source: authors' elaborations. Ratios computed as weighted average of male over female incomes, by sector and position.

As anticipated in section 3, DSTs also allow us to 'factor in' the trends described in Table 2 and Figure 11 – that is, the changing number of working women, their different sectoral composition, and the evolution of gender income gaps – by means of a 'synthetic' indicator of female power in the labour market, the female share of labour income. Figure 12 shows the first historical evidence of this indicator for Italy, together with the series computed from 1992 by Neef and Robilliard (2021). Interestingly, the share of labour income accrued by woman remained stable around 18% during the 1950s. While we lack historical comparisons, this level matches India in 2019.

[11] As mentioned, sources on gender pay gap are less abundant in the 1940s, forcing Gabbuti and Gómez León (2024, p. 147) to adopt the same ratio for more sectors, possibly exaggerating overall convergence.

Figure 12 – Female Share of Labour Income in Italy, 1951-2019



Source: Neef and Robilliard (2021), and authors elaborations.

From 1961, when FLFP started to increase, and eventually pay gaps were reduced, Italian women started to increase their share of labour income, reaching 20.6% by 1973. At this point, indeed, both components headed in the same direction: FLFP increased, and most of all, sectoral composition of female employment improved, with more women working in sectors where average wages were higher, resulting in a further reduction in gender-pay gaps. While more work is needed to bridge the gap with Neef and Robilliard (2021), and possibly, to improve the consistency between these series, the comparison between the two would suggest a steady increase of female labour income from the 1960s to 2010, followed by some later stagnation.

The story becomes even more positive, when we take into account that helpers arguably were not actually paid: in a second series in Figure 12, we exclude their incomes from the estimation of the share.[12] In this way, 1951 Italy shows levels in line with MENA countries today – that is, the lowest shares recorded so far: from this moment on, however, the increase is constant, almost reaching the normal series in 1973.

7. Conclusions

In this paper, by combining industrial and population censuses, wages and fiscal sources, labour force surveys and national accounts, into new DSTs, we presented the first evidence on income inequality in Italy during the crucial period of the European Golden Age. In the years between 1951 and 1973, while Europe experienced unprecedented growth and historically low levels of income inequality, Italy enjoyed its economic miracle. In two decades, a prevalently

[12] As a male household head was most likely accruing both female and male helpers' incomes, we keep male helpers incomes in the denominator.

agricultural nation became a fully-fledged industrial, and tertiary, economy. Millions of people came out from poverty, and the mass of Italian workers enjoyed consumption levels which were dreamt of by the elites of previous centuries.

Was this Golden Age the same for all Italians? The new evidence presented in this paper reveals how most Italians had to wait until the mid- or late-1960s to get a fair share of the miracle. During the 1950s, wages increased less than average GDP, and both within-labour and overall income inequality increased, together with gender income gaps. Notwithstanding a wave of strikes in 1962-3, which provoked a temporary "wage shock," and marked the start of a sustained wage compression, especially among dependent workers, profits drove overall inequality back to high levels until 1968. It was only later, in the "Hot" post-1969 years that inequality started its sustained decline: from that year, labour shares finally increased, to reach their maximum levels in the 1970s (Torrini, 2015), and also private wealth inequality declined (Cannari and D'Alessio, 2018). In this period, the share of labour income accrued by women finally also started to grow, steadily, although slowly, towards the levels recorded in most recent decades. This was eventually the result of sustained union activity, and eventually was to obtain 'proper' redistribution, in the form of both progressive taxation and universal welfare state, during the 1970s.

The application of DSTs made also possible the role of labour markets and unions in shaping income distribution. During the early 20th century, and especially after the Great War, labour unions had managed obtain an equalisation in wages which benefitted the unskilled (Gómez León and Gabbuti, 2025) – and thus, as first noted by Bettio (1988), by working women. This trend had been violently reversed by the Fascist period: however, after the 'malign' impact of war and inflation, divides had been restored in the early Republican years. It was only later, when the industrial areas of the North-West started to face full employment, that labour unions managed to push for higher equality, with broad effects in the country, thanks to the centralised bargaining model inherited by the Fascist period. While replicating, in one of the most spectacular Golden Age economic booms, a Kuznets-like relationship between income inequality, structural change and per capita GDP, the Italian story points at different causal explanations, in line with works such as Farber et al. (2021), which showed the role of labour power in the New Deal and later US trends, and Jaumotte and Osorio Buitron (2020), which linked the post-1982 increase in inequality experienced by most OECD countries to declining union density. These results call for the importance of linking labour history and inequality studies, and to adopt measures and concepts of inequality which allow researchers to understand what happened to the working population.

While contributing to both the economic history of the Italian and European Golden Age, and the debate on historical trends in income inequality, our results should be expanded by further research, in at least three directions. First, new archival work is needed to improve the underlying evidence, regarding at least gender income gaps outside industry, and the incomes of entrepreneurs, and more generally the rich. As discussed by Gabbuti (2022), a more extensive exploration of fiscal archives could bring fresh evidence, which in turn could help us refine our DSTs. Second, future research should address the link between personal and regional inequality in Italy – not only, but especially, in the period of most sustained reduction of income differentials between the North and South (Felice, 2011) – possibly by extending our same approach. Finally, international comparisons revealed how, for most countries, we still lack consistent, continuous series for the post-1945 period. In countries such as France and Germany, the Great Levelling can hardly be attributed to either World Wars, or the Golden Age, when we consider the existing evidence on overall distribution: more research is needed to investigate these trends, and, most importantly, their underlying causes.

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Appendix 1 – On the Construction of DSTs for Italy, 1951-1973

1. Active Population

In order to enrich our understanding of the evolution of social classes in Italy during the Golden Age, we created two different workforce datasets with 1 agricultural sector, 18 industrial sectors and 5 services sectors. While the first dataset is based on population censuses (1951-1961-1971) representing the active population, the second is based on the industrial censuses (1951-1961-1971) representing employment. All the censuses were reclassified to match the 1951 industrial census sectors. The population censuses, which cover the whole active population and are more consistent with Gómez León and Gabbuti (2025), provide us with a reliable basis for our DTSs; industrial censuses, as discussed in section 5, allow us to provide further detail on class structure, and especially on precarious workers.

The population censuses split the active population in different sex (M/F) and positional categories: entrepreneurs, self-employed workers, clerks and managers, blue-collar workers and helpers. The sub-classifications for "Public Administration" and "Various Services" widely changed in the different censuses. For instance, in 1951 and 1961 public schools' employees were inserted in public administration, while in 1971 in Various services. We consistently reclassified the different subsectors to have consistent sectors during time, trying to approach the employment figures on public servants (PA) from Istat (1976). Moreover, as explained in section 3 of the paper, in order to create the DSTs, we reclassified the occupational categories consistently with Gómez León and Gabbuti (2025), considering helpers part of the self-employed category. This led us to obtain the same number of occupational groups and classes presented by these authors in their appendix, as can be seen in Table A.1.

Table A.1 - Number/ structure of occupational groups and classes

Sectors	Work categories					Gender categories	Total classes
	Owners	Self-employed	Salary earners	Wage earners	SUM	Males/females	SUM
Agriculture	1	1		1	3	All *2	6
Industry	1	1	1	12	15		30
Commerce, Transport & Professions		2	3	3	8		16
Professionals		1					2
Public Administration			1	1	2		4
Unoccupied				1	1		2
Total	2	4	5	18	29		60

Source: authors' elaborations.

