

Fascist Ideology and Migrant Labor Exploitation*

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April 10, 2024

Abstract

Forced labor is on the rise in advanced economies, fuelled by migrants working in conditions of vulnerability. We study the political determinants of this phenomenon. Leveraging an historical shock persistently increasing Fascist ideology in Italy, we show that labor racketeering of migrants is higher in places exposed to Fascist interventions and after a migrant influx, across both regression discontinuity and difference-in-differences frameworks. To explain this effect, we explore how the Fascist program affected the emergence of racist attitudes and behaviors, was transmitted over generations, and increases labor racketeering when coupled with institutions and societies supporting discriminatory views. Our findings shed light on the dynamics of modern coercive labor and offer a new perspective on its determinants, underscoring the importance of political ideology.

Keywords: political extremism, ideology, labor coercion, forced labor, migration.
JEL Classification: J7, J15, J81, O15, P00, Z00.

*For insightful comments, we are grateful to Paolo Buonanno, Francesco Drago, Giovanna Marcolongo, Luigi Pascali, Giovanni Peri, Maria Petrova, Giacomo Ponzetto, Shelley Liu, Fernando Bizzarro, Mateo Uribe Castro, and to conference participants at Brunico/Bruneck, LSE-NYU PSPE, CSEF-IGIER, Petralia, APSA, and Humans Lacea and seminar participants at the Universities of Catania, Bologna, CLEAN Bocconi, Collegio Carlo Alberto, Bergamo, Pompeu Fabra, Nottingham, Barcelona, and Autònoma of Barcelona.

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1 Introduction

Throughout history, coercive labor has been an enduring and pervasive institution. While its abolition is considered a hallmark of social progress, making this practice appear as a vestige of the past, coercive labor is on the rise today. Reports from international organizations have shown a dramatic increase in the diffusion of modern forms of coercive labor which the ILO defines as “forced labor – any work or service exacted under the threat of penalty”, including violence and more subtle means, such as manipulated debt, retention of identity papers, or threats of denunciation to immigration authorities” (ILO, 2017). This practice overwhelmingly affects migrants and is most diffused in advanced economies: In Europe alone, 3.6 million people are estimated to be victims of forced labor across sectors, particularly in the service, construction, and agricultural industry (The Guardian, 2017, Zhang, 2012).

An influential literature has studied the causes and consequences of historical coercive labor. Researchers have explored its impact on long-run development and health outcomes (Dell, 2010; Bobonis and Morrow, 2014; Dupas et al., 2023) as well as its economic determinants, considering both demand for exploitation (Engerman and Sokoloff, 2002; Ashraf et al., 2018) and the supply of labor (Acemoglu and Wolitzky, 2011). In contrast, much less is known about contemporary variants of forced labor institutions and about which factors explain the diffusion of this practice aside from market conditions.

This study emphasizes the fundamental role of ideology as a determinant of contemporary forced labor in advanced economies. We propose that forced labor is more prevalent in areas historically steeped in ideologies of racial subjugation. Exposure to racist ideology, coupled with intergenerational transmission of such beliefs and the presence of elected officials supporting racist ideas, fosters a political climate conducive to the use of coercive labor institutions involving migrants, particularly of non-white ethnicities.

Studying the ideological determinants of forced labor presents two main challenges. The first is the lack of micro-level data on exploitative practices. The second challenge is the possibility that racist views may opportunistically emerge when the returns to exploiting mi-

grant labor are higher, thereby inducing identification concerns. To address these challenges, we adopt two strategies. First, we infer the presence of forced labor from the presence of labor racketeering, a form of illegal labor intermediation where workers are recruited and their wages and movements are controlled by middlemen on behalf of the employer. We scrape newspapers of different political slants to obtain a micro-level measure of labor racketeering. Second, to identify the effect of ideology we leverage a historical shock that persistently increased far-right racist beliefs – the *bonifica integrale*, a major land reclamation project implemented by the Fascist regime in Italy in the 1920s and 1930s, the ideological basis of which was the superiority of the Italian race.¹

Our focus is a major advanced economy on the immigration route, Italy. We scrape 7 major Italian newspapers of different political slants searching for news items related to labor racketeering. Through text analysis, we identify the location of each event and build a municipality-level panel dataset of the prevalence of labor racketeering. We validate this measure using province-level police data on labor irregularities in agricultural firms and individual-level survey questions on the living conditions of migrants. To build a municipal-level measure of exposure to the Fascist program, the *bonifica*, we digitize detailed historical maps and use them to identify the geographic boundaries of this program. We then combine this geographic variation with over-time variation in the availability of a vulnerable migrant population leveraging the shock of the 2010 Arab Spring in a difference-in-differences framework. We further refine this analysis using a triple difference approach using locations with pre-existing presence of migrants from the countries affected by the Arab Spring – Middle East and North Africa. Finally, we also take advantage of plausibly exogenous borders of the program, which do not overlap with other geographic or administrative discontinuities, and where baseline municipal characteristics are not different across the border, to implement a regression discontinuity design.

Across specifications and designs, we find that areas subject to the Fascist *bonifica* program

¹On the rise of Italian Fascism see [Acemoglu et al. \(2022\)](#).

almost a century ago have significantly more news events mentioning labor racketeering in recent decades. This finding is confirmed considering i) the full sample of Italian municipalities using OLS (+5% news items related to labor racketeering); ii) the differential effect of the *bonifica* in places exposed to immigration shocks (+6%); and iii) restricting our analyses to RDD estimates comparing municipalities across the borders of *bonifica* areas (+16%). Leveraging a survey targeting migrants, we also find that migrants experience worse living conditions in Fascist-program locations, they are more likely to live in shacks, and to work without a labor contract. These results, presented in Sections 6 and D.1, indicate that political ideology can contribute to explaining the prevalence of forced labor practices.

Next, we explore the mechanism underlying these findings. As illustrated in Figure 1, the Fascist program could affect labor exploitation through political ideology or through other channels. In particular, while *bonifica* lands could be more likely to specialize in agriculture, in turn inducing higher returns to labor racketeering, we find little evidence of agricultural specialization or other economic differences across the border. We also do not observe unbalance in a broader set of socioeconomic characteristics, in the types of migrants settling in treated locations, and in organized crime presence (Section 8).

Instead, several pieces of evidence are consistent with the proposed ideological mechanism. First, municipalities exposed to the *bonifica* lean more far-right in national and municipal elections, and display discriminatory attitudes and behaviors towards migrants. Second, labor racketeering is directed towards non-white nationalities and ethnicities, and is larger in areas that were more exposed to the Fascist racist propaganda. Third, labor racketeering becomes even more prevalent when municipalities elect far-right mayors and when the electorate votes for neo-fascist parties at higher rates. Finally, we find evidence for the inter-generational transmission of Fascist values through surveys that queried individuals about both their political ideology and that of their family.

Overall, while the *bonifica* treatment likely involved both ideological and economic inputs, our strongest evidence points to a mechanism linking the historical shock to ideology with

long-term effects on the political environment and on attitudes and behaviors towards non-white migrants.

Our paper primarily contributes to the literature examining the determinants of labor-exploitative institutions. This literature has mostly focused on historical institutions such as slavery and serfdom, it has studied their economic determinants (Engerman and Sokoloff, 2002; Ashraf et al., 2018) and their economic and cultural consequences (Nunn, 2008; Nunn and Wantchekon, 2011; Markevich and Zhuravskaya, 2018; Buggle and Nafziger, 2021). We contribute to this literature by focusing on current labor-exploitative institutions and by turning the focus to their political and ideological determinants. The paper also advances an expanding literature on the economic integration of immigrants: while there is substantial evidence on what facilitates the labor-market integration of legal migrants and refugees (Abramitzky et al., 2014; Foged et al., 2022), as well as on the effects of legalization (Baker, 2015; Pinotti, 2017), we know little about what causes variation in the employment and working conditions of undocumented migrants. We add to this literature by underscoring the ideological and political components of the exploitative employment of undocumented migrant workers. Finally, we contribute to the literature on far-right ideology and attitudes and behavior towards immigrants (Bursztyn et al., 2019; Tabellini, 2020; Giuliano et al., 2020; Romarri, 2020) by showing that Fascist ideology can translate into a higher propensity for the illegal exploitation of migrants.

2 Forced Labor and Ideology

A prominent literature has studied the determinants of historical labor coercive institutions, such as serfdom and slavery (Acemoglu and Wolitzky, 2011). Research within this tradition has focused on economic incentives to explain the emergence and decline of forced labor practices. Factors such as the demand for unskilled labor (Ashraf et al., 2018), price shocks (Naidu and Yuchtman, 2013), and having a comparative advantage in labor-intensive sectors

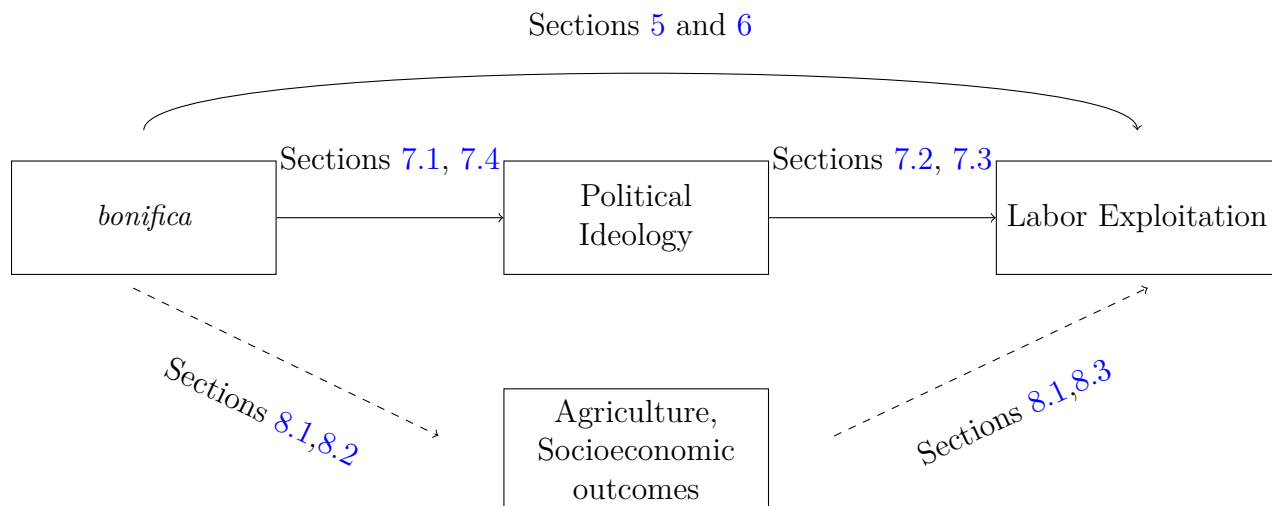


Figure 1: Concept map illustrating the relationship between *bonifica*, political ideology, labor exploitation, and other channels. Solid arrows represent causal relationships for which we find empirical evidence. Dashed arrows are causal relationships that do not find support in the context of the Fascist *bonifica*.

(Engerman and Sokoloff, 2002; Masera and Rosenberg, 2021) have been highlighted as crucial to explain coercive labor. Studies of contemporary forced labor are fewer, but they also highlight the market drivers of this phenomenon, including a larger supply of migrant workers (Seifert and Valente, 2018), a decreased supply of native workers (Mares and Ardanaz, 2013), and the prevalence of unskilled-intensive sectors (ILO, 2017).

While market incentives provide important insights, they alone do not offer a comprehensive understanding of the origins and persistence of labor-coercive institutions. In our study, we argue for the significance of ideological factors in explaining the presence of forced labor. We propose the hypothesis that labor racketeering, a form of illegal labor intermediation aimed at recruiting and controlling workers in a condition of vulnerability, is more likely to be seen in places with an ideology that allows for the forceful subjugation of people of color.

However, isolating the effect of ideology on labor coercion presents two important challenges. First, an ideology may emerge opportunistically to justify the use of exploitative labor practices whenever it is economically advantageous. Second, studies have demonstrated that a particular ideology can persist even after the discontinuation of forced labor

practices (Acharya et al., 2016). This relationship between ideology and labor coercion can obscure the presence of reverse causality, even in areas where forced labor was solely practiced in the past. To address these concerns, our empirical analysis relies on a long-lasting shock to an ideology that predates the arrival of other ethnic groups. In Section 2.1, we argue that Fascism constituted such a shock. In Section 2.2, we provide theoretical insights into how this shock can have enduring effects on contemporary forced labor.

2.1 Fascism and the Subjugation of Non-White Ethnicities

A central component of the Fascist ideology was the denigration of other races and the attempt at “purifying” the Italian race from contamination, a project explicitly discussed in the “Manual of the Fascist Man”.² This constituted the bedrock of the justification for subjugating non-white races. The Fascist regime (1922-43) put in place a vast program of propaganda to motivate the colonization of countries in Africa, which involved portraying black men as brutal aggressors and women as sexual objects available to Italian soldiers (Bonavita, 1870).

The ideology of the Fascist regime was inherited by post-World War II far-right political parties in Italy and re-adapted to target migrants. A central leitmotif for far-right parties in Italy continues to be the negative perception of immigrants, particularly those of color. In 2017, the far-right party Forza Nuova used a poster from Fascist propaganda portraying a black man attacking an Italian woman. The fascist poster stated: “Defend her, she could be your mother, your wife, your sister, your daughter”. The Forza Nuova poster used the same image with the writing “Defend her from the new aggressors”, a clear reference to non-white migrants (Il Fatto Quotidiano, 2017). The Casapound party also explicitly refers to the ideology and history of fascism, emphasizing extreme positions on immigration, as well as

²Partito Nazionale Fascista, Il primo e secondo libro del fascista, Roma, Anno XIX, pp. 117-120. 1941.

on anti-Semitism, and nationalism (Demos, 2012).³ Today, far-right elites in Italy leverage negative perceptions of non-white immigrants to obtain electoral support, and these political attitudes often translate into mistreatment: evidence shows that in municipalities governed by far-right mayors, there is a higher probability of observing episodes of mistreatment of migrants (Romarri, 2020; Dipoppa et al., 2021).

2.2 Fascist ideology and labor exploitation

Our proposed mechanism is as follows. A fascist ideological shock can be perpetuated over time by inter-generational transmission, which in turn results in the continued prominence of parties embodying fascist ideology. Where these parties continue to be prominent, profit-maximizing firms operate in a political environment in which they are relatively likely to escape serious punishment for engaging in illegal forced labor (via racketeering) thanks to anticipated protection from politicians from neo-fascist parties and lack of opposition from a society accepting of mistreatment of nonwhite migrants. The implication is that labor coercion of ethnic minorities should have a high propensity to be observed in places that received the fascist ideological shock, long after the initial shock occurred. The persistence of these parties since the time of the shock (in our case the creation of the *bonifica*) provides the mechanism for the presence of a political environment conducive to the illegal exploitation of people of color long after the original shock.

