THE ECONOMIC IMPACT OF LEGISLATION. AN HISTORICAL ANALYSIS OF ITALY FROM THE CREATION OF THE KINGDOM OF ITALY TO THE END OF WORLD WAR II.

by

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Abstract. This paper aims to evaluate the economic impact of legislation from the creation of the Kingdom of Italy in 1861 to the end of World War II. This historical analysis attempts to prove that the process of institutional unification of the states that existed before the creation of the Kingdom of Italy had a positive impact on the growth of the Italian GDP. due to the fact that regulatory uniformity helped to simplify economic exchange and development, by establishing certain rules over all the territory of the Kingdom, instead of the piecemeal legislation existent prior to unification. In particular, the paper assesses the impact of legislation on the rate of litigation of civil disputes.

JEL classification: N13, K10.

Keywords: Economic History of Italy; Growth, Institutional changes; litigation rate; Kingdom of Italy; Complexity of legislation.

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1. INTRODUCTION.

The relationship between legislation and economic development has been extensively studied in economic literature for its undeniable importance (for a survey of this literature, see Ginsburg, 2000). The interdependence of law and economic development has been a central concern of modern social theory, providing a focal point for the analyses of Marx, Durkheim, and Weber. More recently Barro (2013) has emphasized the positive impact of the rule of law on economic development. Although we agree with the theory that legislation has a positive effect on economic activity, especially in the early years of existence of a state, we believe that the boost to growth represented by legislation can be more than offset, at a certain point in time, by the accumulation of laws that may lead to an unsustainable level of legislative complexity.

As the number of laws increases over time, with the related problems of layering, consequential problems of interpretation and negative externalities of coordination between laws passed at different points in time growth in turn, it generates a legislative complexity with social costs which may, in advanced economies, outweigh the social benefits (Di Vita, 2015, Mora-Sanguinetti and Mora. 2015).

Up to now there are no studies regarding the economic impact of the creation of the Kingdom of Italy on the GDP and the litigation rate in the period from 1861 to the end of the Second World War. The Kingdom of Italy constitutes an example of unification of small states such as: the Kingdom of Sardinia, the Duchy of Parma, the Papal States, the Kingdom of the Two Sicilies. These small states had different currencies and legislation that might have represented an obstacle to economic development and raised the litigation rate (due to differences in legislation).

As a logical consequence of the unification of Italy, the Albertine Statute, in force since 1848 in the Kingdom of Sardinia, the only pre-unification Italian state whose citizens enjoyed a constitution and an elected parliament, was extended to citizens of the unified kingdom (this is known as the "*piemontesizzazione* of Italy").[1] After debates for the management of the new state parliament opted for a centralized model, borrowed from that used in the Kingdom of Sardinia. In addition the Sardinian electoral system and tax system were extendedto the entire Italian peninsula, the symbols of the new state, like the flag and the anthem, were those of the Sardinian state, while initially the capital of the Kingdom, from 1861 until 1865, remained in Turin, before being transferred to Florence on hold until the resolution of the Roman question would allow for the capital to be established in Rome.

On 27 January 1861 the first elections were held, in which, out of approximately 22 million inhabitants of the peninsula, only 418,850 people were allowed to vote, based on criteria of the electoral law of Savoy: age limits, literacy and wealth; of these only 239,853 actually voted. In the recently annexed Kingdom of the Two Sicilies, with its10 million inhabitants, 129,700 people were allowed to vote of whom only 87,000 actually voted, electing 144 deputies. However it is to be observed that in states without a pre-unification Italian statute or constitution, NO system of government or parliament based on political representation resulting from elections was introduced, even in limited suffrage. After 1848, The kingdom of Sardinia remained the only constitutional state in the

[1] With the term "piemontesizzazione" we denominate the process of extension of the Albertine Statute to all the pre-unification states.