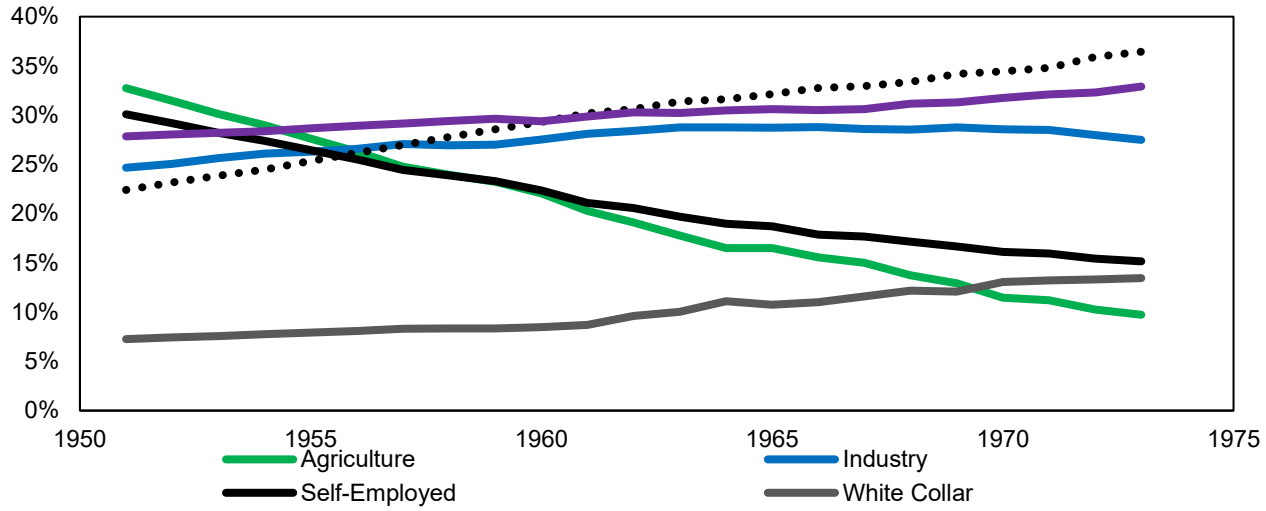
Once we gathered censuses data (1951-1961-1971), inter-census years were linearly interpolated and adjusted for sectoral (men, women, agriculture, industry, services) employment trends collected from Istat (1976). We multiplied the linear interpolations by the yearly employment growth rate over the average of the decade:

$$linear\ interpolation \cdot \frac{yearly\ growth\ rate}{Average\ growth\ rate\ of\ intercenus\ years}$$

We essentially applied a "leverage" on the linear interpolation in years when the growth rate of population was higher (or lower) than the average for the period. The 1972 and 1973 population figures were created by increasing our 1971 data with the same sectoral trends from Istat (1976).

From the population censuses, we also gathered data on the unoccupied part of the population. Consistent with Gómez León and Gabbuti (2025), we classified as unoccupied: retirees, in search of first job, and students. Let us notice that unemployed people with previous occupations are included in the active population. A summary picture of trends in active population is given in Figure A1.

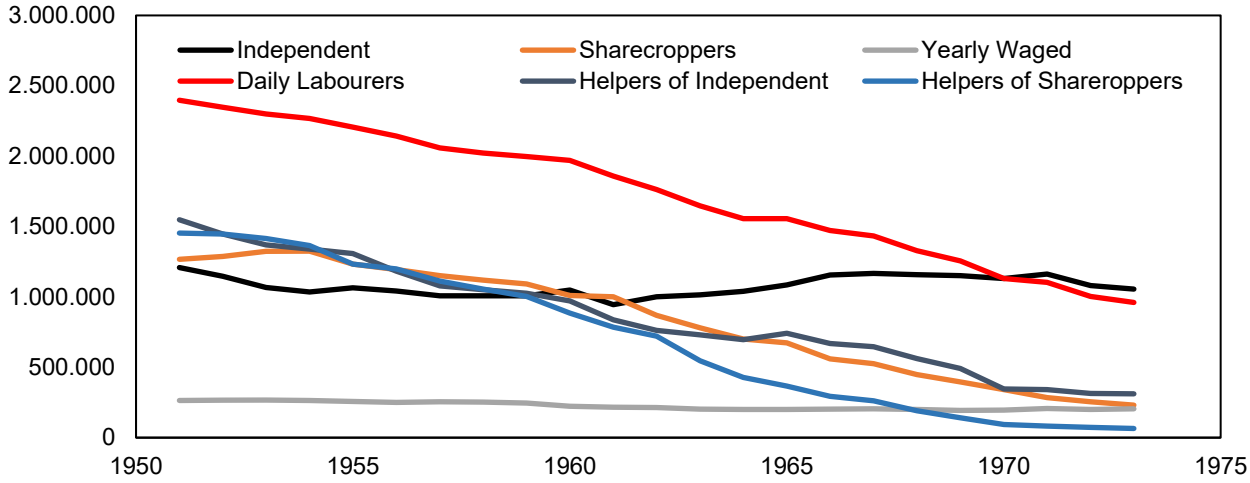
Figure A.1 – Evolution of Workforce in Italy, 1951-1973



Source: authors' elaborations.

While we did not use this in the DST, in order to discuss the evolution of social classes in section 5 of the paper, we further disaggregated agricultural workers into two main branches: stable workers (self-employed and stable waged workers), and daily workers (*braccianti*), the precarious workers in the sector. Daily workers category was created by subtracting from dependent workers the full-time workers (*salariati fissi*) registered in *Elenchi Nominativi dell'agricoltura* – nominative lists for agriculture. *Elenchi Nominativi dell'agricoltura,* which can be collected from *Annuario Statistico* (Istat, various years), are a serial source produced by the social insurance body INAM, which reports the population of several categories of agricultural workers. While other groups might be under-represented, it seems fair to assume that these workers had to be insured. From this disaggregation, we observe that daily laborers were the bigger group of agricultural dependent workers in 1951, declining over time. From the same source we could disaggregate independent workers and sharecroppers – subtracting sharecroppers INAM figures from independent workers from the census. If we disaggregated the two categories, as in Figure A.2, we can observe that the strong decrease in stable employment from 1951 to 1971 was brought by the drop in sharecroppers – probably the poorest part of agricultural self-employed population.

Figure A.2 – Evolution of Agricultural Workforce in Italy, 1951-1973



Source: authors' elaborations.

The industrial censuses divided the employed workers into entrepreneurs (with no distinction for self-employed workers), white-collar workers, blue collar workers, apprentices, helpers, and "other staff" (guards and cleaners). In 1951 helpers are included in the entrepreneurs' category, so we used population census data to disentangle the two positional categories. We gathered the data and inter-census years were interpolated in the same way as population census figures. The "other staff" and apprentices are considered dependent workers (blue collars).

Following Sylos Labini (1974), the availability of two different censuses in the same years gives us the possibility to collect data on the marginal workforce. Subtracting the data from industrial censuses (employment) to population censuses (active population) we obtained the Precarious Employment composed of unemployed people, homeworkers and underemployed.

Unfortunately, we could use this technique only for industrial sectors and transport (results are visible in Figure 9 of the paper). For other services like trade, various services, public administration and agriculture, the data from the industrial census are non-existent (Public administration and agriculture) or incomplete (other services and trade). So, for these sectors we just used the population census figures without considering marginal workers. This information is useful to discuss the evolution of social class in Italy and to create a more complete framework on the real condition of Italian population during the Golden Age.

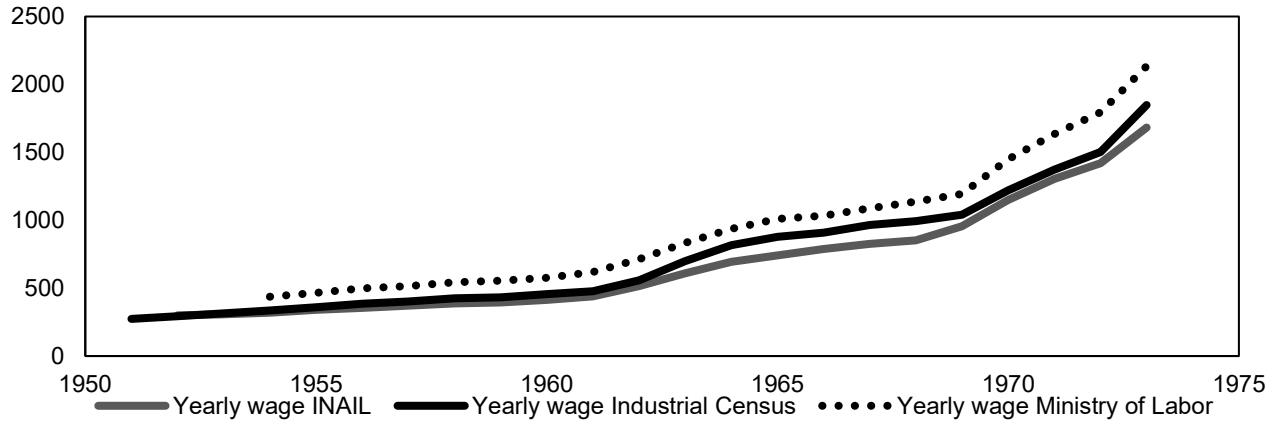
2. Incomes of Dependent Workers

Yearly agricultural wages were collected from *Annuario Statistico* (Istat, various years). The *Annuario* contains information on minimum bargained wages of daily laborers in all provinces. The minimum bargained wages of this specific category, indeed, were bargained at provincial level. So, to obtain the national series, we computed a simple average of the minima at provincial level.