3 The Fascist “*bonifica*”

In 1922, the year in which Mussolini was appointed prime minister, large portions of rural areas in Italy were occupied by swamps. For centuries the Roman Empire had sought unsuccessfully to drain the swamplands. These inhospitable territories provided a unique

³On the long-run evolution of ideology and of political outcomes in other contexts see e.g. Becker and Pascali (2019); Caprettini et al. (2021).

opportunity for the regime to show that the Duce could prevail “where Caesars had fallen short” (Kargon and Molella, 2008, p. 50). With the proclamation of impressing a “turning point in history” that would exceed “the greatest achievements of ancient Rome” (Snowden, 2008) the Fascists implemented a major land reclamation project called *bonifica integrale* (“whole reclamation”).

The word “integrale” indicated the aim of combining a variety of interventions, including hydraulic, agricultural, and hygienic objectives. Based on the hypothesis that draining the swamps without resolving the causes of their formation was the main reason why the previous reclamation attempts were ineffective, Fascist engineers extended the works well beyond the swamplands and in the surrounding areas so that they could reduce the likelihood that swamps would form again (Ramadoro, 1930). Dewatering plants and major rearrangements of rivers and canals for drainage were key elements of the hydraulic reclamation, along with extensive reforestation of high flood-risk areas. This was achieved with exotic eucalyptus trees for their high capacity to absorb water and act as windbreaks, giving a unique appearance to the areas reclaimed by the Fascists. Hydraulic and land amelioration was also undertaken by building transportation infrastructures including bridges and roads. These were built to facilitate transportation of the production factors needed for hydraulic purposes, to enhance agriculture, and to make those territories hospitable.

People from other parts of Italy were persuaded, via heavy doses of Fascist propaganda, to move and stay in the reclaimed territories. At this time, settlers were all of Italian ethnicity. The “colonization” of the newly reclaimed land was in line with the Fascist principle of the colonial expansion of the Italian Kingdom – a key element of the Regime’s nationalistic rhetoric. The infrastructures often even took the form of towns built in these no man’s lands, which were named *Littoria* (Fascistville) or *Mussolinia*, thus inheriting the symbolism of the Italian Fascist Regime. The fascist propaganda explicitly underscored the racial elements of the *bonifica* with the motto “The land is reclaimed, and with the earth men, and with men the race”. As we show later, after the end of the dictatorship, and despite the traumatic

experiences of war and loss of freedom, people living in the reclaimed lands continue to exhibit Fascistic views to the present day (Carillo, 2022). We note that while the *bonifica* is clearly a bundled treatment involving economic and ideological inputs, our mechanism analyses find strong support exclusively for the ideological mechanism over the long term.

4 Data

The empirical analysis is mainly conducted at the level of Italian municipalities (N=8,084) which, depending on the analysis, we augment with yearly data or individual-level survey data. What follows is a brief description of our main variables and data sources. For greater detail, see Appendix A and B.

Main dependent variable: Labor racketeering

Our main outcome of interest is the number of news items on labor racketeering. Data are scraped from 7 major Italian newspapers with different political slant (La Repubblica, Corriere, La Stampa, il Giornale, il Fatto Quotidiano, il Manifesto, Libero) searching the word “caporalato”–labor racketeering in Italian. Within this institution, middlemen recruit and control workers – generally immigrants – associatedly limiting their freedom of movement. To contemporarily scrape news from different news outlets, we scrape the WARC (Web ARChive) in the period in which news are available (2000-2021). For Repubblica, we write a code specifically scraping the newspaper website and we are able to extract news from 1990 onwards. If national newspapers have local editions, as is the case for Repubblica and Corriere, we also scrape news items from those newspapers. We extract the date of the article, title, and body of the text. To identify the location of the event, we write a search algorithm that looks in the title and body of the article for words corresponding to names of Italian municipalities, excluding towns that are named after common Italian words (e.g. Diamante is a town in Calabria and the Italian word for “diamond”). We use this

information to build a municipality-level database of the number of news related to labor racketeering over time. Figure B.1 maps municipalities subject to *bonifica* and municipalities with episodes of labor racketeering reported in the news. The two quantities are similarly distributed in space, with a particularly high density of both news and *bonifica* in the regions of Sicily, Apulia, and Lazio, which are well known to be the centers of labor exploitation of migrants.

Validation

We use two alternative sources of data to validate our measure of labor racketeering and run tests to verify if this measure is subject to reporting bias. First, we validate our measure based on the news with a measure based on official indicators available at the provincial level from the Italian **Labor Inspectorate**. We gather yearly data since 2012 on the number of inspections and irregularities found in agricultural firms in each province. We estimate the correlation between our dependent variable in its continuous version (the inverse hyperbolic sine transformation of the number of labor racketeering news) and the mean share of irregular agricultural firms over total firms inspected.⁴ Table B.2 displays a positive and significant correlation, indicating that news positively predict the presence of labor irregularities in agriculture.

Second, we cross-validate our measure by considering as an alternative dependent variable survey questions on the living conditions of migrants. We obtained individual survey data from **Integrometro**, which interviewed 12,049 migrants in 236 municipalities asking questions about their living and working conditions.⁵ Municipalities reached by the survey are con-

⁴Irregularities include violations such as unpaid overtime work, child labor, and workers in conditions of illegality.

⁵This survey-based measure is at the municipal level, allowing us to use it as a dependent variable, while the audit-based measure is at the province level, such that we can only show correlations with our main dependent variable.

centrated in the center of Italy, particularly in the regions of Tuscany and Emilia Romagna. About half of these municipalities were also included in *bonifica* zones. Appendix Table B.1 summarizes the variables of interest for our analyses, as they capture conditions typical of workers subject to labor racketeering. Those are built by calculating the share of total respondents per municipality in the Integrometro database. We include the share of migrants (1) living in shacks or other temporary living arrangements (2) without a visa or permit to stay (3) working illegally or occasionally (4) working in agriculture.

A final worry is that reporting of labor racketeering might be lower in places with far-right governments or ideology. However, this concern does not apply to the national newspapers we use, which are unlikely to modify their reporting activity depending on which mayor is elected or on voters' preferences in a certain municipality.

Dependent variables for the mechanism: voting and attitudes towards migrants

From the Ministry of Interior, we gather municipal-level data on the results of national elections in the years from 1948 onwards. In particular, for the years 1948-1992, we focus on the vote share of the party directly inheriting the fascist ideology after the end of WWII, the Italian Social Movement (MSI). The party was founded by people close to the fallen regime and advocated right-wing extremist ideological positions rooted in the fascist ones.

We consider a measure of attitudes towards migrants using survey data from the Italian National Election Studies (ITANES) for 2001, 2008, and 2011. In addition to providing the municipality of the respondent residence, these surveys consistently asked whether migrants are perceived as a threat to Italians' identity. We also gather data on episodes of mistreatment of migrants at the municipality-year level, as recorded by the NGO [Lunaria](#), which collects information from news outlets as well as from first-hand sources on all episodes of mistreatment of immigrants, including verbal discrimination, damages to properties, and physical violence ([Dipoppa et al., 2021](#)).

Independent Variable: the Fascist *bonifica*

Our independent variable of interest is whether a municipality was exposed to the Fascist *bonifica* program. Data are from the Undersecretary of the Ministry of Agriculture and Forestry ([Tassinari, 1939](#)), which covers the areas where the *bonifica* took place over the period from 1929 to 1939. We extract the data by digitizing the historical map of the *comprensori di bonifica* (*bonifica* areas) which we then overlap with the boundaries of current municipalities using ArcGIS. The left panel of [Figure B.1](#) shows which municipalities were subject to the program. More than one-third of the current Italian municipalities lie in a territory that was subject to the intervention almost a century ago.

Main Control Variables

Given that the *bonifica* was undertaken in geographically disadvantaged areas, we take into account a wide set of geographic variables to compare what we define as treated and control areas in each specification. We gather measures of crop-specific suitability measures from FAO GAEZ' v3 to account for differences in potential agricultural productivity, which may have induced the location of the reclamation project and have an independent effect on labor exploitation. The fight against malaria was one of the elements of the Fascist propaganda, which may have influenced the choice of the areas where the reclamation took place. We thus also consider an index of malaria suitability developed by [Gething et al. \(2011\)](#). Our analyses further explore the impact of the reform on a host of other geographic, socioeconomic, and land-use variables which we describe in the text and [Appendix A](#) and [B](#).

We describe additional sources of data used for supplemental analyses in the sections discussing the tests.

5 Basic Correlations

We begin by documenting basic correlations between the Fascist *bonifica* initiative in the 1930s and contemporary measures of migrant labor exploitation across Italian municipalities. These correlations aim to answer the following question: Do places that benefited from the Fascist program exhibit more exploitative practices towards migrants today? First, we present OLS estimates of the relationship between the 1930s *bonifica* and our news-based measure of present-day labor exploitation. Second, we employ a similar approach to investigate the link with present-day self-reported living conditions of migrants. We estimate the following model:

$$Y_i = \alpha + \beta \text{bonifica}_{29-39;i} + \mathbf{X}'_i \gamma + \delta_c + \epsilon_i \quad (1)$$

where Y_i is an outcome variable of interest for municipality i , and $\text{bonifica}_{29-39;i}$ is an indicator taking value 1 if municipality i was part of the reclamation project (*bonifica*) conducted between 1929 and 1939, and 0 otherwise. \mathbf{X}'_i is a vector of control variables which, depending on the specification, includes suitability for wheat, for malaria, population, and others; δ_c are provincial-level fixed effects – provinces are the smallest administrative unit above the municipality and are thus the most granular level at which we can absorb time-invariant differences between units.

Basic Correlations Results

We estimate the empirical specification of equation 1 and provide the results in Table C.1. We find a positive and significant relation between the Fascist *bonifica* and labor racketeering news between 2000 and 2021. Municipalities exposed to this policy are between 2 and 7% more likely to experience any news related to labor racketeering (Panel A), or a 5-14% increase in the number of news related to labor racketeering (Panel B). Given how rare those events are (the mean number of news in a municipality is 0.06), the effect sizes are

large: the Fascist *bonifica* doubles the probability that a municipality experiences any news related to labor racketeering with respect to the mean. Results are robust to controlling for province-fixed effects, time-invariant indicators of crop and malaria suitability. The results are also robust to controlling for present-day population, despite it being a “bad” control.

We substantiate our findings based on labor racketeering news by using an alternative data source: a survey of migrants living and working conditions. The results are shown in Table C.2. Even though these data have more limited coverage (234 municipalities), we find that in municipalities exposed to the Fascist *bonifica*, the prevalence of migrants living in shacks and working illegally is higher, which is in line with the conditions experienced by migrants victims of labor racketeering. We do not observe a positive correlation between migrants working in the agricultural sector and exposure to the *bonifica*. This suggests that our observed effect is not merely a result of reclaimed lands being more likely to be used for agriculture, in line with other findings presented in the following.

6 The *bonifica*, migration shocks, and labor racketeering: DID analysis

To advance a causal interpretation of the link between the *bonifica* and labor exploitation, we use mainly two methodologies. First, we explore both difference-in-differences and triple difference-in-differences specifications. These models explore the exposure to the *bonifica* with the exogenous shock in the supply of migrants. These analyses are presented in this Section. Second, to further substantiate the causal interpretation and the analysis of the mechanisms, we use a spatial regression discontinuity design. This approach enables us to estimate the effect of the *bonifica* on mediating outcomes that we cannot estimate using dynamic specifications. This approach is presented in Appendix Section D.1.

6.1 Difference-in-Differences Design

An increase in the supply of a labor force vulnerable to exploitation, such as migrants, can lead to an increase in labor exploitation (Acemoglu and Wolitzky, 2011; Seifert and Valente, 2018). Such an effect should be larger in places exposed to the *bonifica* given their hypothesized greater propensity to exploit migrants. We test this hypothesis by combining spatial variation from the Fascist *bonifica* with time-varying shocks in the supply of migrants caused by the Arab Spring (years 2010-11) and the Syrian War (years 2015-16).

We make use of the timing of the labor racketeering news and structure our data into a yearly panel database and estimate two specifications.⁶ The first is a difference-in-differences (DID) design for places with and without the Fascist program, before and after the Arab Spring. The second is a triple difference-in-differences design (DDD) adding a third component: whether a municipality hosted individuals coming from the Middle East and North Africa (MENA) before these two shocks. This is a measure of exposure to the shock: since migrants tend to cluster geographically where pre-existing migrants from their origin settled, municipalities with pre-shock MENA populations will be more exposed to these two migrant waves. We estimate:

$$DID : \quad Y_{it} = \iota_i + \kappa_{p \times t} + \lambda X_{it} + \mu \text{bonifica}_{29-39,i} \times \text{Post}_t + \nu_{it} \quad (2)$$

$$DDD : \quad Y_{it} = \iota_i + \kappa_{p \times t} + \lambda X_{it} + \pi_1 \text{bonifica}_{29-39,i} \times \text{Post}_t + \pi_2 \text{Post}_t \times \text{Exposure}_i + \\ + \pi_3 \text{bonifica}_{29-39,i} \times \text{Post}_t \times \text{Exposure}_i + \xi_{it} \quad (3)$$

Where subscripts t indicate the year and, as before, i indicates the municipality and p the province. bonifica_i is a time-invariant dummy indicating all municipalities in Italy in

⁶We refrain from using more granular time variation (i.e. monthly) given that our time-varying shocks are at the year level (or coarser).

which the Fascist *bonifica* took place. The dummy $Post_t$ takes value one from 2010, the start of the Arab Spring. $Exposure_i$ is an indicator taking value one if the municipality has a non-zero presence of migrants from the Middle East and North Africa well before the shock, in 1991. We include municipality ι_i and province times year $\kappa_{p \times t}$ fixed effects, to account for time-invariant characteristics of municipalities with and without *bonifica*, and within province yearly varying shocks, such as changes in employment and political conditions. We also control for a vector of all covariates present in the Census 1991 interacted with year indicators, denoted X_{it} .

We are interested in two coefficients. First, μ captures the effect of being inside versus outside the borders of the Fascist *bonifica*, before and after the Arab Spring. Second, π measures three differences: after relative to before the Arab Spring, more relatively to less exposed to the Arab Spring, inside versus outside the borders of the Fascist *bonifica*.

6.2 Event-study Results

The DID specification relies on the assumption that, absent the immigration shock, *bonifica*-treated areas would have continued along the same trends. Similarly, the DDD specification assumes that absent the immigration shock there should be no differential effect in areas with vis-a-vis without MENA immigrants between municipalities inside and outside of the *bonifica* areas (Olden and Møen, 2022). We substantiate the validity of these two assumptions by showing an event study for each design in the panels of Figure 2. In both cases, coefficients are small and close to zero in the years before the shock, indicating no differences between treated and control units, while they increase significantly in correspondence with the Arab Spring (2010-2011). We also observe a small but insignificant increase in the year before the start of the insurrections, consistently with economic shocks in MENA countries already causing an increase in migration before the official start of the political upheavals. Coefficients drop as this migration wave dissipates, but they increase again with the start of the Syrian crisis (2015-2016). Here we use as a dependent variable the inverse-hyperbolic

sine transformation of the number of labor-racketeering news, while in Figure 2 we show results with our alternative transformations of the dependent variable.