Italian peninsula, with a representative type of institution in which the king's authority was balanced by a bicameral parliament with elected deputies of the chamber and a senate appointed by the King. In northern Italy, on the basis of the vote acceptance criteria set out in the law of 17 March 1848 n. 680 ("Royal Edict on the electoral law") issued as a result of the granting of the Albertine Statute, based on wealth and on the literacy level, there was the ratio of one voter for every 41 inhabitants, while in the south the ratio was one forevery 77 inhabitants . Despite being the first legislature of the new kingdom, the existing Piedmont legislature continued to number it as the VIII Legislature.

The first decision in the economic field was the adoption of a common currency in the new kingdom. This was done by extending the legal tender (the lira) of the Kingdom of Sardinia to the whole peninsula, by the entry into force of the Pepoli law (Law 24 August 1862, n. 788) that established the abolition of all the other currencies circulating, many of which were pre-unification, later that year.

The creation of a unitary structure of the Italian Kingdom, in the place of the many small pre-unification states, was expected to promote a growth of the GDP and reduce the level of civil contentious. In fact the introduction of a single currency (the lira) within the borders of the newly created Kingdom of Italy are presented a powerful tool to facilitate economic activity and trade. It was thought that the creation of a uniform legislation throughout the Kingdom would reduce regulatory uncertainty, thereby decreasing the degree of legal dispute, due to the lack of clarity on the applicable rules.

In this empirical paper we attempt to test empirically the impact of legislation on the GDP and the litigation rate, assuming that during the early stages of state creation the legislation could be of help in promoting economic growth and reducing the civil contentious, in consideration of the legislative simplification due to unification of the Kingdom.

Our dataset covers seventy-seven years, from 1861 to the end of the second World War. It includes the creation of the Kingdom of Italy and the period of fascism. In the econometric analysis we have used exclusively official data, partly supplied by ISTAT (Italian Institute of Statistics), and partly taken from the Official Gazette of the Kingdom of Italy. To address the effects of legislation in a quantitative way, we account exclusively for the “quantity/” of legislation with respect to the GDP and litigation rate.[2]

To check whether or not unitary legislation in the Kingdom of Italy had a positive impact on aggregate income and civil contentious, we used the available Italian data to perform an empirical analysis, in which the GDP and the rate of litigation were alternatively the dependent variables.

The regression results showed a strong correlation between the GDP, the rate of litigation and the quantity of legislation, and the relative coefficient possessed the correct algebraic sign anticipated in our preliminary assumptions.

After this introduction, Section two contains a brief economic history of legislative evolution in the Kingdom of Italy and the period of fascism. Section three aims to describe the dataset and the variables employed. In Section four we report and comment on the results obtained in the econometric analysis. Final remarks conclude the paper.

[2] A more precise indicator of the length and weight of legislation, based on the number of articles per normative or the amount of bytes for each law, will be considered in a future study.

2. LEGISLATIVE EVOLUTION IN THE KINGDOM OF ITALY: AN HISTORICAL OVERVIEW.

From the second decade after political unification, a weak legal system prevailed in Italy . It was characterized by an overabundance of rules and exceptions, with ample space for the choice of the law and for negotiation regarding the rule to be applied. There was thus a very wide latitude of public power and consequently strong conflicts arose (Cassese, 2014).

To understand, at least partly, the formalities through which such characteristics developed within the national institutions it must be put in evidence, indeed, how Italy had been created in 1861 from top to bottom, as a result of the gradual process of extension of the frontiers of the Kingdom of Sardinia (Cassese and Melis, 1990). Moreover, this unification was largely a result of favourable external factors.

The federal solution and the convocation of a Constituent Assembly were excluded; the centralized and hierarchical Piedmontese model was therefore chosen. This involved the introduction not only of the Statute of the Kingdom of Sardinia, but also of fundamental parts of the legislative structure. The Commercial Code was the Sardinian one, except for some changes drawn from the Code of the Kingdom of the Two Sicilies (Pecorari, 2003). The analysis of the Official Gazette of the Kingdom of Italy (i.e. "*Raccolta ufficiale delle leggi e dei decreti del Regno d'Italia*") confirms this: it was not, in fact, a constituent phase but a period of adaptation of the institutions of the Kingdom of Sardinia to the new Kingdom. The new institutes were few, while there were many provisions applying or adjusting the Sardinian institutions to the Kingdom of Italy (Cassese, 2014).