Considering that it is very difficult to reconstruct provincial weights in this field, we rely on the "simple average assumption;" it is thus possible that our estimates of agricultural wages are slightly upwardly biased. Then, considering the unavailability of observed wages in agriculture for the period 1951-1973, we multiplied these hourly wages for 250 days and we applied the gender gap for women. According to Gorrieri (1971), agricultural wages in 1970 were stuck to minimum bargained wages, so we considered a reliable assumption to get the minima for the whole period.

Observed wages in industry for the period 1951-1973 are reported by three different sources: first, the publication of the Ministry of Labour, *Statistiche del lavoro*, reported observed wages collected from big firms for many different sectors and, after 1961, disaggregating for gender. Average observed wages were also collected by INAIL – the public body insuring workers against labour injuries – based on the wages of the injured it assisted. The tables, regularly published in INAIL *Notiziario statistico,* report the information disaggregated for 10 different sectors (but do not disaggregate by gender and consider only waged workers, at least until 1966). The INAIL data are biased because they were computed on injured workers, that could suffer of self-selection in many different ways. Then, observed gross wages both for industry and services – including wages and taxes to be paid by workers, without pension payments – are present in industrial censuses, differentiated between salaried and waged workers. Unfortunately, industrial censuses data lack of gender disaggregation. However, considering the wide sample available – theoretically including the whole industrial and tertiary workforce, thus avoiding the comparison between different sources – we decided to use the third source, relying on the Ministry of Labor data for the computation of gender gaps to apply. As visible from Figure A.3, these data are very similar compared to those produced by INAIL for waged workers in industry until the early 1960s, while they are quite lower with respect to the ones from the Ministry of Labor, which considered only workers from the relatively few larger firms. During the 1960s, probably due to different reasons, including the interpolation methods involving the use of minimum bargained wages and the lack of wage scales impact, the industrial census wages grow more than the INAIL series, recovering similar levels from 1969, while still far from those from the Ministry. All in all, it is meaningful to assume that the industrial census wages, notwithstanding the interpolation involved, are the more reliable ones because of the biases enlisted above on the other sources.

Figure A.3 – Comparison of INAIL and Industrial census wages for waged workers in Industry



Source: authors' elaborations. INAIL series built assuming 250 working days.

So, wages in industry and services for all the different sectors were gathered from the industrial censuses (1951-1961-1971) and refers to the previous year of the census (1950-1960-1970). The "various service" sector wages were equalized to the trade sector because of their unreliability – as explained in the population section of this Appendix, the subsectors within it widely changed during time. The inter-census years wages were derived applying the growth rates of the minimum wages differentiated for different sectors and collected from Istat (1976). The interpolation method is equal to the one applied to population figures, exploiting the rates over the average of inter-census years. The years 1951-1952-1953 were interpolated for the average of the decade 1950-1960 because of the absence of data. The wages of the years 1971-1973 were derived increasing the 1970 figures by the growth rates of the indexes of minimum wages collected from Istat (1976) for different categories.

Unfortunately, industrial censuses do not distinguish between male and female wages. The Gender gap was reconstructed starting from the data of *Notiziario di Statistiche del Lavoro* (Ministero del Lavoro) after 1961 and from *Annuario di Statistiche del Lavor*o (Confindustria) before 1961. We took the real gender gap of different industrial sectors from 1961 to 1973 from *Notiziario di Statistiche del Lavoro.* In the case of services, we took the arithmetic average of industrial sectors. Then, we retropolated before 1961 with growth rates of minimum bargained wage data of mechanical workers from *Annuario di Statistiche del Lavor*o (average minimum bargained wages F/M). So, we transformed the sectoral men wages in this way:

$$\frac{Census\ MF\ wage}{\frac{M\ employment}{Total\ employment} + Gender\ gap \cdot \frac{F\ employment}{Total\ employment}}$$

If in a sector male workers are the majority, the wages are closer to the aggregate with respect to a sector where female employment is predominant. Once we obtained male wages, we

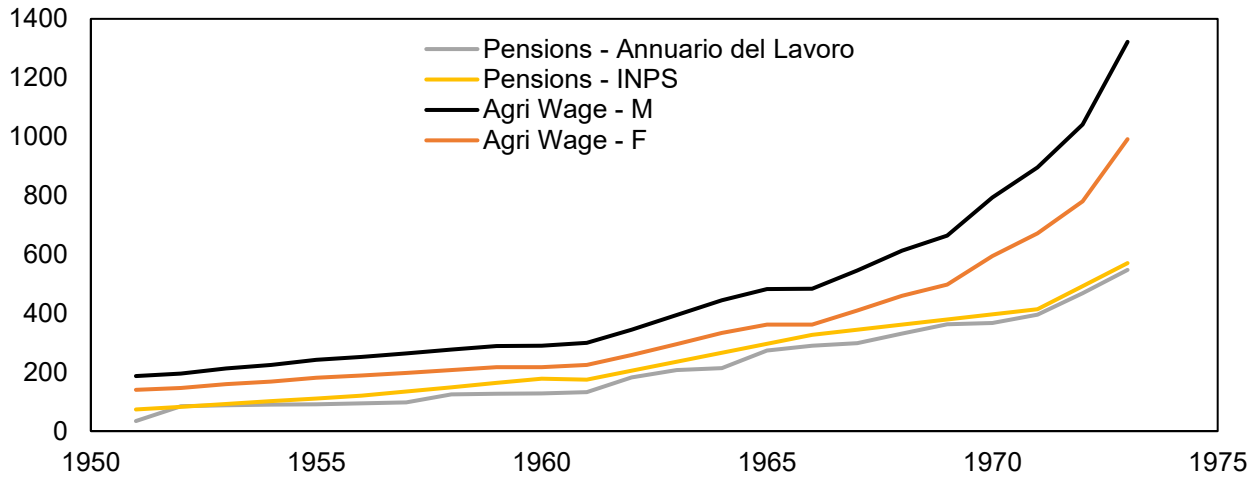
applied the usual gender gap to obtain female wages. Due to the unavailability of sources on real gender gaps in agriculture, we assigned to female agricultural workers the wage recovered from our sources multiplied by 0,7 – as in Gómez León and Gabbuti (2025). Indeed, in agriculture, the gender gap on bargained wages – which is our primary source – is evident only from 1951 to 1963, when the gap was abolished by law.

Public administration wages were collected from *Sommario di Statistiche Storiche* (Istat, 1976). For the blue collars we assigned the average wage of the three lower workers categories ("carriera ausiliaria"). For the white collars we assigned the average of the wages of the three categories of "Carriera esecutiva" plus the first three categories of "carriera direttiva".

3. Incomes of the Unoccupied

Following Gómez León and Gabbuti (2025), wages for the unoccupied are equalized to the lowest category in our social table: agricultural daily laborers. However, for this period, we were able to collect data on INPS pensions, both from Istat (2011) long-run reconstruction, and year by year from the *Annuario del Lavoro*, then linearly interpolated for missing years. As shown in Figure A.4, however, both sources report extremely low incomes for retirees, which could hardly maintain them in the absence of other income sources.

Figure A.4 – Incomes of the unoccupied: alternative sources, 1951-1973



Source: authors' elaborations on Istat (2011) and Appendix 2.

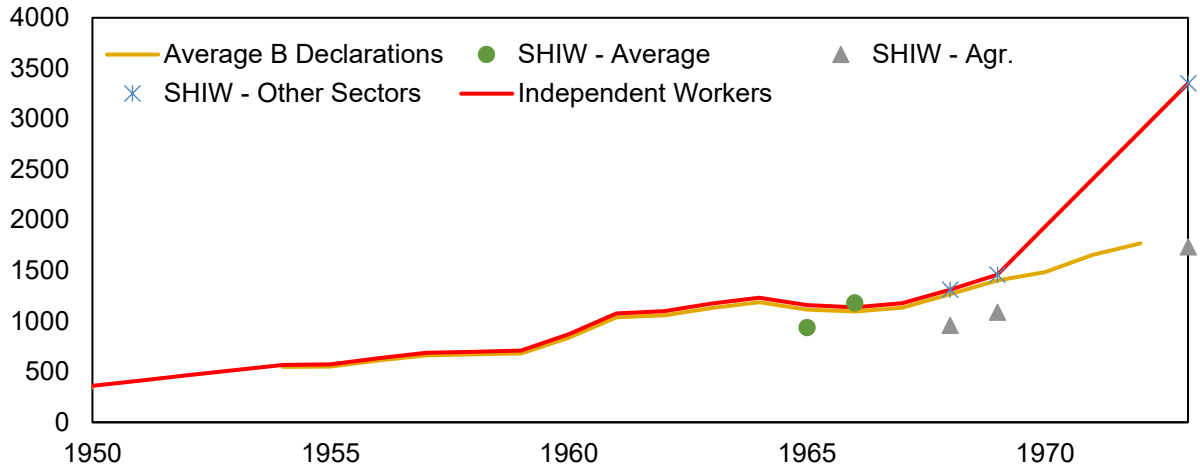
For this reason, as for the aforementioned need of consistency with Gómez León and Gabbuti (2025), in our baseline series we use the agricultural wages for the unoccupied. As we will discuss in Appendix 2, we also make use of the INPS series to make some robustness checks on our series.