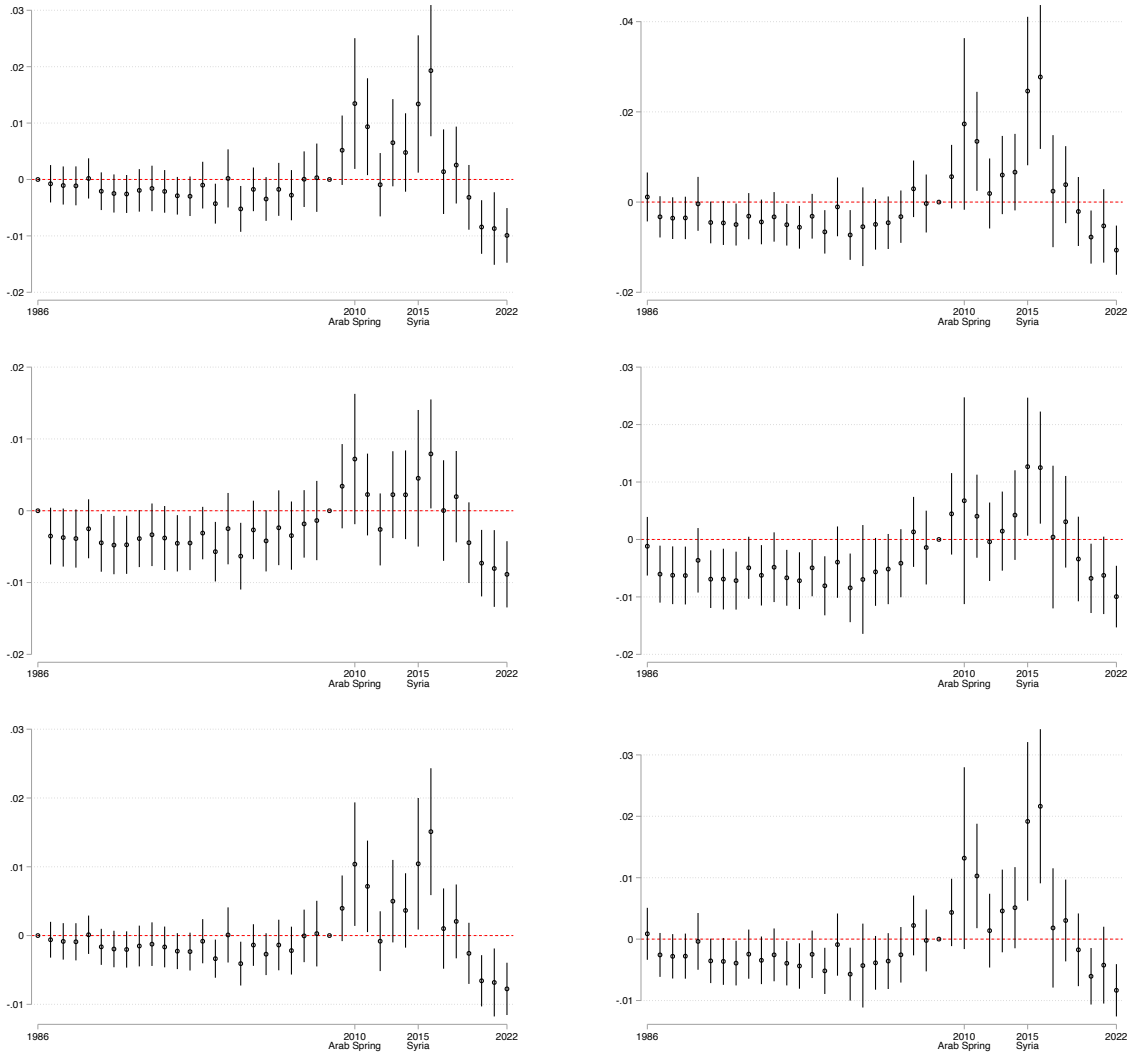
6.3 DID and DDD Results

Tables 1 presents the results in table format. Starting from the DID (columns 1-3), the share of news related to labor racketeering doubles in municipalities treated by the Fascist program after the Arab Spring (Column 1-2), as does the probability to observe any news in this period (Column 3). Moving on to municipalities most affected by the shock due to a pre-existing MENA population (triple interaction coefficient of the DDD, Columns 4-6), the effect is even larger: municipalities treated by all 3 shocks experience a three-fold increase in the number and likelihood of labor-racketeering news with respect to the average in the control group. These results indicate that treated areas have a larger propensity to exploit newly arrived migrants. The estimated coefficient of the triple interaction shows that the exposure to the Arab Spring immigration shock induced a large and significant increase in racketeering news inside the *bonifica* borders relative to outside of them. We show that this finding is robust to varying the start of treatment to post-2014 – the start of the Syrian crisis – and dropping the years of the Arab Spring, which were already treated (Table E.1).

6.4 RDD Results

We test the impact of the Fascist *bonifica* on labor-racketeering news using a second strategy: a spatial regression discontinuity design. We focus our analysis on plausibly exogenous borders of the land reclamation project – e.g. borders that do not overlap with current administrative boundaries or geographic discontinuities such as rivers, lakes, and mountain ranges. We also explore historical sources discussing how the *bonifica* borders were drawn based on technical geographic reasons. Within the regression discontinuity bandwidth, municipalities in treated and control areas display no differences across a large range of historical pre-reform characteristics as well as contemporary socioeconomic and political outcomes. In-

Figure 2: Event study plotting the effect of the Fascist *bonifica* after an immigration shock (right: DID, left: DDD design)



Notes: DID (left) and DDD (right) coefficients capturing the effect of the Fascist program before and after the Arab Spring and the Syrian War shocks and the difference for municipalities with pre-existing migrants from MENA countries, our measure of exposure to the shock (right). The dependent variable is news related to labor racketeering in a municipality and year in its inverse-sine hyperbolic transformation (first line), as a dummy (second line), and in its logarithmic transformation (third line). The reference year is 2008, before the shock. Regressions include fixed effects at the municipality level, and province by year level, and control for the interaction of census characteristics 1991 with time trends. Standard errors are clustered at the municipal level.

Table 1: Effect of the *bonifica* after a migration shock: DID and DDD Design

	DID			Triple DiD		
	(1) Asinh	(2) Log	(3) Dummy	(4) Asinh	(5) Log	(6) Dummy
bonifica×Post2010	0.0046*** (0.0018)	0.0035*** (0.0014)	0.0030*** (0.0011)	-0.0032** (0.0015)	-0.0024** (0.0012)	-0.0022* (0.0012)
bonifica×MENA				-0.0039* (0.0021)	-0.0030* (0.0017)	-0.0033** (0.0016)
Post2010×MENA				0.0001 (0.0009)	0.0001 (0.0007)	0.0001 (0.0007)
bonifica×Post2010×MENA				0.0089*** (0.0027)	0.0069*** (0.0021)	0.0060*** (0.0018)
Observations	274,207	274,207	274,207	274,207	274,207	274,207
City FE	Y	Y	Y	Y	Y	Y
Province x Year FE	Y	Y	Y	Y	Y	Y
Mean DV	0.00340	0.00270	0.00290	0.00340	0.00270	0.00290

Notes: Difference-in-differences (columns 1-3) and triple differences (columns 4-6) regression capturing the effect of the Fascist program before and after the Arab Spring (2010), and (columns 4-6 only) in municipalities with pre-existing MENA populations in each year prior to 2010. The dependent variable is the number of news related to labor racketeering in a municipality and year in inverse sine-hyperbolic transformation (column 1,4), logarithm (column 2,5), and as a dummy (column 3,6). Regressions include fixed effects at the municipality and province-by-year level, controls interacted with time trends, and standard errors clustered at the municipal level.

stead, treated areas are 16% more likely to host instances of labor racketeering compared to similar control areas on the other side of the border. All these analyses are discussed in greater detail in Section D.1 in Appendix.

7 Mechanism: the Fascist Ideology

We now explore potential mechanisms explaining the positive effects of the Fascist program on migrant labor racketeering. We first ask whether places subject to the *bonifica* program lean more toward the far-right and hold discriminatory attitudes to this day (Section 7.1). Second, we show that labor racketeering in *bonifica* areas increases together with discriminatory behaviors and fascist ideology (Section 7.2). Third, we explore the role of enabling institutions and societies in furthering the prevalence of exploitative practices (Section 7.3). We conclude by studying transmission of far-right values to test if it is plausible that Fascist ideology has been passed on to these days (Section 7.4).

7.1 Bonifica areas lean far-right

We start by testing if *bonifica* areas, which exhibit greater prevalence of labor racketeering, have higher rates of far-right ideology to this day. We consider four outcomes: voting for neo-fascist parties, voting for far-right mayors, surveys capturing discriminatory attitudes, and discriminatory behaviors. These tests leverage our spatial RDD specification to investigate whether the level of (rather than changes in) far-right voting and negative attitudes towards migrants are higher in treated areas.

Voting for Neo-Fascist Parties: We start by testing whether the main neo-fascist party after the end of WWII, the MSI (*Movimento Sociale Italiano*), received a higher vote share in areas targeted by the *bonifica*. Figure D.3 shows the RD estimates of the effect of the *bonifica* on the share of votes for this party, in all national elections in which they ran. Coefficients show an effect of around +1.5% across all elections with different levels of statistical

significance — a sizable effect given that the party had a stable national-level support of around 4%. The size and significance of the estimates increase when outliers are removed, as shown in the bottom panel of the figure.

Electing Far-Right Mayors: Municipalities exposed to the Fascist *bonifica* are more likely to elect far-right mayors (2000-2020).⁷ Table D.7 displays the estimated RD coefficients. Column (1) uses whether the municipality ever had a far-right mayor as the outcome, while columns (2) and (3) use the number of far-right mayors in asinh and logs, respectively. In all cases, the coefficients are positive and statistically significant with conventional standard errors.

Attitudes towards Migrants: Fascist ideology promoted the belief in the superiority of Italian culture over other ethnic groups. If this view still exists in the *bonifica* areas, the presence of migrants may be perceived as a threat to Italian culture and identity. To investigate this hypothesis, we analyze survey data from ITANES, which includes a question repeated across several waves asking whether migrants are perceived as a threat to Italian culture or identity. Table D.6 explores the spatial RD specification using as outcome answers to ITANES survey question that indicates negative attitudes towards migrants.⁸ Column 1 exhibits an estimated coefficient that is more than half of the mean of the dependent variable— a sizable effect. Column 2 shows an even larger effect when considering a polynomial of order 2. In line with our hypothesized mechanism, these findings indicate that individuals just inside the reclamation areas are more likely to exhibit negative attitudes towards immigrants.

⁷Coding mayors' ideology is difficult due to the presence of civic lists with unclear or absent references to political ideology. We thus expect this effect to be a lower bound.

⁸The answers are coded on a scale from 0 (disagree) to 3 (agree), which we dichotomize to simplify the interpretation of results.

Behaviors towards Migrants: Other than sentiments, hostility against migrants of different ethnicities might manifest into hostile behavior. We investigate whether the number of episodes of criminal acts of discrimination is higher in treated locations.⁹ Table C.5 shows that places subject to the *bonifica* program are 2% more likely to witness at least one episode of discrimination of migrants on average (Column 1), and they also have more episodes than other municipalities (Column 2).

7.2 Racketeering targets minorities and increases with propaganda

In this section, we examine the connection between the *bonifica*, labor racketeering, and discriminatory and fascist attitudes. If our main effect is explained by ideology, labor racketeering in *bonifica* areas should increase together with discriminatory attitudes and with a heightened exposure to Fascist ideology. We show this is the case using two tests. First, we show that individuals from racial or ethnic minority groups are more likely to be victims of exploitative practices in treated areas. Second, we present evidence that *bonifica* areas exposed to more intensive instances of Fascist propaganda (radio, cinema, and visits by Mussolini) have even more instances of labor racketeering than other areas.

Racketeering of Non-White Migrants: We code whether migrants subject to racketeering are white or non-white by searching for country names and ethnicities in the news articles on labor racketeering. We focus on the main nationalities and ethnicities of migrants employed in agriculture, labelling migrants as non-white when they come from Africa and the Middle East, and white when they come from Eastern Europe and the Balkans. Table D.4 shows results from our RDD analysis in which the coefficient for non-white labor-racketeering (Column 1) is statistically significant with robust standard errors. Instead, the estimated coefficient for migrants from Eastern Europe and the Balkans (Column 2) is insignificant in

⁹In this case, the total number of episodes is too low to run this analysis using the RDD specification.

all inference adjustment procedures. That racketeering targets non-white migrants rather than white migrant workers is in line with the hypothesized ideological mechanism.

The Amplifying Effect of Fascist Propaganda: In Fascist Italy, propaganda played a crucial role in spreading ideology (Cannistraro, 1975). If Fascist ideology contributes to explaining our findings, the propaganda disseminated by the dictatorship during that period might have amplified the impact of the *bonifica* on labor racketeering. We leverage our OLS specification to explore whether when propaganda is combined with the *bonifica*, the effect on labor racketeering increases (Table C.3). We start by considering the number of times Mussolini visited a certain location: the interaction of propaganda and *bonifica* is positive and statistically significant both using as an outcome the extensive and the intensive margin (columns 1 and 2). Second, we use the number of Fascist cinema screening as a measure of propaganda – a medium extensively utilized by the regime for disseminating its message. While data on screenings are only available at the provincial level, our estimated coefficients are positively oriented even in presence of province fixed effects, although they lack significance (columns 3 and 4). Third, we use data from (Gagliarducci et al., 2020) on the EIAR (*Ente Italiano per le Audizioni Radiofoniche*) radio signal strength, extensively utilized by the Fascist regime for propaganda in the final phase of the dictatorship. We interact the *bonifica* indicator with the EIAR signal strength while also controlling for the theoretical signal strength — the signal a municipality would receive in the absence of geographic obstacles. The interaction of *bonifica* with the radio signal is again positive and significant (columns 5 and 6). Together, these results indicate that labor racketeering is more widespread in areas where the Fascist program coincided with Fascist propaganda, underscoring the importance of ideology in explaining treatment effects.

7.3 Enabling Institutions and Societies

This section explores the role of institutions and societies in enabling labor racketeering. Our main analysis indicates that places exposed to the *bonifica* program after a migration shock experience more instances of labor racketeering in a DiD framework. We now ask whether these effects are augmented by the election of a far-right mayor, or by a society voting for far-right parties at higher rates.

Enabling institutions: If local institutions align with a far-right ideology, then employers may anticipate a lower likelihood of persecution for labor racketeering of migrants. At the local level, mayors hold important functions that might change the likelihood of prosecution for racketeering, including control of the municipal police and provision of services such as water and electricity to migrants. The election of a mayor with little interest in protecting migrants might reduce the likelihood of employers being prosecuted for labor exploitation. Table 2, Columns 1-3, shows that in locations where the *bonifica* took place, after the migration shock, and after the election of a far-right mayor the number of observed labor racketeering increases significantly. The effect size is large, increasing news related to labor racketeering by 5 to 6-fold with respect to the mean of the dependent variable.

Enabling society: A society holding discriminatory beliefs might favor labor racketeering of migrants in two important ways: first, it can lower employers' social cost of exploitation, as peers are not condemning of this behavior; second, society might be less likely to report labor racketeering to the authorities. We interact our DiD specification with the vote share for the MSI, a neo-fascist party that presented itself until the 1990s as the defender of Italian fascism's legacy.¹⁰ The triple interaction coefficient indicates that a standard deviation in MSI vote share doubles the number of labor racketeering news in a municipality-year compared to the mean of the dependent variable, on top of the increase observed on average in Fascist program areas after the Arab Spring.