An examination of the legislation of the first four-year period of unity allows us to understand the roots of the Italian State. These must not be looked for, as elsewhere, in military requirements, nor can they be found in the need to elevate a nation to State level. With regard to this last intention, it is necessary to put in evidence also how few were the elements able to create a national identity.This was largely due to the fact that the economic and social development was very different: the level of literacy varied from zone to zone, and particularly from provincial North to provincial South (few inhabitants of the peninsula, little / not much more than 2%, spoke Italian and only around 10% were able to intend it); the crime rate was also far from uniform.

The reasons for the creation of an Italian State must be looked for / sought, instead, in the ambitions of the dawning Italian capitalism. The ruling political class consisted for the most part of land owners and entrepreneurs. They looked with admiration at the industrial take-off of England and France, that they attributed to the creation of a wide internal market. This gave them the extraordinary incentive to achieve economic unification even before administrative unity. The first governments of united Italy, in other words, worried less about the building of the State and about the creation of an apparatus of administrative organs and rules, than about economic unification (Cassese, 2014).

Legislative unification is an essential condition for the creation of a national market. The managing class of unified Italy thought that, if a uniform normative corpus was not adopted, juridical particularisms would be developed, with serious consequences for economic growth. At the end of the process of unification, however, the same legislation was not really “unitary” since the different penal codes of the pre-unitary States and a multiplicity of rules of a regional origin were still present in various parts of the Kingdom. Moreover, Italy did not have an single magistracy, nor a uniform credit framework (six central banks existed at the time of the 1893 banking reform, that reduced them to three). Further, there was not a modern system for the assumption of public employees, nor a unique metric system, nor a national real estate registry, nor a modern and centralized system of fiscal collection / tax levying. In short, none, or hardly any, of the great institutions that had characterized the birth of the bourgeois nations elsewhere were realized in Italy in the years following 1861 (Melis, 2010).

During the unification process, Italy appeared as a country characterized by deep and intense disparities, disunited from the economic, cultural and even linguistic points of view, divided by strong dissimilarities of development. This contributed to unfold a characteristic line in Italian institutional history: a derogatory legislation. The purpose was certainly reasonable: to differentiate legislation according to the areas and, therefore, to meet the particular demands of the depressed areas, not only in the south, was an answer, albeit partial, to the disunited nature of the territory. Nevertheless, the creation of administrations and procedures that proceeded in parallel to the national ones attenuated () the uniformity of the laws (Cassese, 2014).

At the beginning of the XX century, the legislative uniformity typical of the preceding period was abandoned. The special laws for Naples (1885 and 1904), Calabria (1906) and Basilicata (1908) introduced the principle of legislative differentiation in the Italian legal order. Diversity was realized in various ways: by increasing the infrastructural interventions in less developed areas; by introducing special procedures and organs; by providing for tax cuts, credit facilities, contributions for specific areas of the national territory (Cassese, 2014).

The accumulation of extraordinary rules, representing evasions and erosions of the codified laws, requiring and always suggesting new adaptations to specific cases, suggested a sort of "legal disobedience" (Cassese, 2014). It also led to an overabundance of rules. It is evident that the number and complexity of the laws depend on the complicated social relationships and on the quantity of affairs for which the institutions were made responsible (Mattarella, 2011). Giovanni Giolitti, after all, noted: "I admit that about the laws the maximum simplicity is the ideal; but it is not always attainable, because the laws must also keep in mind the defects and the deficiencies of a country […] and adapt to them. A tailor that must cut a suit for a hunchback, must also make a hump for the suit" (Giolitti, 1922). Nevertheless, it is also true that Italian legislation has become far more abundant and complex than the circumstances required. The complexity of the social relationships justifies the complexity of the norms but not the contradictory nature of the laws. The derivation of further costs of fulfilment from the excessive number and bad quality of the laws should be avoided (Mattarella, 2011).

In the period from 1900-1915, that is the period of the economic and administrative take-off, the quantity but above all the quality of the rules decidedly changed. From universal and abstract, the laws became particular and concrete (from the *leggi-monumento* to the *leggi-provvedimento*). In the meantime the administration assumed a new role as the specific place in which the application of the law found its technical mediation, sometimes its mitigation. In short, administrative discretion emerged as a decisive element of government (Melis, 2010).