4. Incomes of the Self-Employed

As discussed in the main text, the estimation of dependent workers' incomes covers only a part of Italian working population. While in most analysis, including the national accounts, these workers are assigned the same wage of dependent workers in the same sector, this is likely to miss part of the within-labour differentials. Indeed, part of the structural change experienced by Italy in the Golden Age was precisely the shift of workers from self-employment to dependent labour (also evident in Figure A.1) – which, one could argue, signal that the first was not much of a choice, induced by the possibility of greater earnings or autonomy, but rather a necessity, which as soon as labour demand increased, workers were happy to leave. Unfortunately, we are not able to make independent estimates for rural self-employment, which is treated as in Gómez León and Gabbuti (2025) - that is, we considered these workers to earn some 30% more than waged workers in the same sector. Indeed, given the wide heterogeneity of this population and the difficulties faced by national statistical agencies in collecting such data, none of our main sources report this information directly. For future research, exploring the *Annuari dell'Agricoltura Italiana* published by INEA could yield interesting insights in this regard.

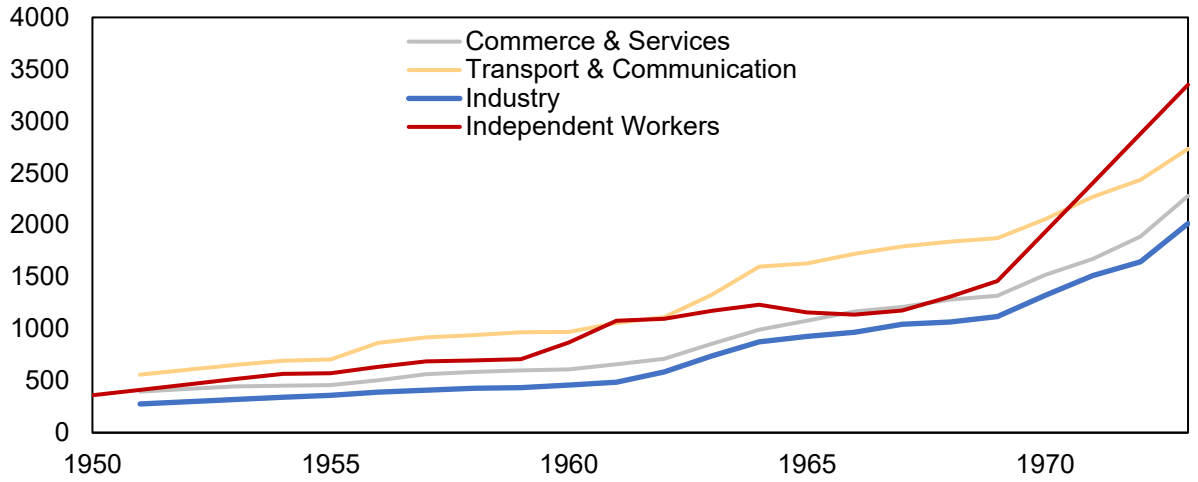
For independent workers outside agriculture, however, we can expand the approach experimented in Gómez León and Gabbuti (2025), by means of series of average fiscal declaration for independent workers in the B-category of the *Imposta di Ricchezza Mobile* (Gabbuti, 2023). As in Gómez León and Gabbuti (2025), we inflate nominal figures on tax declarations by a third, to account for under-reporting and fiscal deductions. As shown in Figure A.5, we then compared this average with the earliest evidence on individual incomes, obtained from Bank of Italy's *Survey of Households' Income and Wealth* (SHIW). While the two sources – clearly independent – result into almost identical levels in the 1960s, the SHIW show a very marked increase in the early 1970s. We thus decided to obtain a series of independent workers incomes, as the retropolation of the SHIW evidence by means of the average fiscal declarations. In Figure A.6, we show this series, together with the weighted average of salaries and wages for the three groups in which we grouped self-employed workers. Interestingly, the level is quite similar, revealing that our series is not unrealistic. To obtain incomes which are different not only for self-employed and dependent workers, but also by sector, as in Gómez León and Gabbuti (2025), we decided to average our new series for independent workers, with each sectoral average. In this way, while allowing for overall trends which are different from those of the dependent labour in the same sectors, we also allow for differences across sectors within the self-employed.

Figure A.5 – Self-Employed Incomes: Fiscal Sources and Household Surveys



Source: authors' elaborations on MEF-ID (1957-1974) and BdI (1967-1976).

Figure A.6 – Self-Employed Incomes and Average Compensation by Sector



Source: authors' elaborations on MEF-ID (1957-1974) and BdI (1967-1976).

In this work, considering the impossibility to meaningfully assume that their incomes went hand in hand with those of dependent workers, we tried to extend the same approach to Liberal professions, by working on the declarations for the C1-category of the *Imposta di Ricchezza Mobile* – that is, the one averaging professionals. While still limited in size, this group grew from some 130,000 individuals in 1951 to around 160,000 two censuses later. Moreover, their (allegedly) growing incomes, and their (very likely) high tax evasion, which had been denounced since the Liberal period (Manestra, 2010), increasingly made this group the object of public debates (Gorrieri, 1971). According to both the direct observation reported by the SHIW, and "guesstimates" like those of Sylos Labini (1974), professionals would earn extremely high incomes, possibly above those of entrepreneurs.

A challenge is represented by the very heterogeneous nature of this group, which includes very different categories: from magistrates and physicians, which are dependent workers within the

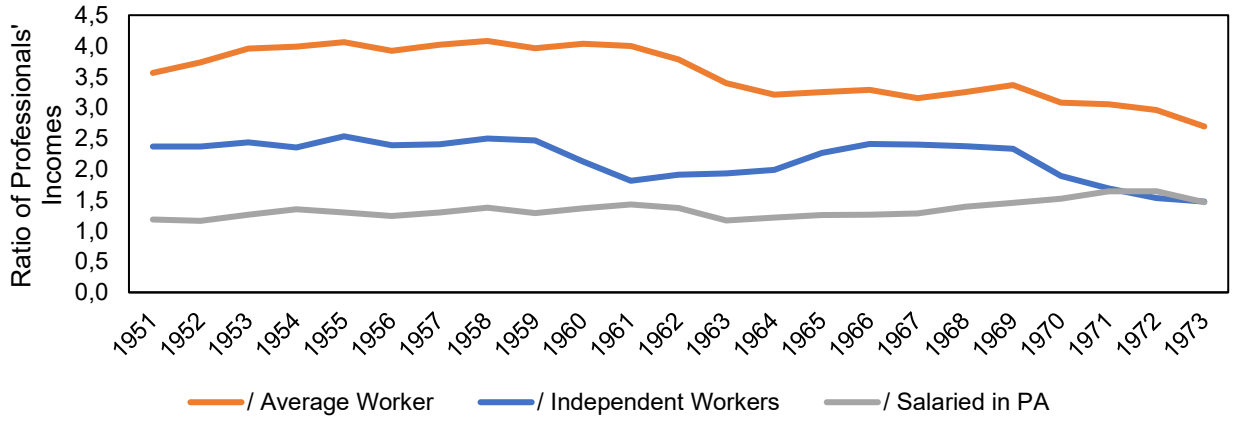
public administration, to self-employed professionals with very heterogeneous status – notaries, lawyers, pharmacists, accountants, and the like. A first decision was to include only those who had been reported as independent workers by the population censuses, leaving dependent workers (and thus, judges and the majority of physicians) out of this group, with the white-collar workers in the public administration. Then, through different censuses, we recollected and harmonized independent professionals in these different professional categories: physicians, veterinarians, pharmacists, artists, journalists, lawyers, accountants, engineers, architects, surveyors, industrial consultants.