¹⁰While this table uses election year 1992, using any other election year, or the average vote for this party since it started running, returns similar results (Table E.3).

Table 2: Enabling institutions and society

	(1)	(2)	(3)	(4)	(5)	(6)
	Asinh	Ln	Dummy	Asinh	Ln	Dummy
<i>bonifica</i> × Post	0.0043** (0.0019)	0.0033** (0.0015)	0.0017 (0.0013)	0.0034** (0.0015)	0.0026** (0.0012)	0.0023** (0.0010)
<i>bonifica</i> × F-R Mayor	-0.0264** (0.0114)	-0.0202** (0.0089)	-0.0149** (0.0076)			
Post × F-R Mayor	0.0073* (0.0043)	0.0057* (0.0034)	0.0069** (0.0033)			
<i>bonifica</i> × Post × F-R Mayor	0.0374*** (0.0135)	0.0291*** (0.0105)	0.0241*** (0.0093)			
Post × Fascist				-0.0001 (0.0006)	-0.0001 (0.0005)	-0.0002 (0.0004)
<i>bonifica</i> × Post × Fascist				0.0056*** (0.0021)	0.0043*** (0.0017)	0.0035*** (0.0012)
Observations	107,953	107,953	107,953	271,173	271,173	271,173
City FE	Y	Y	Y	Y	Y	Y
Province x Year FE	Y	Y	Y	Y	Y	Y
Mean DV	0.00680	0.00530	0.00560	0.00340	0.00260	0.00290

Note: Difference-in-differences regression capturing the effect of the Fascist program (*bonifica*) before and after the Arab Spring (*Post*) in municipalities where a far-right mayor is in power in those years (*F-R Mayor*, Columns 1-3) and where the MSI party of Fascist inspiration obtained +1 standard deviation in vote share in 1992 (*Fascist*, Columns 4-6). Table E.3 includes results using all other election years in which the MSI ran. The dependent variable is labor racketeering news items. Columns 1-3 include years from 2004 to 2021, when far-right mayors gain office in municipal elections, Column 4-6 include all years from 1986.

7.4 Intergenerational Transmission of Fascist Values

If the connection between the *bonifica* program and labor racketeering is ascribed to ideology, then fascist beliefs were transmitted across generations. In post-war Italy, explicit advocacy for fascist principles was prohibited, making vertical transmission within families the primary channel for the perpetuation of those values. We investigate whether the relationship between present-day Fascist ideology and the *bonifica* is explained by the influence of the Fascist program on the ideology of older generations, passed down within families from one generation to another.

We test if surveys targeting individuals in *bonifica* areas reveal the presence of a family member who voted for the Neofascist party – we consider mother (column 1), father (column 2), either (column 3) or both of them (column 4). Column 5 uses as an outcome whether the respondent herself has ever voted for the party. We leverage our OLS specification to maximize power given the limited sample size of survey respondents in treated locations. Results indicate that the *bonifica* is highly correlated with the respondent’s answer related to both her family and about her own self-reported voting for fascist parties.

We then ask how much of the current voting behavior is explained by intergenerational transmission. Panel B uses the answer to the self-reported voting as the outcome, and the answer to the same question relative to the parents (indicated in the column heading) as a regressor. As expected, there is a strong inter-generational transmission of fascist values as indicated by the positive and statistically significant coefficients across all columns. Importantly, Panel B also provides a mediation analysis, indicating what share of the estimated coefficient of column 5 of Panel A can be mediated by the answer related to the parents (indicated in the column heading of Panel A). Consistent with our hypothesis, at least 30% of the link between the *bonifica* and an individual’s propensity to vote for the neo-fascist party can be explained by her parents’ exposure to the fascist program. Given that other mechanisms of cultural and ideological transmission could be partly at work, such as horizontal and oblique transmission, the estimated mediated effect is sizable.

8 Alternative explanations

8.1 Agricultural Specialization

Places that were exposed to the Fascist interventions may have been more likely to specialize in agriculture. As a result, the estimated effect on labor racketeering could be the result of agricultural areas needing unskilled manual labor and thus higher returns from migrant exploitation. In contrast, agricultural specialization may be itself an outcome of labor racketeering which, by providing a cheap labor force, artificially induces a local comparative advantage in agriculture and in unskilled intensive industries.

We investigate whether areas subject to the *bonifica* currently differ in their degree of specialization in agriculture. We explore these aspects in Table D.3, where we employ our RD specification using the agricultural outcomes available from the Census. We find consistently no effect on agricultural specialization measured by agricultural employment as well as land used for cultivation and the number of farms per km.

We also conduct falsification tests for the DID and DDD specifications to test whether agricultural specialization is the main driver of those findings. In particular, we employ the same specification using, instead of the *bonifica*, an indicator of agricultural employment pre-shock in 1991 (Table E.2). The estimated coefficients of interest are statistically indistinguishable from zero or negative.

Overall, the results do not support the hypothesis of agricultural specialization as an explanation for the effect of the *bonifica* on labor racketeering, a finding consistent with other results in this paper.

We then consider a separate question, which is whether, although there is not more agriculture in *bonifica* areas, the existent agricultural practices are more likely to involve labor-intensive crops and techniques. We find some support for this hypothesis. We observe a positive and marginally significant effect on the labor-intensive crop, citrus, but not with

others such as vegetables (which include tomatoes).¹¹ One interpretation of these results is that, even though at the threshold we cannot detect a direct effect of the *bonifica* on agricultural specialization, the positive effect we observe on some of the typical labor-racketeering crops indicates the potential indirect effect of the *bonifica* on the production of these crops through its effects on exploitation. We do not find, instead, significant effects on farm-specific technology as measured by the number of farms using tractors and the number of farms using mechanical equipment for pest control on the yearly number of working days in the farms.

8.2 Current socioeconomic characteristics and migrants selection

Another possibility is that, while agriculture did not differ, other differences emerge as a result of the *bonifica* that can explain our findings. In Table D.3 we examine a host of current socioeconomic outcomes, from population size and density to employment, education, and housing. None of these characteristics changes significantly across the threshold. Importantly, we consider whether the type of migrants selecting into *bonifica* areas differs in any observable way. Using data on the number and nationality of migrants, we find no meaningful difference in the population living inside the *bonifica* borders, suggesting that this channel is unlikely to explain our results.

8.3 A “Placebo” Bonifica: the Cavour Canal

The *bonifica* was a major water-management infrastructural investment that has affected local economies in several ways, which may have had an independent effect on present-day labor exploitation. While we do not exclude the relevance of other mechanisms, in this section we explore this possibility by using as a placebo another large water-management infrastructure: the Cavour Canal.

¹¹Unfortunately, the census does not provide the finer distinction between tomatoes (a highly labor-intensive crop) and other vegetables.

This intervention resembled the Fascist *bonifica*, with the key difference that it was not aimed at boosting political support for the fascists and their principles. It consisted of an 83-kilometer canal built between Torino and Novara, over the period 1863-66. It was devised by the President of the Council of Ministers of the Kingdom of Italy, Cavour, to redirect waters and support agricultural production in those areas. The map depicted in Figure B.3 shows the location of the Canal and municipality-level distance to it at different cutoffs.

In Table C.6 we investigate whether this major water-related infrastructural investment is positively associated with present-day labor racketeering. We use municipalities within 50 kilometers of the Canal and measure the exposure to the treatment with dummy variables that equal 1 if a municipality is within 5 or 10 kilometers of the Canal. We find that areas within 5 or 10 kilometers are not more likely to exhibit labor exploitation news today. Coefficients are negative and not statistically distinguishable from zero. This result indicates that, absent the Fascist ideological element associated with the *bonifica*, water-management infrastructures alone would not have an impact on migrant labor exploitation.

8.4 Organized crime presence

The phenomenon of migrant labor exploitation is often tied to organized crime. Across countries, criminal groups are often responsible for smuggling migrants, making them available as informal workers, and using threats to enforce informal work contracts tying migrants to exploitative working environments. In Italy, local mafias collaborate with foreign criminal groups to smuggle and control migrant labor.¹² While we expect high levels of mafia involvement on average in places with labor racketeering, we have no reason to expect differentially higher levels of mafia in places where the propensity to exploit migrant labor is tied to Fascist ideology. We gather data on the number of goods, properties, and firms seized from organized crime at the municipality-year level (ANBSC), which is commonly used as a

¹²For example, see the [Antimafia Directorate Report, 2020](#).

measure of mafia presence.¹³ In Table D.5 we show that municipalities subject to the Fascist program are not significantly more likely to display instances of mafia presence.

9 Conclusions

In this paper, we consider the determinants of a widely diffused yet understudied phenomenon, forced labor in advanced economies. While previous studies have focused on market factors explaining the adoption of this practice in historical settings, we focus on *contemporary* coercive labor and on its *political* determinants. We hypothesize that places, where individuals have been exposed to Fascist ideology in the past, have a higher prevalence of forced labor of non-white migrants today. We leverage a historical shock to far-right discriminatory beliefs, the Fascist *bonifica* program, to single out the effect of ideology from other factors.

As topline findings, we show that (1) places affected by the ideology shock are more likely to witness cases of migrant labor racketeering, and (2) cases are even more likely after migration waves increase the supply of undocumented migrants. We also find extensive evidence in favor of the ideological mechanism we hypothesize.

Our findings primarily underscore the importance of ideology to understand the propensity to illegally exploit migrant labor today. We further contribute to a growing literature on the effects of far-right extremism by focusing on a previously unexplored outcome, migrant labor exploitation. The focus on the effect of political ideology on migrants' exploitation and their living conditions opens the way for future research on whether this increasingly diffused yet understudied phenomenon may affect the labor market, economic efficiency, and living standards.

¹³We cannot use another commonly adopted measure, municipalities dissolved for mafia infiltration, as this is not sufficiently granular to allow the estimation of our RDD.

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APPENDIX

A Variables Description and Sources

Number of news on labor racketeering and exploitation: Depending on the specification, we use either a dummy that equals 1 if there was any news over the 2000-2021 period or the inverse hyperbolic sine transformation of the number of news over the period 2000-2021 but results are almost identical if we use the logarithm of the number of news plus 1. Data are scraped from 7 major Italian newspapers with different political slant (La Repubblica, Corriere, La Stampa, il Giornale, il Fatto Quotidiano, il Manifesto, Libero) where we extract all news from the search of “caporalato” using WARC (Web ARChive) related to the period 2000-2021. We extract data on the date of the article, title, and body of the text. We identify the location of the event by using a search algorithm that looks in the title and body of the article for words corresponding to the names of Italian municipalities. We use this information to build a municipality-level database of the number of news related to labor racketeering and exploitation in general over time.

Suitability for wheat production: Agro-climatic potential wheat yield per hectare from the FAO GAEZ’ v3 methodology with low inputs and rain-fed conditions, averaged across the grid cells within each municipality using ArcGIS.

Malaria Suitability: Temperature suitability for *Plasmodium falciparum* transmission from [Gething et al. \(2011\)](#), averaged within the border of each municipality. The temperature data employed by [Gething et al. \(2011\)](#) is a time series across an average year (1950-2000) for a grid of approximately 1km.

Population The variable represents the population of the municipality in a given year, as reported by the ISTAT population census. For present-day municipalities that did not exist in 1921, the population is recorded as zero for that year. For 1921, we use the natural logarithm of one plus the population count to account for the fact that the distribution of

population sizes is highly skewed.

Elevation: Average elevation in the municipality. Data source: ISTAT. Link: <https://www.istat.it/it/archivio/156224>, last access June 2021.

Slope: Average slope within the municipality. Source: author's calculation using ArcGIS software and GOTOPO30 elevation raster data.

Migrants are a Threat to Identity/Culture: Based on the answer to the question: "Now, I shall read some opinions often people hold on politics and economics. Please, tell me how much do you agree with each of them? Migrants are a threat to our culture and identity." Taken from the survey ITANES 2001 C10.7. Coded 0 if "Disagree completely", 1 if "Agree a little", 2 if "Agree fairly", and 3 if "Agree completely". The variable is also based on the question from ITANES 2008 and 2011 "Now, I am going to read some opinions on politics and the economy that people sometimes express. Could you please tell me how much do you agree (not at all, a little, fairly much, very much) with each of them? Migrants are a threat to our culture " question D007_10 for 2008 and question Q07_07 for 2011. Coded 0 if "not at all", 1 if "a little" 2 if "fairly much", and 3 if "very much". In some specifications indicated in the table we use a dummy coded 0 if "not at all" 1 for all other answers.

B Descriptive statistics

Table B.1: Summary statistics

Variable	Mean	Std. Dev.	N
Any Labor Racketeering News 1984-2018	0.08	0.27	8091
Labor Racketeering Episodes 1984-2018	0.45	5.42	8091
Fascist Land Reclamation 1929-39	0.32	0.47	8084
Suitab. for Agriculture	4168	806.72	8084
Suitab. for Wheat	727.32	485.22	8084
Population in 2011	7350.84	39760.98	8084
Survey Integrometro			
Live in Shacks	0.04	0.09	234
Without permit	0.1	0.17	234
Work illegally	0.23	0.19	234
Work in Agriculture	0.05	0.12	234

Table B.2: Validation, labor racketeering news and irregularities in agricultural firms

	(1)	(2)
Share irregular agric firms (Asinh)		
Labor Racketeering (Asinh)	0.579*** (0.087)	0.214*** (0.081)
Observations	92	92
R-squared	0.390	0.660
Pop 2011	Y	Y
Num. Inspections	N	Y

Notes: Correlation between the number of labor racketeering news (inverse hyperbolic sine transformation) and share of irregularities found in agricultural firms over the number of unannounced audits in the province. Data on audits come from the Labor Inspectorate.