Arbitrariness, after all, was and currently remains among the most meaningful effects of the excessive production of laws and of legislative complexity. Certainly the increase in the number of laws is directly correlated to the increasing difficulties in eing familiar with all the existing legislation. Further, if the laws are so confused and incomprehensible that we cannot expect citizens to respect them, the habit and the convenience of respecting the law become weaker. In practice, there is a strong incentive to disregard the law. It has thus justly been underlined that the excess of norms is source of complications and fulfilments for citizens and firms. The economy is seriously weakened by this situation; entrepreneurial initiative and investments are discouraged. But beyond these effects, the excessive production of laws and legislative complexity make for arbitrariness and in its turn this produces corruption (Mattarella, 2011). After all, Tacito noticed the connection between excess of laws and corruption. In the presence of procedural slowness and the abstruseness of rules, corruption can represent a temporary solution. But even if it is effective in order to reach an objective, corruptive activity causes clear losses of resources to the system, introduces negative incentives, and can favour the creation of vicious circles that consolidate underdevelopment. It is not by chance that corruption is generallyfar more widespread in underdeveloped countries than in developed ones. With the meaningful exception of Italy (Felice, 2015).

A state of “legal lawlessness” , therefore appears to characterize the history of Italy (Cassese, 2014). The multiplicity of applicable norms to a single case has made and makes possible every type of negotiation, legitimate and not, between State and citizens. In addition, to make an already rather complex situation even worse, there are the imperfections of the norms, the carelessness in performing them and the skill in eluding them.

The most recent consequence of the weak Italian legal system is the strong conflicts, that overburden the magistracy (Cassese, 2014). If the law is not clear, the judges have to make things clear (with their own interpretation) (Mattarella, 2011).

3. DATASET DESCRIPTION.

After this short historic overview, we may describe the dataset we employed in the empirical analysis. We used data published in the official website of the Italian National Institute of Statistics (ISTAT). The data regarding the legislation were drawn from the Official Gazette of the Kingdom of Italy. A full description of the variables is provided in Table 1, reported below

[**Table 1, around here**]

In this research we considered four types of data.

3.1 DEPENDENT VARIABLES: We used two dependent variables to run regressions. First, the Gross Domestic Product (PIL) measured at current prices; Secondly, the index of the civil litigation rate (litig) expressed as a ratio of the total civil proceedings performed to the average population per 1,000 inhabitants. On the basis of the preliminary results of the data we decided not to use the replacement rate in civil litigation (ricamb) that is the ratio between the total sold out procedures and the total come up proceedings per 100.

3.2 INDEPENDENT VARIABLES:

Among the covariates we considered the number of laws passed per year by the parliament of the Kingdom of Italy (lex), on the grounds of the coordination externality, that assumes that since a threshold level of legislation accumulation (stock) further of legislations may become harmful for the economy.[3]

The Gini index (gini) accounting for social inequality is made available with a ten year maturity (source: Vecchi, 2011, pp 235-269).

3.3 CONTROL VARIABLES: Among the potential control and instrumental variables, we considered the per capita income (incomepc) expressed at current prices, the rate of literacy of schoolchildren aged 15-19 years, to measure the degree of schooling/ literacy of the population. The resident national population (pop) represents the number of inhabitants in Italy over the period studied. To undertake the weight of the public sector in the Italian economy we considered: i) the number of civil servants (DipPubb), that is available from ISTAT but not for all the period of time we accounted for; ii) the total public expenditure (PubExp) expressed at current prices; and iii) the total tax revenue at current prices (tax).

3.4 DUMMY VARIABLES: In consideration of the fact that during the period considered two World Wars occurred, we created a dummy variable (dummywar) with the value of one in the years of a World War and zero otherwise.