As for their incomes, the allegations seem to be qualified. As reconstructed by Manestra (2010), based on the same average fiscal declarations just discussed for autonomous workers, at the beginning of the period the average professional declared less than the average autonomous worker. The situation is reverted, although by a short margin, by 1955, and at the end of our period of analysis, 1973, the average declaration for professionals reached almost 2 million lire, compared to barely more than 1 million for autonomous worker. This, however, is far below what assumed or identified by other sources. Leaving aside special sources, such as MEF-ID (1971), which for the late 1960s, focusing on a very small sample of 10 notaries, identified an average income above 23 million lire, the aforementioned Sylos Labini (1974, pp. 169-171) estimated an average 11 million lire for members of this group in 1971, when the average declaration barely reached 1,5 million. Unfortunately, SHIW separately reported this group only for the years 1965 and 1966. In the first case, the yearly figure reported was 2,2 million, just below entrepreneurs (2,3), while in the latter even above (c. 2,75 vs. 2,5). In later surveys, these two groups were reported together, and consistently reported the highest incomes, although, as discussed in the paper, the survey was arguably missing most of incomes from capital, possibly artificially compressing these two figures.

Considering the limitation of all sources, and the importance, as for independent workers, to obtain both levels and trends which, while meaningful, are not simply derived from those of dependent workers, in this paper we adopt the solution to start, also in this case, from the level reported by SHIW in 1966 (assuming the second survey might have improved its precision), and then to retropolate and interpolate it by means of the average C1 declaration. As shown in Figure A.7, the resulting trends are interesting. Professionals started relatively above the average (dependent and autonomous) worker, but from the 1960s, the advancements of blue-collar workers progressively eroded this gap from 4 to less than 3 times. More stable, at least until the 1970s, the 2.5 ratio of self-employed workers. Interestingly, starting from a positive margin of c. 15%, at the end of the period professionals earned some 45% more than high rank public officials. As in other

cases, our effort to provide a quantification to the incomes of this category should be interpreted as a first-generation estimate, possibly to be improved by means of specific, micro-level sources.

Figure A.7 – Relative Incomes of Italian Professionals



Source: authors' elaborations.

We do not have, however, any source which allows us to make a reasonable estimation of gender gaps for autonomous workers. As testified by recent data, such as those by Confprofessioni (2026), this is very unfortunate, as also in this case, we cannot imply them from those of the dependent workers. According to this report, also based on fiscal declarations, in 2024 female professionals earned 54.7% of their male colleagues – much below the average gender pay gap in Italy, and also less than the 59.8% registered in 2014. As it would be arbitrary also to impute either of this figure, in this paper we decided to attribute a fixed 70% of male incomes in the corresponding sector, but this is also an area in which more research will be needed in the future.

5. Incomes of Entrepreneurs

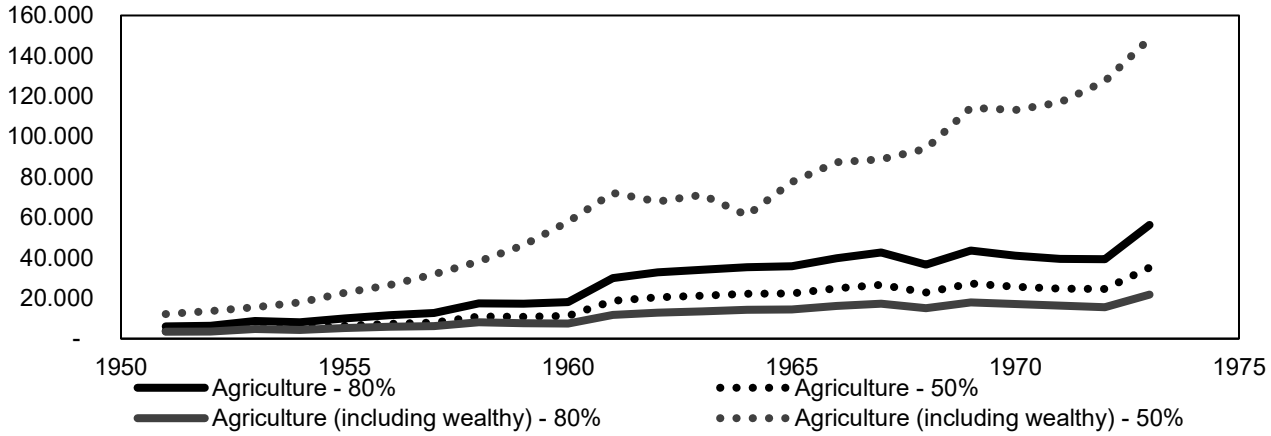
As discussed in the main text, historical sources on the incomes of the Italian entrepreneurs are quite unsatisfactory, especially if one wants to discuss their yearly evolution, as in the DSTs framework. As discussed in Gabbuti (2022), micro-figures for the incomes declared by the top 0.1% of taxpayers - which would not necessarily be representative of entrepreneurs, in a country like Italy - would be available for just three years between 1952 and 1959, with the next, not necessarily comparable, evidence becoming available in 1977. While archival data seem at the moment not available at the national level, also the municipal family tax (*focatico*), recently investigated by the HHB group led by Giovanni Vecchi, would not be available in this period.

As this was a situation similar to the interwar one approached by Gómez León and Gabbuti (2025), which, after experimenting with few surviving fiscal tabulations for 1902, 1922, and 1929, preferred to adopt an approach in line with Astorga (2017, 2025), that is, to impute to split between

all the entrepreneurs the residual value added (VA), obtained after subtracting all labor and self-employment incomes. As in Gómez León and Gabbuti (2025), we obtain this VA separately for agriculture, industry and private services (excluding miscellaneous services and location of buildings). We substract for each of these VA the total labour incomes, obtained by summing up all the incomes of both self and dependent workers.

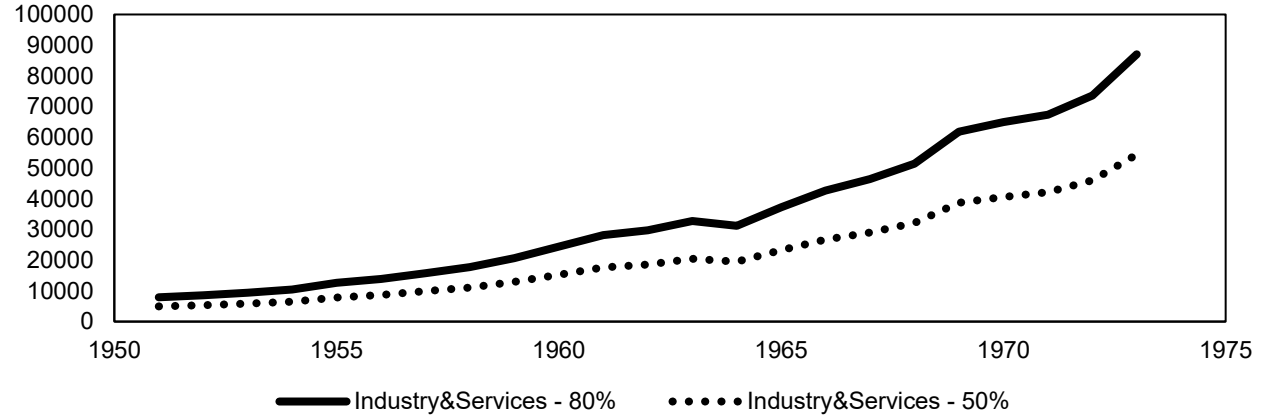
In Figure A.7 and Figure A.8 we show the resulting absolute incomes for agriculture and industry and services separately. As discussed in the paper, for agriculture, we decided not to include the wealthy. In Figure A.7, we show that their inclusion, while clearly affecting the level of these incomes, does not seem to change the trend – as for the difference between the 50% and 80%,

Figure A.7 – Incomes of Agricultural Entrepreneurs, alternative estimates 1951-1973



Source: authors' elaborations.