Figure B.1: News related to labor racketeering

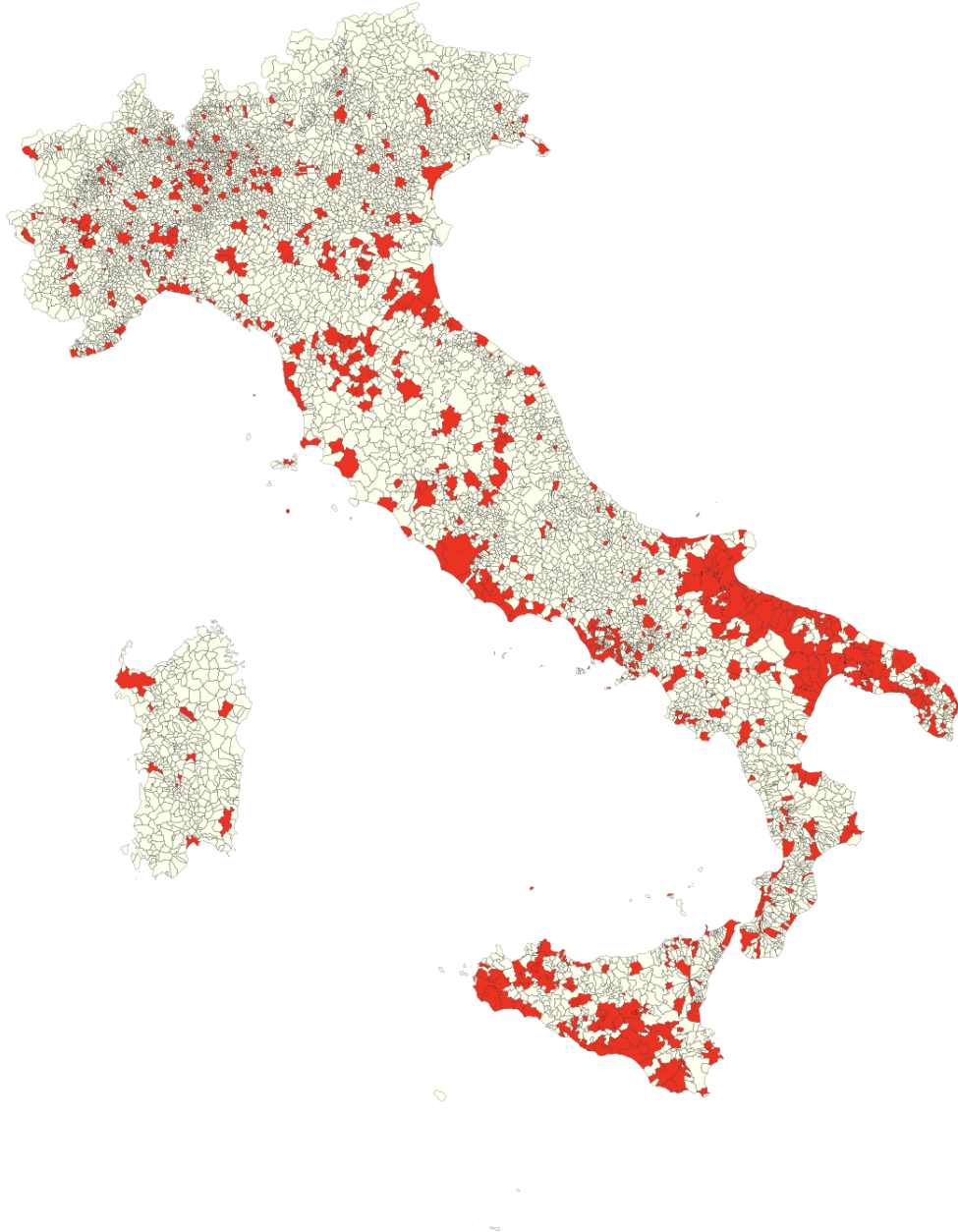
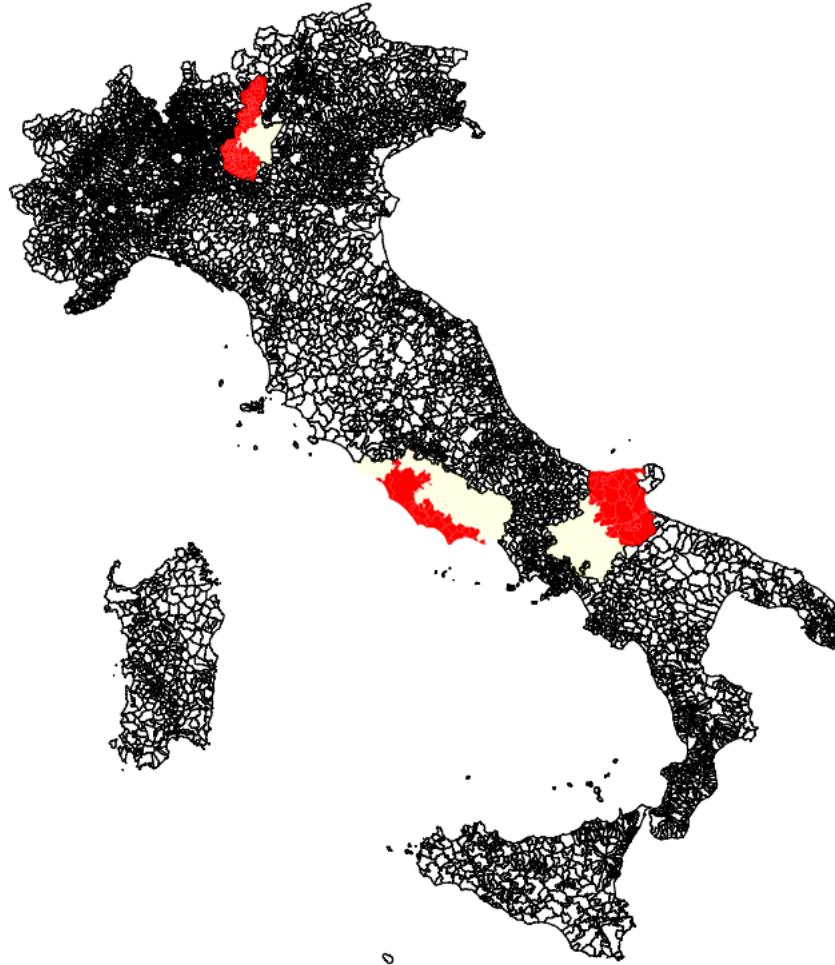
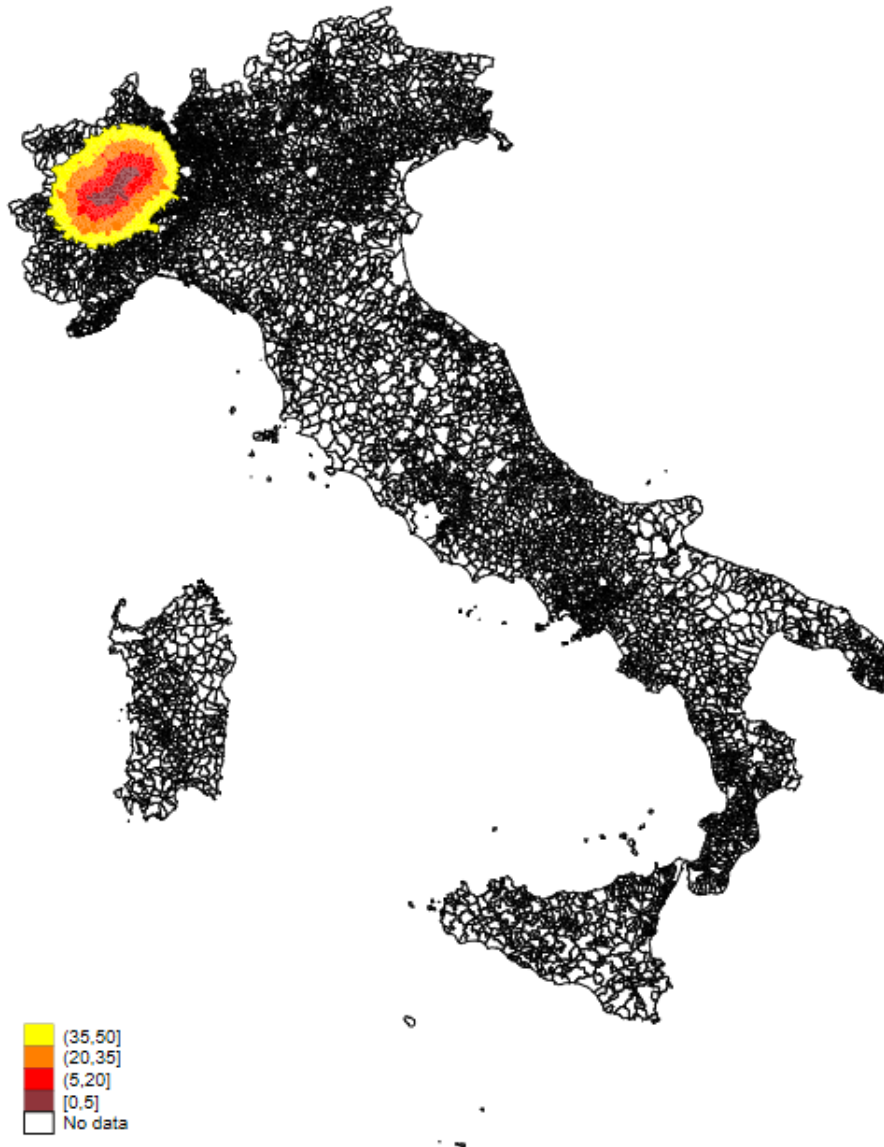


Figure B.2: Spatial RDD Study Segment Borders



Notes: The figure depicts a map of the segment borders employed in the spatial RDD. The areas in red are treated by the bonifica, and those in yellow are the control group.

Figure B.3: A Placebo *Bonifica Integrale*: the Cavour Canal



Notes: The figure depicts a map of the distance to the Cavour Canal (which we use as placebo *bonifica*, receiving land reclamation interventions without ideological content) at different distance cutoffs.

C OLS analyses

Table C.1: Fascist *bonifica* and labor racketeering news today

	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: At least 1 labor racketeering news				
<i>bonifica</i> _{1929–39}	0.0678*** (0.0148)	0.0545*** (0.0128)	0.0541*** (0.0127)	0.0461*** (0.0122)	0.0207** (0.0099)
Observations	8,084	8,084	8,084	8,084	8,084
R-squared	0.0120	0.1205	0.1206	0.1248	0.1870
Mean DV	.064	.064	.064	.064	.064
Province FE	No	Yes	Yes	Yes	Yes
Crop Suitability	No	No	Yes	Yes	Yes
Malaria Suitability	No	No	No	Yes	Yes
Log Population	No	No	No	No	Yes
	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: Asinh labor racketeering news				
<i>bonifica</i> _{1929–39}	0.1394*** (0.0303)	0.1208*** (0.0286)	0.1201*** (0.0283)	0.1044*** (0.0269)	0.0522** (0.0219)
Observations	8,084	8,084	8,084	8,084	8,084
R-squared	0.0148	0.1258	0.1260	0.1306	0.2076
Mean DV	.091	.091	.091	.091	.091
Province FE	No	Yes	Yes	Yes	Yes
Crop Suitability	No	No	Yes	Yes	Yes
Malaria Suitability	No	No	No	Yes	Yes
Log Population	No	No	No	No	Yes

Notes: The table presents results from the OLS regression of a dummy equal to 1 for municipalities subject to the Fascist *bonifica* program on whether any municipality had any news items related to labor racketeering in 1984-2020. Column 1 explores the whole sample of Italian municipalities (Panel A) and on the inverse hyperbolic sine transformation of the number of news items related to labor racketeering (Panel B). Robust standard errors are clustered at the provincial level.

*bonifica*_{1929–39}

Table C.2: Fascist *bonifica* and migrants conditions

	(1)	(2)	(3)	(4)
	Live in Shacks	Without permit	Work illegally	Work in Agriculture
<i>bonifica</i> ₁₉₂₉₋₃₉	0.0472*** (0.0140)	0.0325 (0.0297)	0.0834** (0.0309)	-0.0102 (0.0069)
Observations	234	234	234	234
R-squared	0.2558	0.0348	0.1665	0.0294
Mean DV	.038	.1	.226	.053

Notes: The table presents results from the OLS regression of a dummy equal to 1 for municipalities subject to the Fascist *bonifica* on the number of migrants answering yes to the related question. Regressions include weights for the number of respondents per municipality. Robust standard errors are clustered at the provincial level. Data are from Integrometro.

Table C.3: Heterogeneous Effects by presence of fascist propaganda

	(1)	(2)	(3)	(4)	(5)	(6)
	Any	Asinh	Any	Asinh	Any	Asinh
	News	News	News	News	News	News
<i>bonifical</i> ₂₉₋₃₉	0.0316*** (0.0103)	0.0578*** (0.0176)	0.0424*** (0.0115)	0.1036*** (0.0250)	0.0314*** (0.0081)	0.0743*** (0.0182)
<i>bonifical</i> ₂₉₋₃₉ × Visits	0.0834*** (0.0313)	0.3459*** (0.0841)				
Visits	0.0423*** (0.0134)	0.0744*** (0.0229)				
<i>bonifical</i> ₂₉₋₃₉ × Cinema			0.0201 (0.0155)	0.0531 (0.0321)		
<i>bonifical</i> ₂₉₋₃₉ × EIAR					0.0383*** (0.0142)	0.0815** (0.0329)
EIAR radio signal					-0.0046 (0.0072)	-0.0214 (0.0152)
Observations	7,983	7,983	7,988	7,988	7,988	7,988
R-squared	0.1313	0.1504	0.1216	0.1273	0.1286	0.1405

Notes: The table presents results OLS regressions that include provincial fixed effects and geographic controls. Columns 5 and 6 also include average EIAR free loss signal and its interaction with the *bonifical* indicator.

Table C.4: The *bonifida* and Inter-generational Transmission of Political Ideology

	Ever voted for the Neo Fascist Party				
	(1)	(2)	(3)	(4)	(5)
	Pr(Father=Yes)	Pr(Mother=Yes)	Pr(Either=Yes)	Pr(Both=Yes)	Pr(Respondent=Yes)
<i>bonifida</i> ₁₉₂₉₋₃₉	0.2157** [0.107]	0.3098** [0.133]	0.2311** [0.110]	0.2959** [0.131]	0.1829* [0.095]
Observations	1,890	1,890	1,890	1,890	1,890
All Individual Controls	Yes	Yes	Yes	Yes	Yes
	Pr(Respondent=Yes)				
Mediator Col Heading	1.4190*** [0.130]	1.4287*** [0.182]	1.3847*** [0.139]	1.4946*** [0.178]	
All Individual Controls	Yes	Yes	Yes	Yes	-
% Total Effect Mediated	0.326	0.324	0.357	0.300	-

Notes: Observations are at the individual level. The displayed coefficients are estimated with a Probit regression weighted using survey weights. Panel A uses as an outcome the one indicated in the column heading, which is the answer to the question: has your mother (column 1) or father (column 2), either (column 3), or both (column 4) ever voted for the Neo-fascist Party (MSI). Column 5 is the same question: “Have you ever voted for the Neo-fascist Party?” Panel B uses as an outcome the answer to the question of whether the respondent has ever voted for the Neo-fascist party. All regressions include individual controls: whether the respondent is in the same region of his father at the age of 14, male, age, married, number of children, years of education, whether employed, whether salaried, and whether self-employed. Robust standard errors are clustered at the municipality level in brackets.

Table C.5: Fascist *bonifica* and episodes of mistreatment of migrants (OLS)

	(1)	(2)
	Any episode	Asinh episodes
<i>bonifica</i> ₁₉₂₉₋₃₉	0.1020*** (0.0183)	0.2119*** (0.0349)
Observations	8,084	8,084
R-squared	0.0929	0.0787
Mean DV	0.137	0.185

Notes: Results from the OLS regression of a dummy equal to 1 for municipalities subject to the Fascist *bonifica* on a dummy equal to 1 for municipalities where at least one episode of mistreatment of migrants was recorded in the period 2007-2020 (Column 1) or for the asinh number of episodes (Column 2). Each regression includes province-fixed effects and standard errors are clustered at the provincial level.

