Doctoral Student Seminar 2021-22. PhD in Economic History

Unequal Unification? Income Inequality and Unification in 19th Century Italy and Germany

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ABSTRACT
Despite the shared experiences and the mutual awareness of the respective unification progress at the time, the two cases of Italian and German unification have seldom been studied in tandem. This research provides a comprehensive study of the linkages between unification and related policy choices on income inequality in the context of 19th century unification of Italy and Germany.

To conduct this analysis, the study puts forward new data, including – for the first time – estimates of income inequality for pre-unification German states using social tables, compiled using primary data, some of which have thus far been unexplored in economic research. Based on the social tables, Gini coefficients and inequality extraction ratios (IERs) are calculated to explore changes in the distribution of income. The estimates suggest that changes in inequality were more pronounced in Italy than in Germany following unification. In seeking explanations for these trends, the study explores linkages between institutional structures, governance frameworks and inequality, connecting the research on federalism with the literature on inequality. In order to do so, the study proposes a two-stage model of inequality and unification, which is applied to the cases of 19th century Italy and Germany.