Figure A.8 – Incomes of Entrepreneurs in Industry and Private Services, 1951-1973

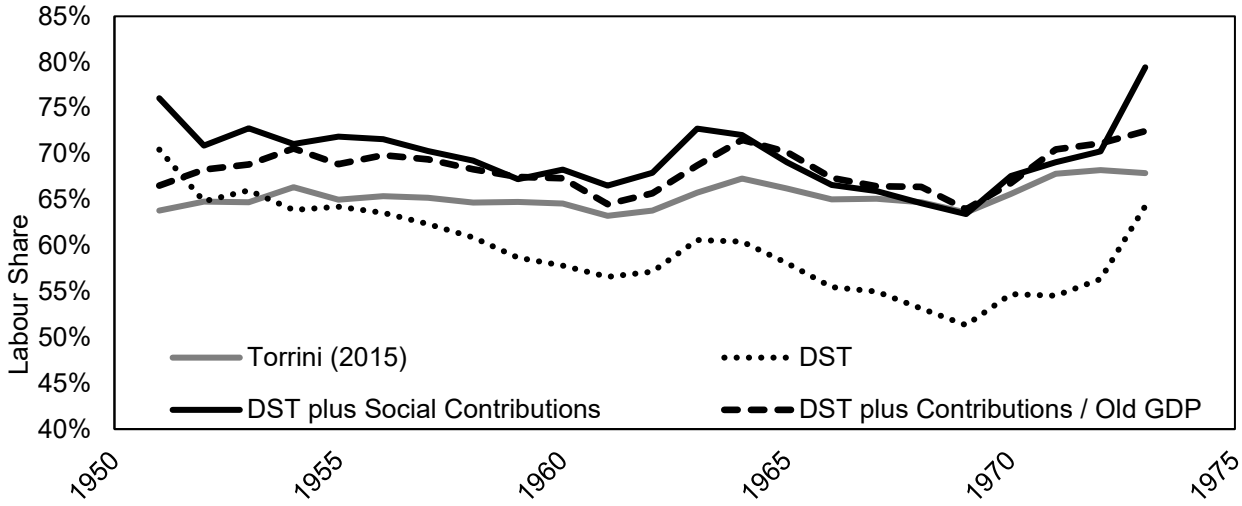


Source: authors' elaborations.

Also for the 1951-1973 period, when expressed as a share of national incomes as in Figure A.9, when we include social contributions, the sum of all labour incomes, including both dependent and self-employed, is reassuringly consistent in level with the ones from the national accounts, such as Torrini (2015). However, our estimates – which, while not always relying on ideal sources, tried

to account for differences between different categories of workers, women, self- and dependent workers – show relatively different trends: the decline in the labour share is more marked in our series during the whole 1950s, as the early-1960s jump, and most notably, the early-1970s rise. In this sense, it is interesting to note that only part of the difference in trends can be attributed to the change in the denominator – that is, the different dynamics of overall GDP by the more recent series by Baffigi (2015). While this goes beyond the scope of our analysis, our DSTs could indeed be adopted as a starting point to question the "official" trends in labour shares, considering, as discussed in the paper, that they are based on a number of unrealistic assumptions on the self-employed.

Figure A.9 – Labour Shares: DSTs vs. National Accounts



Source: authors' elaborations on Torrini (2015) and Appendix 2.

Appendix 2 – Source Details

Table A.2 - Sources of income data for Italy (1951-1973)

Source	Period	Data	Type	Sectors
Industrial Censuses (1951; 1961; 1971)	**1950; 1960; 1970**	Yearly gross wages	Waged workers	**Industry** **Services**
Industrial Censuses (1951; 1961; 1971)	**1950; 1960; 1970**	Yearly gross wages	Salaried workers	**Industry** **Services**
Bank of Italy (various years)	**1965, 1966, 1968, 1969, 1973**	Average individual labour income (monthly or annual)	Self-Employed Workers	**Industry** **Services**
Statistical Yearbook (different years)	**1951-1973**	Daily gross wages *transformed into annual (250 days)	Waged Workers	**Agriculture**
Sommario di Statistiche Storiche (1976)	**1951-73**	Yearly gross wages: Average three categories from *Carriera Ausiliaria*	Waged workers	**Public Administration**
Sommario di Statistiche Storiche (1976)	**1951-73**	Yearly gross wages: Average three categories from *Carriera Esecutiva* and first three categories from *Carriera Direttiva*	Salaried workers	**Public Administration**

Source: authors' elaborations

Table A.3 - Source of estimations of income for intercensus years and sector

Sector	Intercensus years	1971-1973
Agriculture	No interpolation: direct source	No interpolation: direct source
Industrial sectors	Interpolated following Metal-mechanical worker wage in Istat (1976)	Forward projected through the growth rate of Metal-mechanical worker wage in Istat (1976)
Transports	Interpolated following Transport worker wage in Istat (1976)	Forward projected through the growth rate of Transport worker wage in Istat (1976)
Trade	Interpolated following Trade worker wage in Istat (1976)	Forward projected through the growth rate of Trade worker wage in Istat (1976)
Building Sector	Interpolated following Building Sector worker wage in Istat (1976)	Forward projected through the growth rate of Building Sector worker wage in Istat (1976)
Mining	Interpolated following Mining worker wage in Istat (1976)	Forward projected through the growth rate of Mining worker wage in Istat (1976)
Utilities	Interpolated following Utilities worker wage in Istat (1976)	Forward projected through the growth rate of Utilities worker wage in Istat (1976)
Industry & Services – Self-employed workers and Professionals	Interpolation by means of fiscal declarations from MEF-ID (1957-1974).	

Source: authors' elaborations

Table A.4 - Sources and estimations of income differences by gender and sector

Sectors	Estimated incomes:	Source	Estimated incomes:	Source
Years	1951-1960		1961-1973	
Agriculture	Gender Ratio equal to 0.7 as the 1950 evidence from Gómez-Leon and Gabbuti (2025).			
Industrial sectors	Gender Ratio from 1961 retropolated following minimum wages gender gap of mechanical workers represented in the source, applied to incomes from industrial census.	*Rassegna di Statistiche del Lavoro* (various years)	Gender Ratio computed on wages of different sectors from the source applied to the incomes obtained from industrial censuses. Industrial sectors available for Gender Ratios according to the source: Mining, Food, Textiles and leather, Wood and Furniture, Paper, Chemicals, Metallurgic, Mechanical, Various, Utilities, Bricks, cement, and glass.	*Statistiche del Lavoro* (various years)
Services	Gender Ratio from 1961 retropolated following minimum wages gender gap of mechanical workers represented in the source, applied to incomes from industrial census	*Rassegna di Statistiche del Lavoro* (various years)	Average gender ratio from industrial sectors applied to income from industrial censuses.	*Statistiche del Lavoro* (various years)
Transports	Gender Ratio from 1961 retropolated following minimum wages gender gap of mechanical workers represented in the source, applied to incomes from industrial census	*Rassegna di Statistiche del Lavoro* (various years)	Average gender ratio from industrial sectors applied to income from industrial censuses.	*Statistiche del Lavoro* (various years)
Public Administration	Gender Ratio from 1961 retropolated following minimum wages gender gap of mechanical workers represented in the source, applied to incomes from Istat (1976).	*Rassegna di Statistiche del Lavoro* (various years)	Average gender ratio from industrial sectors applied to income from industrial censuses.	*Statistiche del Lavoro* (various years)
Self-employed and Professionals in All Services	Gender Ratio equal to 0.7, as discussed in Appendix 1, Section 4.			
Entrepreneurs	No Gender Gap.			