Table C.6: A Placebo *Bonifica Integrale*: the Cavour Canal

	(1)	(2)	(3)	(4)
	At least 1	At least 1	At least 1	At least 1
PANEL A	Labor Racketeering news	Labor Racketeering news	Labor Racketeering news	Labor Racketeering news
Cavour Canal $\leq 5km$	-0.0097 (0.0282)	0.0045 (0.0274)		
Cavour Canal $\leq 10km$			-0.0210 (0.0186)	-0.0025 (0.0185)
Observations	909	909	909	909
R-squared	0.0001	0.1165	0.0009	0.1165
Crop Suitability	No	Yes	No	Yes
Malaria Suitability	No	Yes	No	Yes
Log Population	No	Yes	No	Yes
PANEL B	Asinh number of	Asinh number of	Asinh number of	Asinh number of
	Labor Racketeering news	Labor Racketeering news	Labor Racketeering news	Labor Racketeering news
Cavour Canal $\leq 5km$	-0.0343 (0.0267)	-0.0108 (0.0270)		
Cavour Canal $\leq 10km$			-0.0395* (0.0224)	-0.0082 (0.0218)
Observations	909	909	909	909
R-squared	0.0005	0.1406	0.0013	0.1406
Crop Suitability	No	Yes	No	Yes
Malaria Suitability	No	Yes	No	Yes
Log Population	No	Yes	No	Yes

Notes: The sample is composed by municipalities within 50 km from the Cavour Canal. The treated municipalities are those within 5 kilometers or within 10 kilometers from the Cavour Canal. Panel A uses as outcomes the dummy of labor racketeering news. Panel B uses as outcome the asinh number of news.

D RDD analyses

D.1 Spatial Regression Discontinuity Design

Another empirical approach leverages some of the key technical novelties that were introduced by the *bonifica*. The works were carried out in areas “delimited by a borderline, which encompassed all the territories involved in the *bonifica*” (Ramadoro, 1930). The borders extended well beyond the swamp lands uphill to prevent swamp reformation. They were “traced with different criteria according to the nature of the dominant obstacle, which must be removed to create the necessary modification of the environment” (Ramadoro, 1930). Accordingly, the border location in each instance was chosen for local idiosyncratic technical

reasons, such as how much water the local type of soil would absorb given the vegetation. As a result, the authorities responsible for the reclamation had significant discretion in determining where to halt the reclamation. Given that the primary objective was to achieve a grand technical victory by preventing water pooling, thereby demonstrating the technocratic quality of the regime, there is little reason to think that local ideology played a significant role in determining the border location.¹⁴ We thus explore the location of the boundaries and the associated discontinuity in the assignment of the treatment for identification.

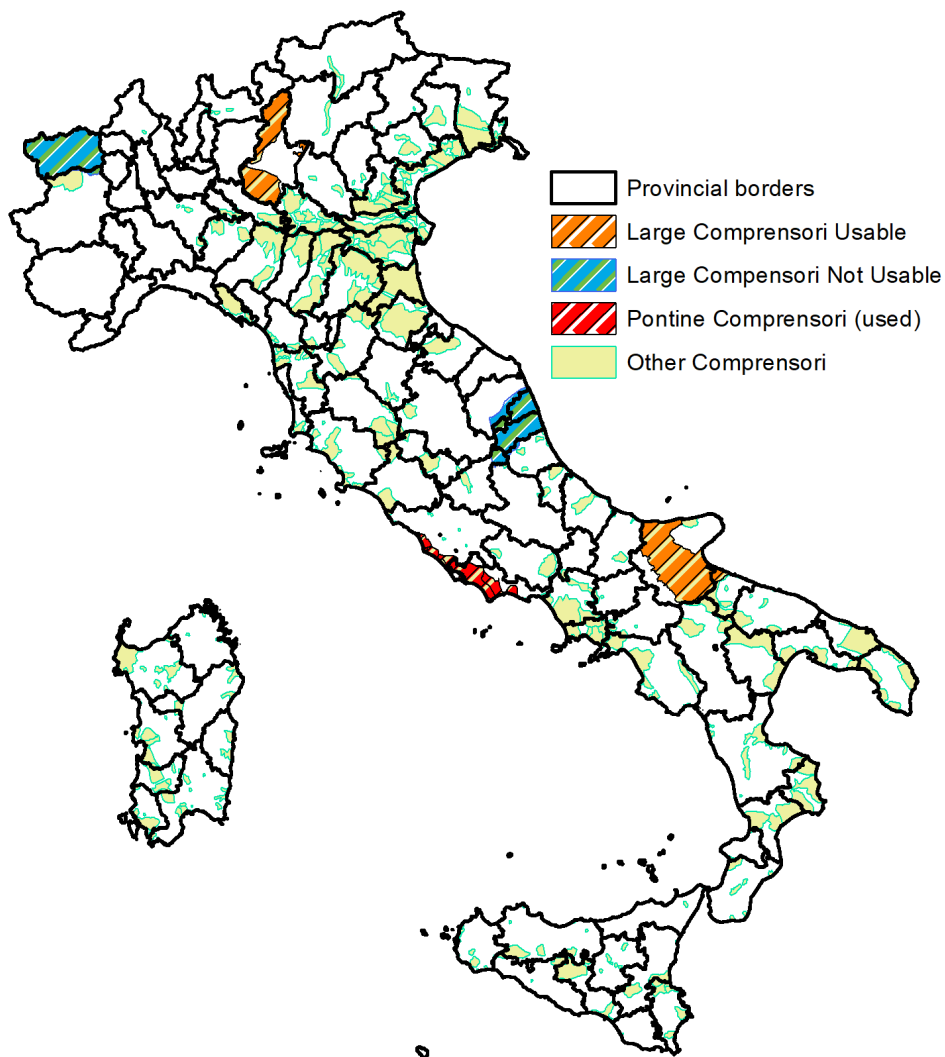
Despite the appealing variation offered by the borders of the *bonifica* areas (*compensori*), significant obstacles hinder the implementation of an RDD approach given the fragmented nature of these areas and their overlap with geographic and administrative boundaries. Small areas are particularly susceptible to overlapping with specific geographic features, and provide limited variation in distance to the border, rendering them unsuitable for RDD implementation. To overcome these challenges, we propose a solution that focuses on selecting the largest *bonifica* areas that do not intersect with administrative borders and are located at least 20 km away from other *bonifica* areas of significant size (i.e. greater than 120 squared km: about the average area of two municipalities). This selection criterion ensures sufficient within-province variation enabling us to conduct the analysis with province-fixed effects. Importantly, by avoiding pockets of non-negligible *bonifica* areas within the control group, we can mitigate their potentially polluting effect on the estimates.

For our analysis, we identify the areas that satisfy our criteria and provide a detailed illustration of them along with other *bonifica*' *compensori* in Figure D.1. The first area, spanning over 400 thousand hectares, is located in the Apulia region (southeast). The second area, covering approximately 200 thousand hectares, is situated in the Brescia province of Lombardy (north). Two other *bonifica* areas were similar in size to the Brescia area but were deemed unsuitable for our purposes for the following reasons. One area coincides perfectly with the borders of the Valle d'Aosta region (northwest), precluding its use in an

¹⁴We also test and reject this possibility empirically.

RDD design. Another area, located in the Marche region (center-east), is traversed by three provincial borders, thereby providing insufficient within-province variation for our analysis.

Figure D.1: Study Areas for RDD



Notes: The figure depicts a map of the *bonifica* areas (*comprensori*) distinguishing between those that can be used for the analyses and those that cannot be used. Borders in black represent Provincial boundaries.

Our third area consists of adjacent *comprensori* in the Lazio region; we feel there is a strong justification for combining these *comprensori* thanks to evidence that they were effectively treated as one both in fascist propaganda and administration, arguably due to proximity to Rome facilitating constant central intervention. (There is extensive anthropological work

on the *bonifica* of the Lazio region since it was the first intervention by the fascists, and it indicates the de facto irrelevance of the *comprensorio* boundary in this province (Pennacchi, 2010)). We adopt a conservative approach and divide it into two areas based on whether the municipality is closer to segment inside the Latina or the Rome province. We also conduct robustness checks to ensure that our results are not driven by the inclusion of each of these additional study areas.

Once we identify the *bonifica* areas suitable for the RDD, we overlay them with current municipality borders, which are then used to calculate the running variable in the RD specification (see map in Figure B.2). Consistent with the spatial RD literature, we concentrate the analysis on border segments that do not overlap with administrative borders (i.e., provincial or regional). To achieve this, we exclude borders that are within a 1-kilometer buffer from the provincial border. Additionally, in our RD analysis, we retain province-fixed effects and control for the distance to the closest provincial border.

We estimate a local linear regression model in which the forcing variable is the distance to the *bonifica* area boundaries (Keele and Titiunik, 2015; Cattaneo et al., 2019). We opt for the more demanding continuity-based RD framework and refrain from using an alternative model based on local randomization framework, as the latter is based on stronger identification assumptions (Cattaneo et al., 2015).

We denote the distance to the boundary of the reclamation area as D_i . Distance is centered around the cutoff $\bar{d} = 0$ such that $bonifica_{29-39;i} = 1$ if $D_i \geq 0$ and $bonifica_{29-39;i} = 0$ if $D_i < 0$. We denote our outcomes of interest Y_i , and a polynomial of the distance to the border as $f(D_i)$, which is of first or second order depending on the specification, in line with the recommendations by Gelman and Imbens (2019). Finally, we denote border segment fixed effects, which in our context are equivalent to provincial fixed effects, as δ_c . We estimate

$$Y_i = \zeta bonifica_{29-39,i} + f(D_i) + \eta_j + \theta_i \quad (4)$$

The RD approach requires performing the analysis within a very small distance to the

border (defined bandwidth). To avoid ad-hoc decisions of the bandwidth size, we use the optimal bandwidth approach (Imbens and Kalyanaraman, 2012; Calonico et al., 2020). Using our preferred outcome (a dummy variable indicating the presence of labor racketeering news), we estimate an optimal bandwidth of about 10 km for the linear specification and 17 km for the quadratic specification (but we also show that the results are independent of the chosen bandwidth). This leads to a close-distance comparison between the treated and control group. We use this optimal bandwidth for the other outcomes as well, to explore whether the main finding is explained by the intensive margin of news (using the number of news in logs or asinh as outcomes), or by other specific institutional and ideological mechanisms at the municipal level.

Spatial RDD Identifying Assumptions

The validity of the spatial RD rests on two assumptions: that there is no sorting in the density of observations at the cutoff, and that outcomes other than those of interest vary smoothly at the study border. In Figure D.6 we show the absence of a statistically significant discontinuity in the density of observations at the cutoff. We also provide the associated statistics developed by Cattaneo et al. (2020).

We investigate the plausibility of the second assumption in Table D.2, where all outcome variables have been standardized. Differences in geography influenced the swamps' presence and may have influenced the location of the boundaries. Thus, if some geographical factor varies discretely at the border, then the estimated effect could be explained by differences in factor endowment (Engerman and Sokoloff, 2002) rather than by the *bonifca*. In particular, if those areas were more suited to agriculture, higher rates of labor exploitation could simply derive from the specialization of those areas in agriculture, a sector with a high degree of labor intensity and exploitation.

At the plausibly exogenous borders of the *bonifca*, we find no statistically significant differences in elevation and slope, which are among the main determinants of swamps. Swampland

was exposed to malaria, which has important effects on the economy (Gallup and Sachs, 2001). Table D.2 shows that also malaria suitability does not vary discretely at the border, suggesting that malaria and its important effects on health and economic conditions are unlikely to drive our results. Rain is an important determinant of swamps. We show that it does not change discretely at the border, in line with the identification assumptions. This finding is in line with qualitative evidence that the reclamation works went beyond the original swamplands.

We investigate further the possibility that the *bonifica* is associated with higher rates of agricultural work and that this explains our findings on exploitation. In line with our identification assumption, Table D.2 shows that there is no discrete change in suitability for wheat, the most important crop for the Fascist regime (Carillo, 2021), and no discrete change in the suitability for tomato or for citrus production, which are highly labor-intensive and often associated with labor racketeering.

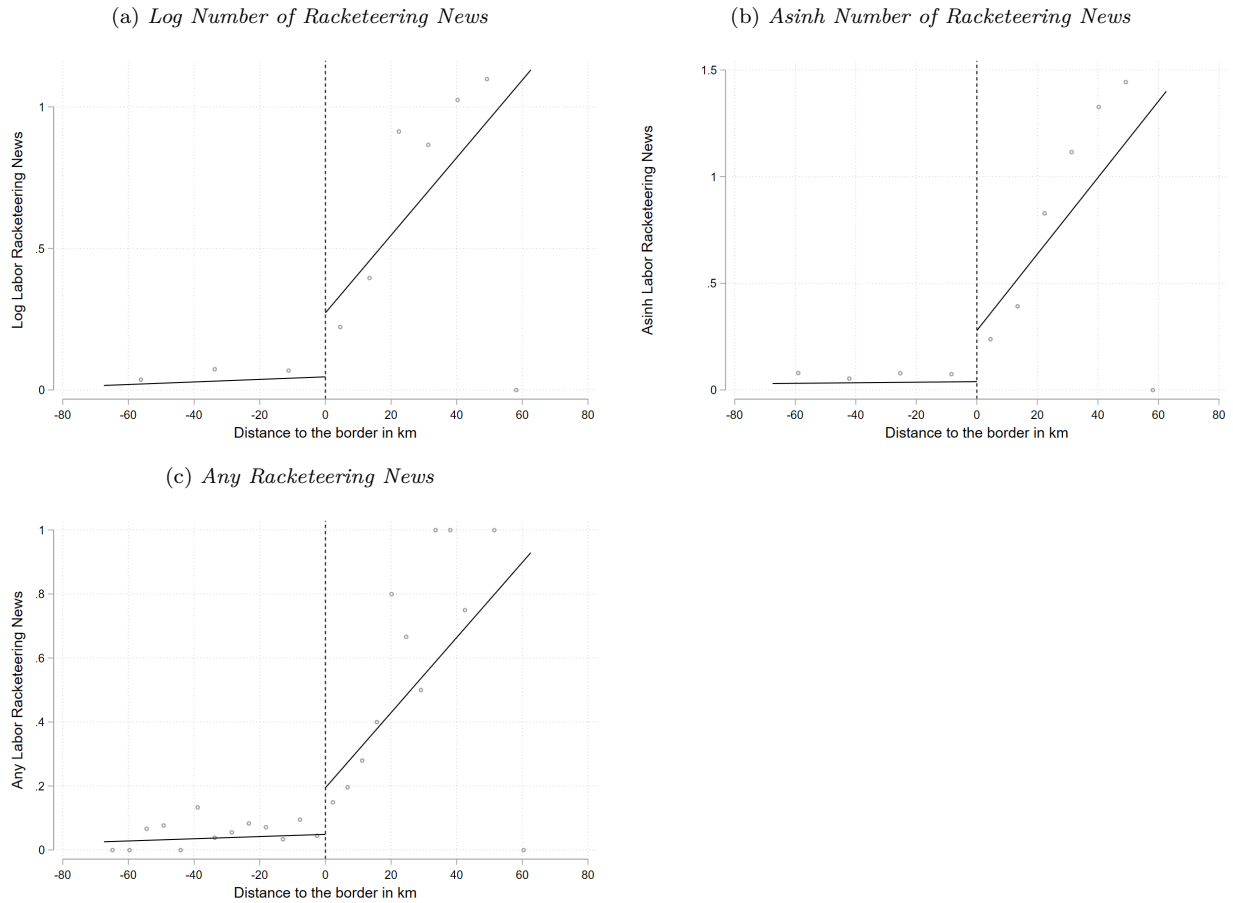
We then turn to investigate whether the *bonifica* borders are associated with preexisting socioeconomic outcomes. We find no discontinuity across the borders in important socioeconomic variables measured in 1921, including measures of municipality urbanization (population and population density), average literacy rate, and inequality in land distribution as proxied by the Gini coefficient of farm size. Even though the estimated coefficient associated with literacy rate is close to statistical significance, the size of the coefficient is virtually zero.