3.5 PRELIMINARY ANALYSIS OF DATASET. The preliminary analysis of the dataset was based on summary statistics and the matrix correlation reported below

[Tables 2, 3 around here]

[3] On the other hand we can assume that more detailed regulation makes it easier to understand the rule to be applied. In other words, a trade-off may emerge between the negative coordination externality among the different sources of regulation and the extension of rules that may regulate social life in a more precise way (rules vs standards).

It is possible to observe, among other things, that the GDP has a positive correlation with the amount of legislation and a negative one with the rate of civil litigation. This means that in the early years of the Kingdom of Italy, the unification of legislation had a positive impact in promoting growth and reducing the rate of civil litigation.

The Gini index is negatively correlated with the GDP, the per capita income, public expenditure and tax revenues. Although we have to be cautious in interpreting this correlation, it appears that income and the public sector concurred to reduce the degree of inequality among the Italian population.

We are not able to account for the impact of the number of civil servants due to the scant availability of data. The rate of literacy of the young population seems to have contributed positively to the increase of the GDP after the creation of the Kingdom of Italy.

4. Regression Analysis and Results.

In the regression analysis we used as a dependent variable, alternatively, the Gross Domestic Product (PIL) and the civil disputes litigation rate (litig). The regressions were performed using the Ordinary Least Squares (OLS), by means of a STATA software package.

In the econometric analysis we used the following very simple empirical model:

In the econometric analysis we used the following very simple empirical model:

$$[1]\quad PIL_t = const + \alpha_1 lex_t + \alpha_2 litig_t + \alpha_3 pop_t + \alpha_4 school_t + \alpha_5 PubExp_t + \alpha_6 Dummywar + u_{t,}$$

where:

Const = is the intercept term,

u_t = is a stochastic term;

α_i = are coefficient regressors ($i = 1, \ldots, 6$);

$t = 1, \ldots, 88$, is the period of observation (from 1861 to 1948).

The results of the regression are reported in Table 4, below

[Table 4, around here]

It is worth observing that R-squared is very high and that lex possesses a positive algebraic sign and is statistically highly significant for Italy as a whole. This supports our basic idea that at the first stage of adoption of liberal democracy as a form of government legislation had a positive impact on the GDP. Moreover, using the civil litigation rate as a dependent variable and including the GDP among the covariates, we may observe that the unification of legislation had a positive role in reducing the litigation rate in Italy, as we can see from the Table 5

[Table 5, around here]

The values of coefficient regressions are quite similar when the results of OLS using absolute values of variables and their natural logs are compared, the algebraic sign and statistical significance are almost the same, thus confirming the basic findings of our analysis.

The results of the dummy variable confirm that the World Wars had a negative impact on the Italian GDP. We therefore performed some more regressions, for both kinds of models, using the natural logs to account for the rate of change of the variable undertaken in the analysis. Moreover we ran regressions splitting the sample into two subsamples. The first subsample covered the period from 1861 to 1918, and the second subsample from 1919 to 1948. The results of the regressions are also reported in Table 4, columns d) and f). On the basis of these results, we may affirm that legislation was successful in boosting growth until the beginning of the first World War, diminishing its role however during the Fascist period.

5. FINAL REMARKS.

The results of the econometric analysis seem to confirm the positive impact on the GDP of the newly created Kingdom of Italy that introduced a single currency and created a uniform legislation within the borders of Italy, thus promoting economic activity and trade and encouraging social and economic mobility. During the Fascist period there was a turnaround following the rural policies, creating a brake on urban development and limitations to the movement of the population, and promoting economic autarchy, which moved in the opposite direction to the choices followed until the rise to power of Mussolini. It is worth mentioning incidentally that the dummy variable accounting for the two World Wars is highly statistically significant and possesses a negative algebraic sign with respect to the GDP.

The process of unification of legislation since the extension of the Albertine Statute to all the Kingdom of Italy, together with the subsequent production of legislation by a parliament elected by universal male suffrage, seemsto have reduced the degree of contentiousness in Italy. The results of the econometric analysis are perfectly coherent with the previous theoretical and empirical results, for which a low level of legislation accumulation and stratification makes the social revenue of legislation greater than the social cost due to negative coordination externality. This is because a threshold level of legislation stock is achieved and the social revenue of new legislation is lower than the social costs.