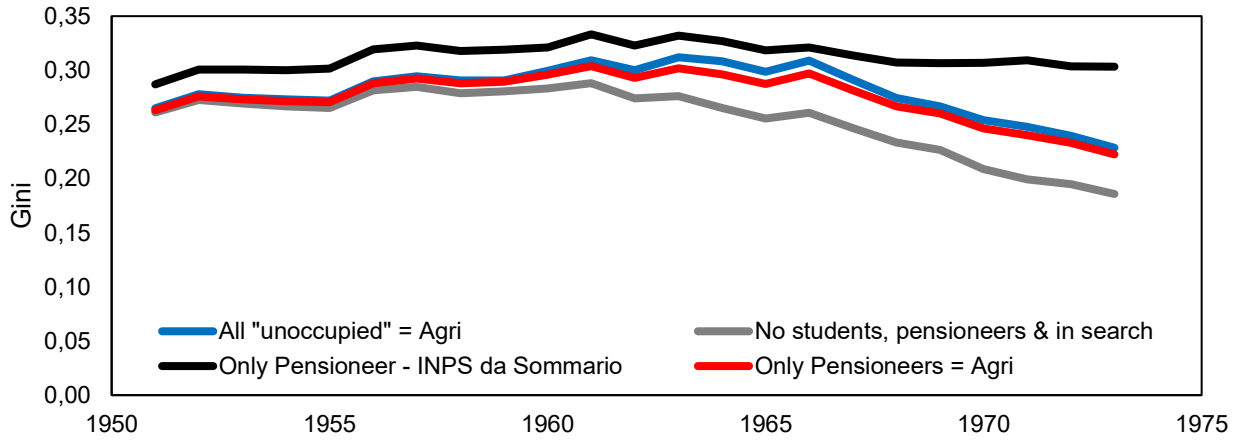
Source: authors' elaborations

Appendix 3 – Additional Material and Robustness Checks

1. Alternative Estimates of Within Labour and Overall Inequality

In order to test for different possibilities and make a robustness check, we estimated within labor inequality with different assumptions on the incomes we could assign to the unoccupied population – represented in Figure A.4 – and with varying population size. The blue line in figure A.10 is our within labor inequality as shown in the main text, including pensioners, people in search of first job, and students, comparing their income to daily laborers in agriculture. The red line maintains the same assumption on income but uses only pensioners for the computation, while the grey line completely excludes all these categories. What we can notice is that this low-income group is quite relevant in the determination of inequality dynamics after the early 1960s. In particular, the trends diverge between 1962 and 1966, as agricultural wages did not particularly increase in this period with respect to wages in industry and services, while this specific set of population extremely increased as a result of the modernization of the country (Table 1 of the main paper). Indeed, the grey line denotes that, when considering only the working population, the decrease in inequality started earlier – probably from 1962. When, instead, we use for the computation only pensioners with an income collected from official Istat (2011) statistics (black line), we have much higher inequality, not particularly decreasing during the 1960s. This is due to the fact that, according to this latter assumption, the increasing unoccupied branch of the workforce kept gaining a very low income with respect to the average. However, we believe that these data are quite unreliable because of their incredibly low levels, so, to be conservative, we prefer to continue to use the assumption on income made by Gómez León and Gabbuti (2025).

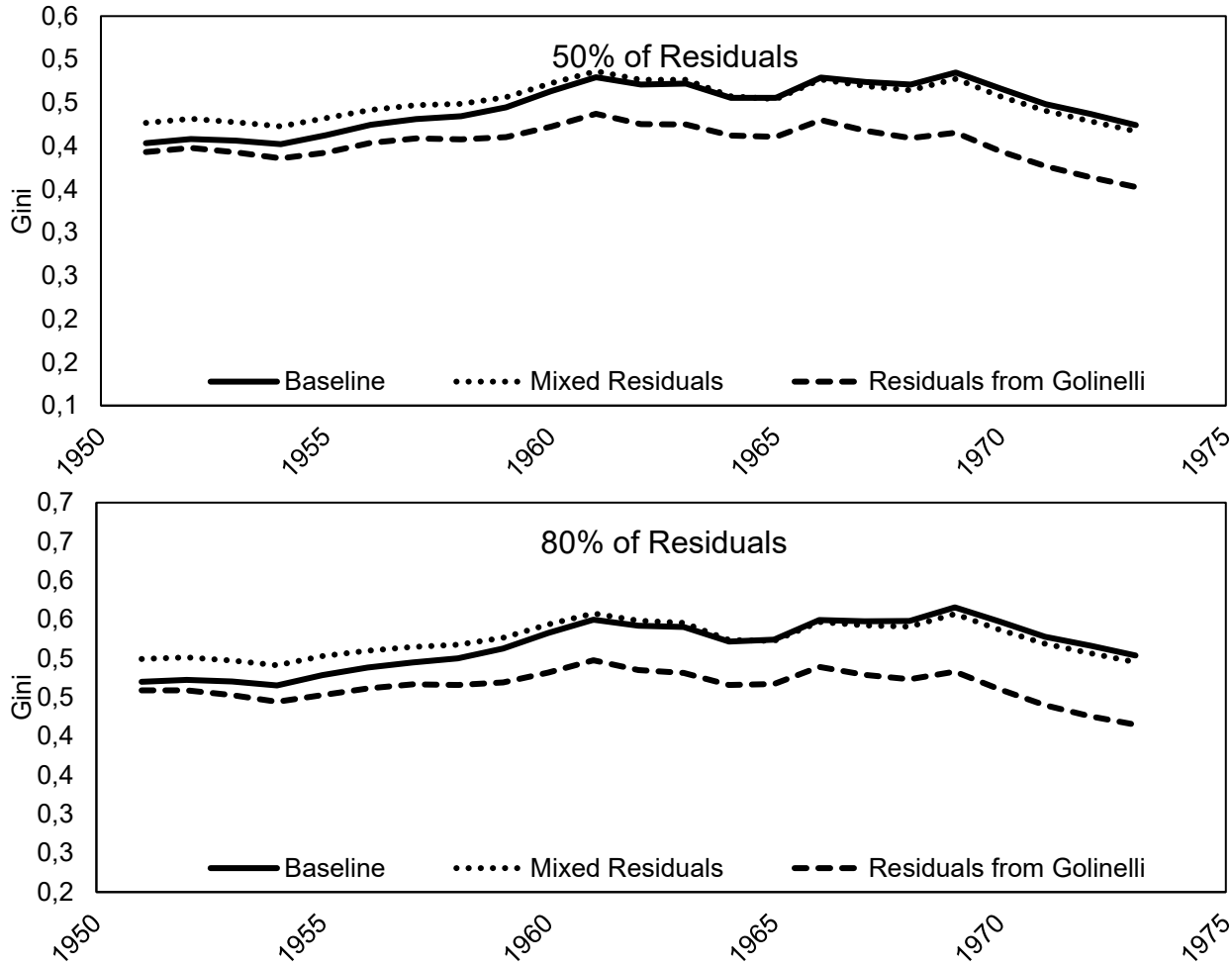
Figure A.10 – Within Labour: Alternative Assumptions on the Incomes of the Unoccupied



Source: authors' elaborations.

Figure A.11 reports Gini coefficients computed under alternative assumptions regarding entrepreneurs' income. In the first case ("mixed residuals"), we obtain the residuals subtracting the labour bill obtained from our new DSTs – which, contrary to national accounts, do not take into account differences such as those between self-employed and regular dependent workers – from the old GDP series by Golinelli (1997) – the one on which the "official" series by Torrini (2015) are based on, which shows some significant difference from the most recent GDP series documented in Baffigi (2015). Then, we also try to impute the residuals obtained by the labour bill from Golinelli (1997). In both cases, we try both the 80 and 50% specifications and allocate these residuals to the same population figures as in our baseline.

Figure A.11 – Overall Inequality: Alternative Estimates based on Different Residual Incomes



Source: authors elaborations.

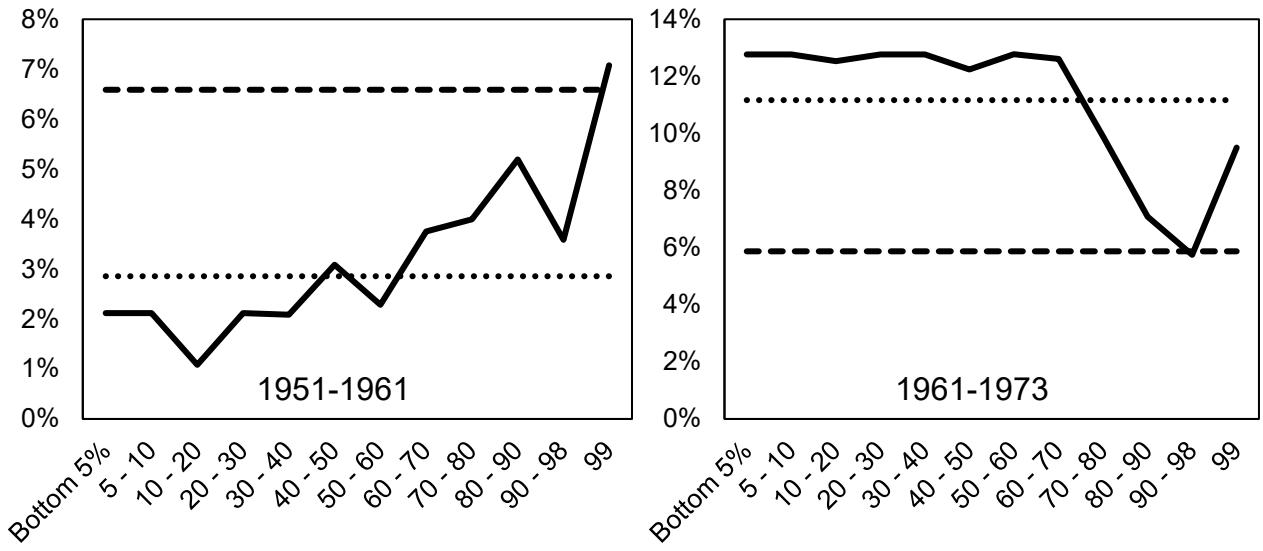
Compared to our baseline income inequality estimates — that is, on those based on GDP data from Baffigi (2015) combined with our labor bill — these alternative residuals yield noticeably smoother Gini series, with less pronounced increases, particularly during the 1950s. As can be seen by contrasting the three alternative specification, this is not the result of our new figures for labour

incomes – which result into an upward shift in the level of inequality, substantially similar when using both "old" and "new" GDP series, consistently with our effort to fully take into account skill, gender and employment position differences. On the contrary, the more sustained growth of inequality in the 1950s result from the new series of GDP. In any case, the overall interpretation is not greatly different, reassuring us on stability of our results.