Spatial RDD Results

Results from our RD approach are graphically shown in Figure D.2 and presented in Table D.1. Figure D.2 depicts that, right at the cutoff, there is a discrete change in our outcomes, which we estimate in Table D.1. While we do not quantify it empirically, the figures also show an increase in the slope of the fitted line, which is consistent with the presence of similar and larger effects inside the treated areas.

The findings of Table D.1 show that municipalities targeted by the *bonifica* a century

Figure D.2: RDD at the border of the *bonifca*, effect on labor racketeering news



Notes: The figures show the discontinuity in labor racketeering news at the border of the reclamation areas. The x-axis depicts the distance to the cutoff in kilometers (positive within the area and negative outside it).

Table D.1: RDD at the border of *bonifica*, effect on labor racketeering news

	(1)	(2)	(3)	(4)	(5)	(6)
	Any	Any	Asinh	Asinh	Log	Log
	News	News	News	News	News	News
<i>bonifica</i> _{1929–39}	0.161**	0.162*	0.271**	0.390**	0.212**	0.314**
Observations	660	660	660	660	660	660
Province FE	Y	Y	Y	Y	Y	Y
Polyn	1	2	1	2	1	2
Effective obs	301	397	301	397	301	397
Conventional Std. Error	0.0647	0.0882	0.107	0.155	0.0849	0.126
Conventional p-value	0.0127	0.0665	0.0114	0.0118	0.0126	0.0126
Robust p-value	0.0279	0.0880	0.00515	0.0105	0.00488	0.0110
Mean DV	0.115	0.115	0.215	0.215	0.172	0.172
Optimal BW	10.22	16.86	10.22	16.86	10.22	16.86

Notes: Spatial RDD regression of the effect of being inside the *bonifica* borders on labor racketeering news. Odd columns include 1st order polynomials, and even columns a 2nd order polynomials. The outcomes are a dummy for any news related to labor racketeering (Cols 1 and 2), the inverse hyperbolic sine transformation of the number of news (Cols 3 and 4) and the log number of news (Cols 5 and 6). We report the optimal RDD bandwidth as in [Calonico et al. \(2014\)](#). Province-level fixed effects are included in all regressions.

ago exhibit a statistically significant greater likelihood to experience news related to labor racketeering. Comparing across only similar municipalities, the RD approach yields a large effect: being exposed to the *bonifica* leads to a 16%pp higher probability of having ever exhibited labor racketeering news, or about 30% larger number of labor racketeering news. The larger magnitude of the RD coefficient suggests that unobservable characteristics may bias the OLS estimates toward zero.

D.2 Robustness

We show that RD results are robust to a variety of specifications. Table D.1 displays results using different polynomials. In this specification, we employ the MSE-optimal bandwidth (Imbens and Kalyanaraman, 2012), which is about 10 kilometers for the linear specification, and about 16 kilometers for the quadratic. To clear concerns on the choice of bandwidth, Figure D.5, shows that results are not sensitive to bandwidth choice.

We conduct a falsification test in which we estimate the RD specification at several artificial cutoffs by shifting the boundary of the cutoff one kilometer by one kilometer. If the estimated effect is driven by the Fascist reclamation, then only at the relevant cutoff the estimate should be positive and statistically significant. In the spirit of the time-series structural-break literature, Figure D.4 provides a number of t-statistics for each placebo cutoff, as well as for the actual cutoff. The figure also depicts the horizontal line for the t-statistic critical value for 95% statistical significance. Strikingly, the t-statistic goes above the critical value only in the vicinity of the actual cutoff. This falsification test is in favor of a causal interpretation of our estimates.

We conduct a number of additional important robustness checks. Table D.8 presents the results of the analysis when the province of Latina is excluded from the analysis (Column 2), when the province of Rome is excluded (Column 3), when we adopt study-area rather than province fixed effects (Column 4), when we control for the distance to the closest regional capital city – Brescia, Rome, Latina, and Foggia– (Column 5). Lastly, Column (6) extends

the control variables by including latitude and longitude, enabling us to examine the role of geographic location in the treatment outcome relationship. Our estimates are virtually unaffected by these robustness test.

Table D.2: RDD at the border of *bonifica*, effect on pre-bonifica outcomes

	RD Coefficient	Conventional SE	Conventional p-val	Robust p-val
Geography and Climate				
Slope	-.088	.313	.777	.795
Elevation	-.233	.257	.366	.193
Malaria Suitability	.194	.223	.383	.4
Rain yearly mean	.101	.124	.416	.519
Suitability for Wheat	-.162	.283	.566	.539
Suitability for Tomatoes	-.228	.279	.414	.448
Suitability for Citrus	.012	.184	.946	.711
Historical Socioeconomic Outcomes				
Literacy 1921	-.001	.001	.115	.13
Ln Pop Dty 1921	.191	.28	.495	.535
Ln Pop 1921	.422	.274	.123	.162
Land Inequality 1929	.125	.201	.533	.624
Historical Political Outcomes				
Share Fascist Votes 1921	-.059	.285	.837	.868
Foot-soldier deaths over male pop	.194	.308	.529	.672
Fascist Murders up to 1922	.17	.374	.649	.655
Fascist Violence 1920-2	.085	.369	.817	.699
Fascist Branch in Autumn 1921	.565	.257	.028	.046
WWI Monument 1921 (dummy)	-.017	.135	.901	.741
WWI Monument '21 over pop	-.11	.182	.547	.616
Sal'o Republic dummy	-.012	.019	.536	.54

Table D.3: RDD at the border of *bonifika*, effect on present-day outcomes

	RD Coefficient	Conventional SE	Conventional p-val	Robust p-val
Socioeconomic Outcomes today				
Ln Pop. 2011	.286	.203	.16	.229
Ln Pop. Dty 2011	-.106	.232	.647	.655
Ln Income per capita 08-12	-.029	.154	.853	.957
Houses in improper conditions	.008	.099	.939	.788
Overcrowded apartments	.127	.194	.515	.293
Exit school early	.028	.235	.904	.715
Completed high school	-.155	.217	.476	.269
Unemployment	.255	.137	.063	.091
Employment industry	.107	.165	.519	.429
Employment services	-.186	.156	.234	.157
Employment commerce	.03	.182	.868	.883
Migrants composition 2021				
Foreign population	.235	.286	.411	.328
Of Color (%)	-.058	.202	.773	.749
White (%)	-.214	.186	.248	.156
MENA (%)	.263	.186	.157	.204
Africa (%)	-.113	.211	.593	.97
China (%)	-.178	.17	.294	.237
East Europe (%)	-.036	.17	.833	.878
Balcans (%)	.015	.199	.94	.704
Agriculture today				
Agricultural Land (%)	.096	.201	.632	.98
Fruits Land (%)	-.237	.17	.162	.133
Grapes Land (%)	-.505	.3	.092	.126
Olives Land (%)	-.075	.182	.682	.879
Citrus Land (%)	.184	.095	.053	.199
Vegetables Land (%)	.364	.26	.161	.122
Agric. Employment	.079	.097	.413	.212
Agric Labor Days '00/Kmq	.025	.184	.891	.995
N Farms '00/Kmq	-.151	.188	.423	.347
Farms w. tractors '00' (%)	.335	.218	.124	.13
Farms w. mechanical pest. eqpm '00' (%)	-.028	.083	.736	.491

Table D.4: RDD at the border of *bonifica*, effect on labor-racketeering news by skin color

	(1)	(2)
	Of Color	Eastern
<i>bonifica</i> _{1929–39}	0.0717	0.0314
Observations	660	660
Conventional Std. Error	0.052	0.029
Conventional p-value	0.171	0.278
Robust p-value	0.092	0.155
Effective obs	301.000	301.000
Mean DV	0.538	0.123
Optimal BW	10.218	10.218
Polyn	1.000	1.000

Notes: Spatial RDD regression using as outcomes the natural logarithm of the number of racketeering news are related to countries that are predominantly inhabited by citizens with darker skin colors (column 1) and racketeering news related to countries or Eastern Europe (column 2).

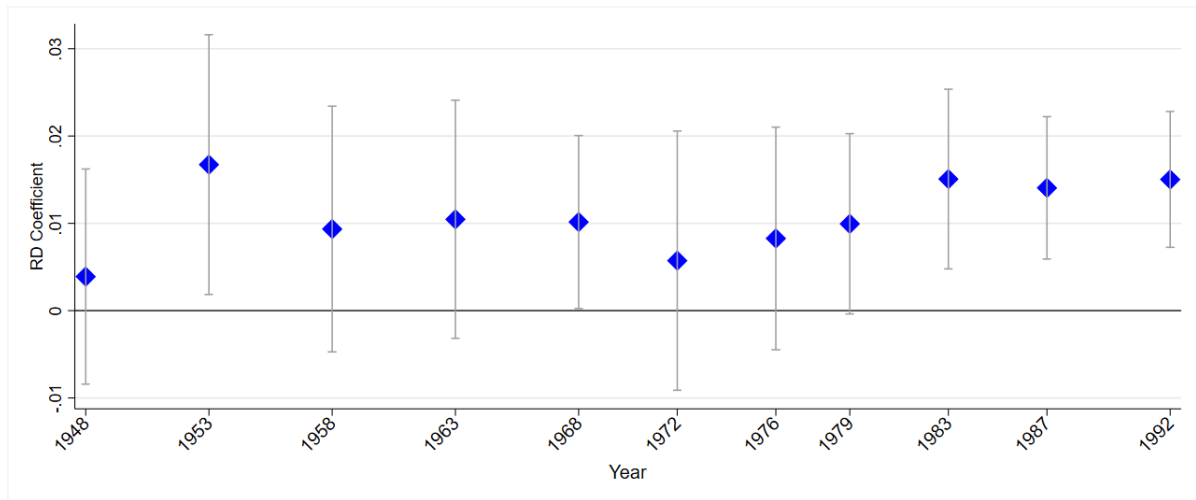
Table D.5: No evidence that the *bonifica* increased mafia presence

	(1)	(2)	(3)
	Mafia dummy	Goods seized dummy	Firms seized dummy
<i>bonifica</i> _{1929–39}	0.0313 (0.115)	0.0817 (0.116)	-0.0425 (0.0805)
Observations	659	659	659
Segment FE	Y	Y	Y
Effective obs	300	300	300
Mean DV	0.226	0.209	0.0970
Optimal BW	10.22	10.22	10.22
Polyn	1	1	1

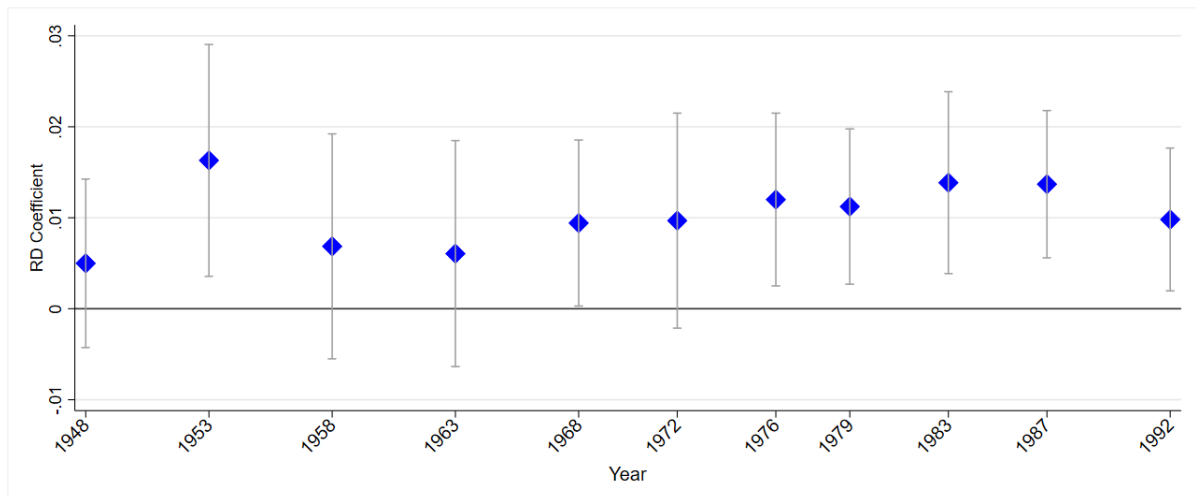
Notes: Spatial RDD regression using our main specification. The Mafia dummy takes value 1 if any indicator between municipality councils dissolution due to organized crime infiltration, firms, and/or goods seized to organized crime takes the value 1. The limited number of municipality councils dissolution around the RD border does not allow estimating coefficients using that outcome alone.

Figure D.3: Spatial RD Estimates: Neo-fascist Votes

(a) *MSI Votes 1948-92*



(b) *MSI Votes 1948-92, excluding outliers above 98th percentile*



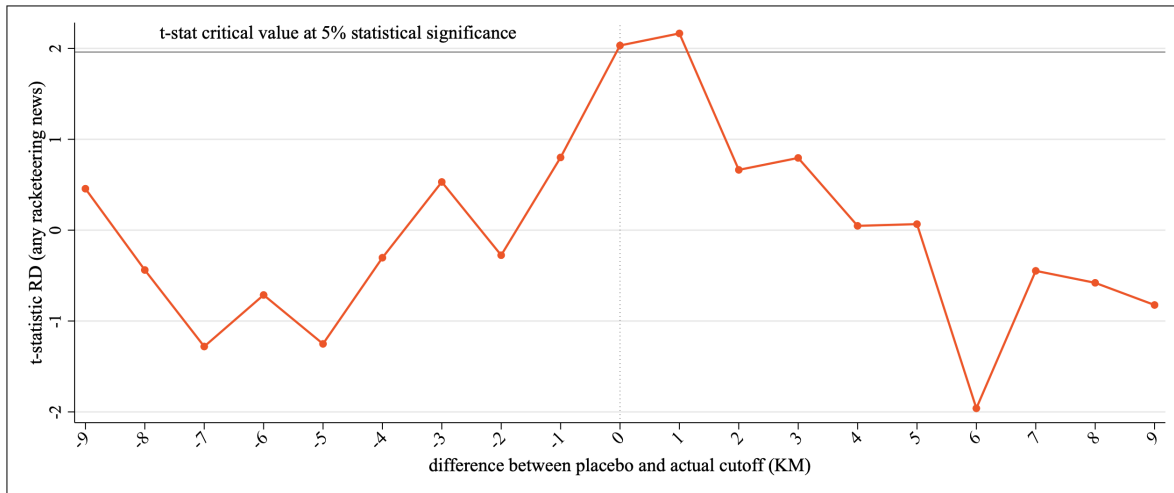
Notes: The figures show the estimated coefficients and 90% confidence intervals of a set of spatial regression discontinuity regression that employ as an outcome the share of votes for the neo-fascist party across the study border in each election and with different samples. Panel (a) employs the whole sample. Panel (b) excludes observations above the 98th percentile of the distribution of vote shares. A comparison of the figures shows that the estimated coefficients for several years become significant once outliers are removed. The presence of outliers is possibly due to election-specific events rather than by the long-term trajectory of electoral support for Neo-fascism, which is what we are interested in.