These are our preliminary conclusions, that need deeper analysis to reach more robust results.

Acknowledgments

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TABLE 1

DESCRIPTION OF THE VARIABLES AND DATA SOURCES

VARIABLES NAME	DESCRIPTION
(a) Litigation rate of civil disputes (litig)	Index of litigation expressed like ratio of total occurred civil proceedings and the average population per 1,000 inhabitants). ♣
(b) Replacement ratio of civil disputes (ricamb)	The replacement rate is the ratio between the total of sold out procedures and the total Come up proceedings for 100. ♣
(c) Number of laws passed per year (lex)	Number of laws passed per year. Source Official Gazete of Italian Kingdom.
(d) Gini index (gini)	The Gini index measure the inequality of income distribution. It assume value of 0 for perfectly equal distribution, and value of 1 in case a person holds all the GDP. ♣
(e) Per capita GDP at current price levels (incomepc)	Per capita GDP at current price levels. ♣
(f) Literacy rate. aged 15-19 years (school)	Literacy rate. aged 15-19 years measure the degree of schooling. ♣
(g) Resident national population (pop)	The number of inhabitants resident in Italy. ♣
(h) Gross Domestic Product (PIL)	Gross Domestic Product at current price level. ♣
(i) Number of civil servant (DipPubb)	Number of personnel employed in public administration. ♣
(l) Total public expenditure (PubExp)	Total public expenditure at current levels. ♣
(m) Tax revenue at current prices (tax)	Total tax revenue at current price level. ♣
(n) Dummy variable (war)	This is a dummy variable that assumes the value of 1 during the years of World Way I (1915-1918) and World War II (1939-1945) and 0 in the other years.

Legenda: ISTAT is the Italian Institute of Statistics. ♣ Source ISTAT.

TABLE 2
SUMMARY STATISTICS

Variables	Obs.	Mean	S.D.	Min.	Max
a) Rate of litigation (litig)	89	42.30156	18.11392	6.6	76
b) Rate of replacement of civil suites (ricamb)	89	99.54531	5.829889	78.7	128.8
c) Number of laws passed per year (lex)	89	1238.466	802.5286	29	3458
d) Gini index (gini)	89	46.58652	2.459822	41.2	50.4
e) Per capita income (incomepc)	89	2817.216	614.4853	2022	4157
f) Literacy rate. aged 15-19 years (school)	89	64.69775	23.04655	26.5	88.2
g) Resident national population (pop)	89	32079.21	6012.521	22176	42398
h) GDP espressed at current prices (PIL)	89	9.27e+07	3.71e+07	4.48e+07	1.71e+08
i) Number of civil servant (DipPubb)	89	300651.3	300287.6	70158	1074415
l) Public expenditure at current prices (PubExp)	89	1.66e+07	1.50e+0	4055152	7.01e+07
m) Tax revenue at current prices (tax)	89	8.98e+07	1.80e+08	3600100	1.42e+09
n) Dummywar	89	0.1235955	0.3309842	0	1

Legenda: ISTAT is the Italian Institute of Statistics. ♣ Source ISTAT

Table 3

CORRELATION MATRIX (89 OBSERVATIONS)

	a	b	c	d	e	f	g	h	i	l	m	n
a. Llitig	1											
b. Ricamb	-0.0495	1										
c. Lex	-0.7233	-0.1793	1									
d. Gini	0.3351	0.1739	-0.6571	1								
e. Incomepc	-0.6160	0.0115	0.8604	-0.793	1							
f. School	-0.6869	-0.0562	0.8830	-0.7019	0.8972	1						
g. Pop	-0.6326	0.1445	0.7648	-0.8199	0.8909	0.8474	1					
h. PIL	-0.6232	0.0878	0.8232	-0.8282	0.9756	0.8805	0.9664	1				
i. DipPubb	0.0686	0.2913	-0.2140	0.0157	-0.0727	-0.2536	0.1125	0.0482	1			
l. PubExp	-0.7296	0.3204	0.6224	-0.2437	0.5643	0.6164	0.6865	0.6295	0.2944	1		
m. Tax	-0.4506	-0.1006	0.7861	-0.9181	0.9455	0.8167	0.8850	0.9460	-0.0515	0.4032	1	
n. Dummywar	-0.4040	0.2225	0.0669	0.6343	-0.1190	0.0530	-0.1914	-0.1770	-0.2485	0.3930	-0.3908	1