2. Additional Material

As in the paper we decided to show separately the 1962-1968 and 1969-1973 growth incidence curves, Figure A.12 reports them just for 1951-61 and 1961-1973.

Figure A.12 – Alternative Growth Incidence Curves for Italy, 1951-1973

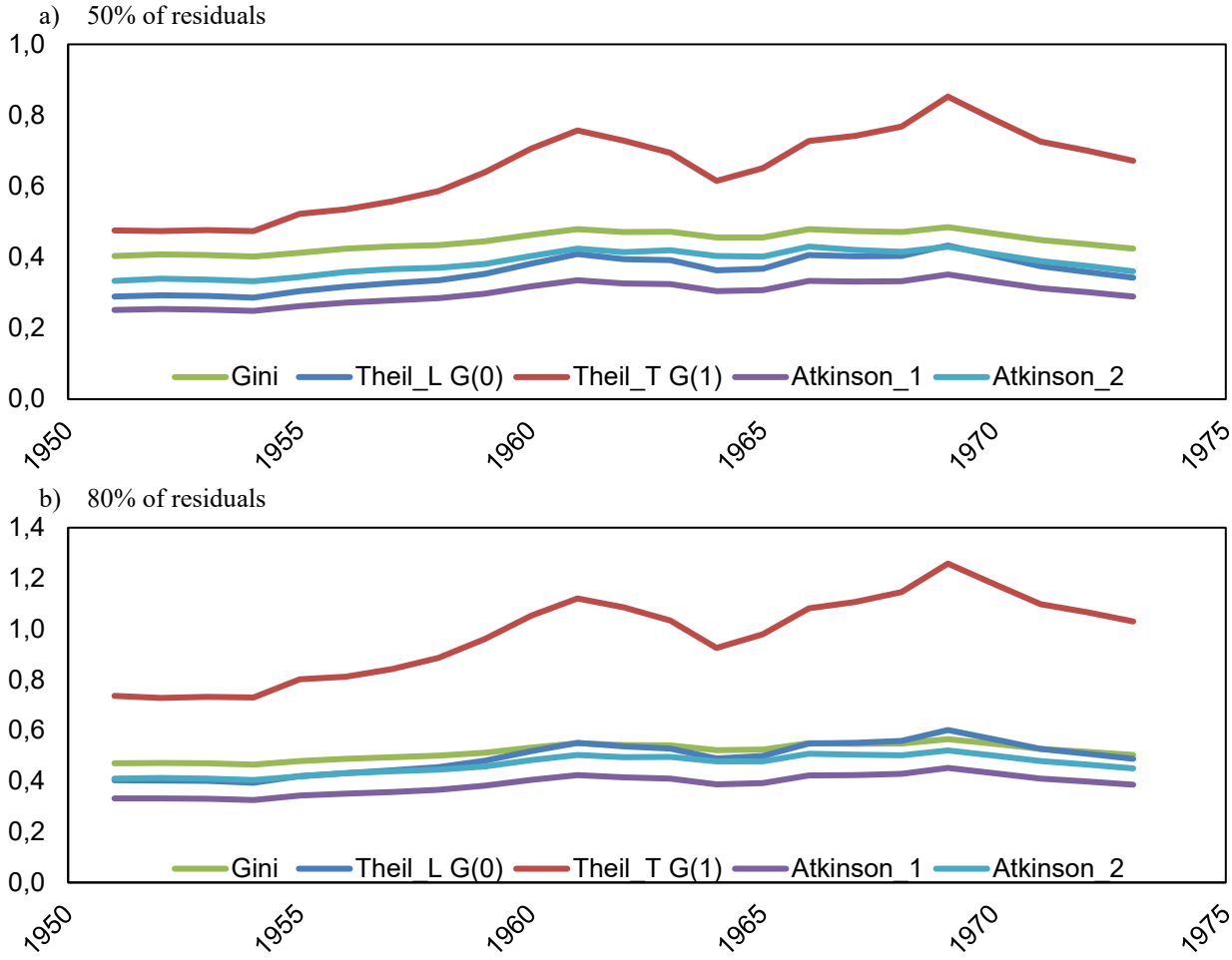


For each sub-period, black lines represent the Growth Incidence Curves; dashed lines the average GDP p.c. growth; finally, dotted lines the average growth in incomes according to our social tables.
Source: authors elaborations.

Figure A.13 depicts the Theil L, Theil T, and Atkinson indices—computed with different inequality aversion parameters (1 and 2)—and compares them with the standard Gini index over the period under analysis. While the Atkinson indices closely track the evolution of the Gini index, albeit at different levels depending on the aversion parameter (with parameter equal to 1 yielding lower aversion value than parameter equal to 2), the two Theil indices—being more sensitive to low incomes (Theil L) and high incomes (Theil T), respectively—exhibit greater variability relative to the Gini. In particular, both indices increase markedly in the periods preceding 1962 and 1969, indicating that the years of the Golden Age (1954–1961) and the subsequent Restoration years (1965–1968), during which capital incomes generally expanded at the expense of wage restraint, were characterized by a stronger polarization of incomes at both the lower and upper tails of the distribution. These indices corroborate the trends identified in the main analysis of the paper and,

along to the within-labor dynamics, highlight the central role of the capital–labor divide in shaping the inequality dynamics of the Italian Golden Age.

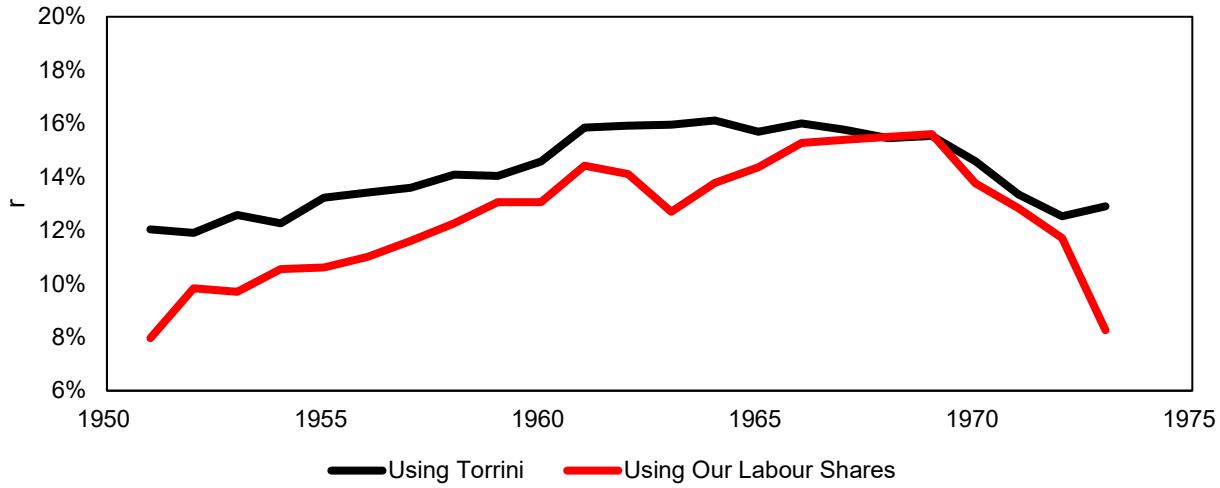
Figure A.13 – Overall Inequality: Alternative Indicators, 1951-1973



Source: authors elaborations.

Finally, in Figure A.14, we computed the *r* rate (Piketty, 2015) resulting from the combination of the labour shares – both the ones from Torrini (2015), and the new ones resulting from our DSTs – and the W/Y ratio computed by Gabbuti and Morelli (2015). In both cases, the story is very similar, but with our new labour shares, the year 1969 – associated with the explosion of social unrest and labour strikes – emerges as a particularly strong break in the increase in the rate of return of capital registered from 1951 to that year.

Figure A.14 – Estimates of r in Italy, 1951-1973



Source: authors' elaboration based on Figure A.9, Torrini (2015), and the W/Y ratio from Gabbuti and Morelli (2025).

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