Table D.6: The *bonifica* and the perception of immigrants (Itanes surveys)

	(1)	(2)
<i>bonifica</i> ₁₉₂₉₋₃₉	4.606**	4.858*
Province fe	Y	Y
Wave fe	Y	Y
Polyn	1	2
N respondents	1011	1011
Effective n respondents	240	330
Conventional Std. Error	2.251	2.754
Conventional p-value	0.0407	0.0777
Robust p-value	0.0540	0.0883
Mean DV	2.013	2.013
Optimal BW	6.815	11.04

Notes: Spatial RDD regression using our main specification. The outcome is the individual-level survey response of people interviewed by Itanes in 2001, 2008, and 2011 about their sentiment towards immigrants. The question is whether immigrants pose a threat to their identity.

Figure D.4: Placebo and Actual Spatial Discontinuities



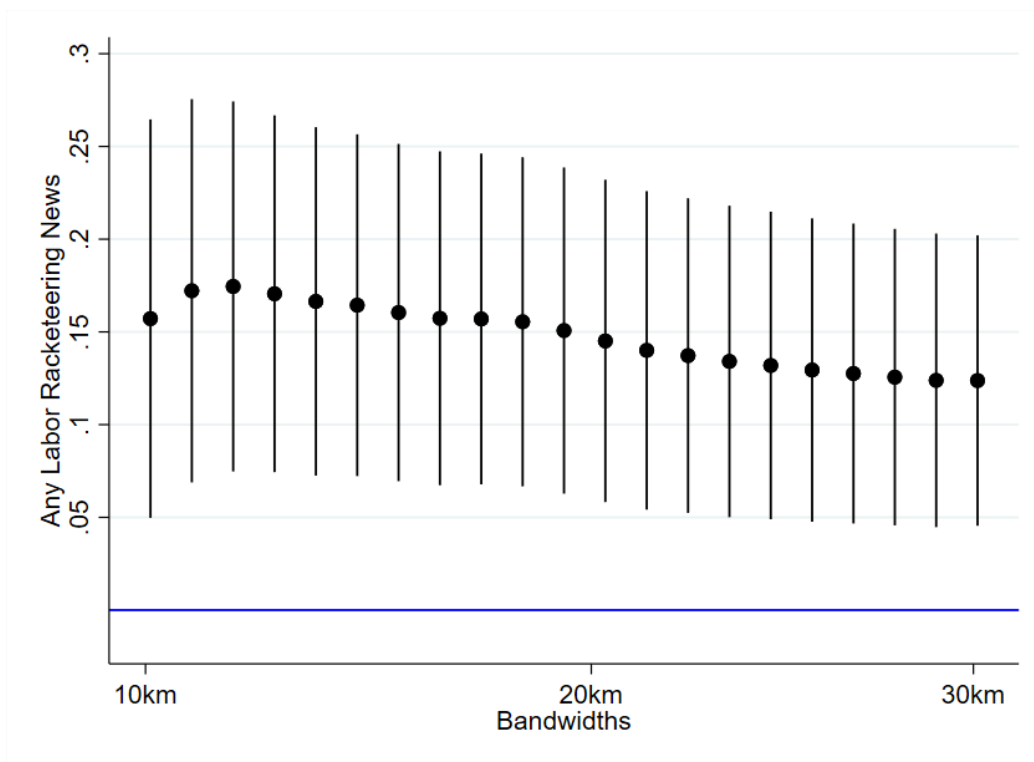
Notes: The figure depicts a series of t-statistics of the spatial regression discontinuity estimates using as an outcome a dummy that equals one for any racketeering news at different cutoffs. Strikingly, the estimated t-statistic above the 5% critical value is in the proximity of the actual cutoff.

Table D.7: The *bonifica* and Far-right Mayors

	(1)	(2)	(3)
	Any	Asinh	Log
	Far-Right	Far-Right	Far-Right
	Mayor	Mayor	Mayor
<i>bonifica</i> _{1929–39}	0.211**	0.441*	0.340*
Observations	660	660	660
Province FE	Y	Y	Y
Polyn	1	1	1
Effective obs	301	301	301
Conventional Std. Error	0.105	0.257	0.203
Conventional p-value	0.0442	0.0868	0.0943
Robust p-value	0.101	0.183	0.195
Mean DV	0.189	0.469	0.369
Optimal BW	10.22	10.22	10.22

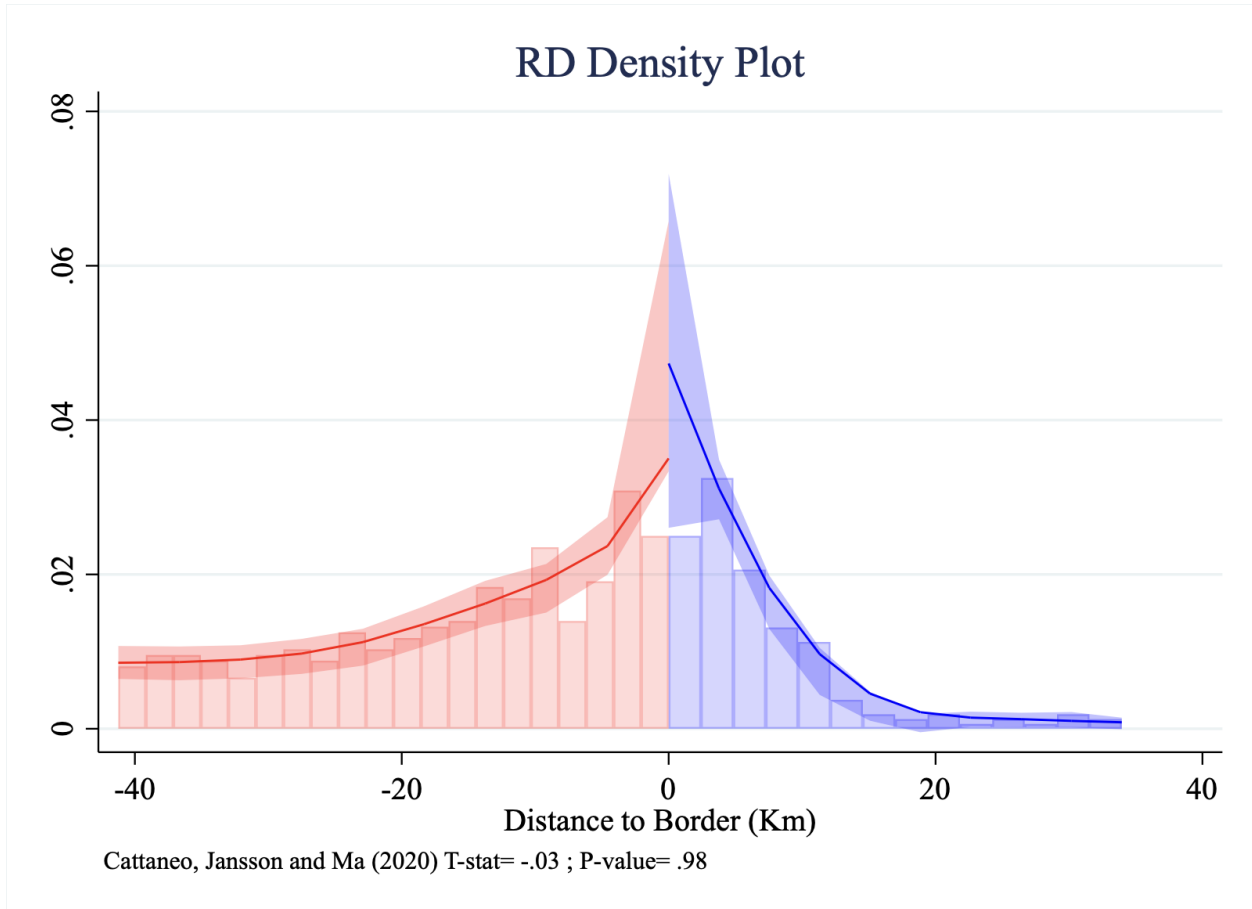
Notes: Spatial RDD regression using our main specification. The outcome is whether any far-right mayor was elected in a municipality (Column 1) or the number of far-right mayors elected (in asinh, Column 2, or log, Column 3).

Figure D.5: Effect of *bonifica* on any labor racketeering news, robustness to varying the bandwidth



Notes: The figure plots the coefficient of our main RDD specification expanding the bandwidth beyond that selected by the optimal selection method by (Calonico et al., 2014) (10.22 km).

Figure D.6: Absence of Discrete Changes in the Density of Observations



Notes: The figures demonstrate the absence of discrete changes in the density of observations at the cutoff of the running variable, distance to the bonifica border.

Table D.8: Additional Robustness Checks, RDD

	(1)	(2)	(3)	(4)	(5)	(6)
	Baseline	No	No	Study	Control	Control
	Result	Latina Prov	Rome Prov	Area Fe	D. to Cities	Lat-Lon
<i>bonifical</i> _{1929–39}	0.161**	0.141**	0.145**	0.160**	0.169***	0.163**
Observations	660	485	592	660	660	660
Polyn	1	1	1	1	1	1
Effective obs	301	252	250	301	301	301
Conventional Std. Error	0.0647	0.0653	0.0563	0.0647	0.0641	0.0637
Conventional p-value	0.0127	0.0309	0.0101	0.0135	0.00853	0.0106
Robust p-value	0.0279	0.0471	0.0231	0.0298	0.0273	0.0247
Mean DV	0.120	0.120	0.108	0.108	0.120	0.120
Optimal BW	10.22	10.22	10.22	10.22	10.22	10.22

Notes: Column (1) exhibits the baseline result. Column (2) excludes the province of Latina, while column (3) excludes the province of Rome. Column (4) includes study area fixed effects instead of province fixed effects. Column (5) includes the distance to the closest regional capital city (Brescia, Rome, Latina, and Foggia) as a control. Finally, column (6) includes latitude and longitude as additional controls.

E Difference-in-differences analyses

Table E.1: Effect of the *bonifica* after the Syrian migration shock: DID and DDD Design

	DID			Triple DDD		
	(1) Asinh	(2) Log	(3) Dummy	(4) Asinh	(5) Log	(6) Dummy
bonifica×Post2014	0.0025 (0.0016)	0.0020 (0.0013)	0.0014 (0.0011)	-0.0034** (0.0015)	-0.0027** (0.0012)	-0.0025** (0.0012)
bonifica×MENA				-0.0034* (0.0020)	-0.0026* (0.0016)	-0.0027* (0.0016)
Post2014×MENA				-0.0001 (0.0009)	-0.0001 (0.0007)	-0.0001 (0.0008)
bonifica×Post2014×MENA				0.0069*** (0.0025)	0.0054*** (0.0019)	0.0046*** (0.0017)
Observations	244,563	244,563	244,563	244,563	244,563	244,563
City FE	Y	Y	Y	Y	Y	Y
Province x Year FE	Y	Y	Y	Y	Y	Y
Mean DV	0.00340	0.00270	0.00290	0.00340	0.00270	0.00290

Notes: Difference-in-differences (columns 1-3) and triple differences (columns 4-6) regression capturing the effect of the Fascist program before and after the Syrian Crisis (2015), and (columns 4-6 only) in municipalities with pre-existing MENA populations in each year until 2009. The dependent variable is the number of news related to labor racketeering in a municipality and year in inverse sine-hyperbolic transformation (column 1,4), logarithm (column 2,5), and as a dummy (column 3,6). Regressions include fixed effects at the municipality and province-by-year level, controls interacted with time trends, and standard errors clustered at the municipal level.

Table E.2: Placebo effect of Agricultural Employment after a migration shock: DID and DDD Design

	DID			Triple DDD		
	(1) Asinh	(2) Log	(3) Dummy	(4) Asinh	(5) Log	(6) Dummy
Emp Agric×Post2010	-0.0029** (0.0015)	-0.0023** (0.0011)	-0.0018* (0.0009)	-0.0021 (0.0015)	-0.0016 (0.0011)	-0.0016 (0.0013)
Emp Agric×MENA				-0.0003 (0.0016)	-0.0002 (0.0012)	-0.0003 (0.0013)
Post2010×MENA				0.0025* (0.0015)	0.0020* (0.0012)	0.0015 (0.0012)
Emp Agric×Post2010×MENA				-0.0010 (0.0020)	-0.0008 (0.0015)	-0.0002 (0.0015)
Observations	274,207	274,207	274,207	274,207	274,207	274,207
City FE	Y	Y	Y	Y	Y	Y
Province x Year FE	Y	Y	Y	Y	Y	Y
Mean DV	0.00340	0.00270	0.00290	0.00340	0.00270	0.00290

Notes: Difference-in-differences (columns 1-3) and triple differences (columns 4-6) regression capturing the effect of the placebo agricultural employment and after the Syrian Crisis, and (columns 4-6 only) in municipalities with pre-existing MENA populations . The dependent variable is the number of news related to labor racketeering in a municipality and year in inverse sine-hyperbolic transformation (column 1,4), logarithm (column 2,5), and as a dummy (column 3,6). Regressions include fixed effects at the municipality and province-by-year level, controls interacted with time trends, and standard errors clustered at the municipal level.

Table E.3: Enabling institutions and society, robustness

	(1) MSI 1953	(2) MSI 1958	(3) MSI 1963	(4) MSI 1968	(5) MSI 1972	(6) MSI 1976	(7) MSI 1979	(8) MSI 1983	(9) MSI 1987	(10) MSI avg
<i>bonifica</i> ×Post	0.0037** (0.0016)	0.0035** (0.0016)	0.0027* (0.0016)	0.0030** (0.0015)	0.0016 (0.0012)	0.0023* (0.0013)	0.0025* (0.0013)	0.0033** (0.0014)	0.0040** (0.0016)	0.0021* (0.0013)
Post×Fascist	0.0008 (0.0007)	-0.0004 (0.0008)	0.0000 (0.0008)	-0.0003 (0.0005)	0.0014 (0.0009)	0.0005 (0.0006)	-0.0002 (0.0006)	0.0000 (0.0006)	-0.0004 (0.0005)	0.0004 (0.0009)
<i>bonifica</i> ×Post×Fascist	0.0058** (0.0027)	0.0066** (0.0029)	0.0080*** (0.0030)	0.0058** (0.0024)	0.0097*** (0.0033)	0.0097*** (0.0030)	0.0099*** (0.0030)	0.0082*** (0.0028)	0.0049** (0.0022)	0.0117*** (0.0036)
Observations	244,348	245,569	245,643	269,212	267,473	270,026	270,100	270,803	270,544	271,210
City FE	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Province x Year FE	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: Difference-in-differences regression capturing the effect of the Fascist program (*bonifica*) before and after the Arab Spring (*Post*) in municipalities where the MSI party of Fascist inspiration obtained +1 standard deviation in vote share (*Fascist*) in each election year from 1953 to 1986, when the party stopped running. The dependent variable is labor racketeering news items in its sine-hyperbolic transformation from 1986 onwards.