Table 4

RESULTS OF REGRESSIONS USING LIKE DEPENDENT VARIABLE THE GDP

Period	1861-1948		1861-1918		1919-1948	
	a)	b)	c)	d)	e)	f)
Constant	-1.42e+08	-3.500226	-5.63e+07	.0813471	-2.00e+08	-4.219497
	(-11.32)***	(-3.35)***	(-3.38)*	(0.04)	(-2.42)**	(-1.78)
Lex	7269.336	.1110517	3762.398	.017505	6174.304	.1384018
	(3.73)***	(4.38)***	(1.54)	(0.59)	(1.48)	(1.74)
Litig	114347.9	.0310958	-125278.7	-.0637625	310766.7	.0640399
	(1.46)	(1.56)	(-2.32)***	(-1.97)*	(1.42)	(1.78)
Pop	6989.68	2.051615	3768.334	1.511746	6789.16	2.040763
	(16.13)***	(17.18)***	(6.23)***	(8.29)***	(7.31)***	(6.98)***
School	-40525.7	.1328096	350453.2	.2131606	698342.1	.3642713
	(-.39)	(2.76)**	(3.66)***	(3.85)***	(0.56)	(0.43)
PubbExp	-.18043	-.0567195	.4518302	.1108133	-.2374509	-.0874159
	(-1.40)	(-1.98)*	(1.98)	(2.19)*	(-1.27)	(-1.81)
Dummywar	9121054	.0691425	-1.64e+07	-.1673897	1.82e+07	.144264
	(2.42)**	(2.39)*	(-2.79)**	(-2.94)**	(3.07)**	(3.29)***
R-squared	0.9695	0.9783	0.9703	0.9737	0.9079	0.9123
Obs.	88	88	58	58	30	30

t statistics in parentheses. * ρ<0.05, ** ρ<0.01, *** ρ<0.001

Table 5

RESULTS OF REGRESSIONS USING LIKE DEPENDENT VARIABLE THE CIVIL DISPUTES LITIGATION RATE

Period	1861-1948		1861-1918		1919-1948	
	a)	b)	c)	d)	e)	f)
Constant	154.9323 (4.93)***	30.66782 (5.43)***	130.9921 (2.88)**	-2.919236 (-0.19)	-76.51132 (-0.82)	-2.919236 (-0.19)
Lex	-.0130062 (-4.09)***	-.3411396 (-1.99)*	-.0133683 (-2.15)*	.0386047 (0.07)	.0008532 (0.19)	.0386047 (0.07)
GDP	3.17e-07 (1.46)	1.2551 (1.60)	-8.63e-07 (-1.99)*	2.327308 (1.78)	3.10e-07 (1.42)	-.5922184 (1.98)*
Pop	-.0044822 (-2.81)**	-4.541647 (-2.69)***	-.0022367 (-0.95)	-7.141315 (-2.42)**	-.0035417 (-2.19)*	-7.141315 (-2.42)*
School	.3541542 (2.31)*	.5167581 (1.71)	1.211766 (5.83)***	7.540855 (1.55)	2.207978 (1.92)	7.540855 (1.55)
PubbExp	-1.65e-08 (-0.08)	-.1560511 (-0.85)	-3.34e-07 (-0.51)	.2273021 (0.77)	2.94e-08 (0.15)	.227302 (0.73)
Dummywar	-12.51376 (-1.98)*	-.3241092 (-2.01)*	0.6668233 (0.05)	-.5922184 (-1.98)*	-9.990059 (-1.45)	-.5922184 (-1.95)
R-squared	0.7320	0.7097	0.7491	0.5474	0.531	0.5474
Obs.	88	88	58	58	30	30

t statistics in parentheses. * ρ<0.05, ** ρ<0.01, *** ρ<0.001