Fascist Ideology and Migrant Labor Exploitation

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Abstract

Official reports from the International Labor Organization have been increasingly highlighting the pervasive presence of forced labor, especially involving migrants, in the developed world. There is, however, little work explaining the demand-side determinants of modern forced labor. We address this gap by focusing on variations in modern forced labor within a single developed country (Italy). Regression discontinuity and triple differences designs show that modern forced labor is strongly associated with prior exposure to the ideology of the Italian Fascist regime (1922-43) which emphasized the subjugation of non-white ethnic groups (the primary subjects of forced labor).

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

1 Introduction

Reports from international organizations have shown a dramatic increase in the diffusion of forced labor. Forced labor is defined as "any work or service exacted under the threat of any penalty, including the threat of violence or more subtle means, such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities" (ILO, 2017). This practice significantly affects migrants in developed countries. In Europe alone, 3.6 million people are estimated to be victims of forced labor across various sectors, such as construction (The Guardian, 2017), and agriculture (Zhang, 2012).

Influential literature has highlighted the economic causes of forced labor (Engerman and Sokoloff, 2002; Ashraf et al., 2018). There is also literature on supply-side determinants (e.g. Acemoglu and Wolitzky (2011)). However, the demand side determinants of variations in forced labor in the developed world in the contemporary era remain understudied. This study finds a significant role for political ideology as a cause for the presence of modern forced labor in the developed world. We hypothesize that forced labor in the developed world, which significantly involves people of color, is more likely to be found in places with exceptionally intense historical exposure to an ideology emphasizing the subjugation of people of color. The idea is that such exposure, combined with inter-generational transmission of these values, and the ongoing persistence over time of elected officials from political parties that embody racist ideology, creates a political environment conducive to violating rules banning the subjection of people of color to forced labor.

Studying preferences for forced labor is challenging due to the absence of micro-level data on exploitative practices and to the possibility that racist views may emerge opportunistically when exploiting migrant labor yields higher returns. We adopt two innovative strategies to address these concerns. Firstly, 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. Secondly, to identify the role of preferences, we leverage a historical shock that persistently increased

far-right ideology - the *bonìfica 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 on variations in the presence of forced labor in a major developed country on the immigration route, Italy. We gather data on labor racketeering by scraping articles from 7 major Italian newspapers of different political slants. Through text analysis, we identify the location of each event and build a municipality-level data set 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 *bonìfica*, we digitize detailed historical maps and use them to identify the borders of this Fascist program. We then focus on plausibly exogenous borders of the program, which do not overlap with other geographic or administrative discontinuities, to implement a regression discontinuity design and compare similar areas marginally exposed and unexposed to the Fascist program. (As we show, the border was largely left to local technical factors, contributing to randomness.) Extensive balance tests support the validity of our approach. Finally, we leverage over time variation in the number of migrants exploiting the shock resulting from the Arab Spring of 2010 with a triple difference in differences strategy (DDD).

We find that areas that were subject to the Fascist *bonìfica* program almost a century ago have significantly more news events mentioning labor racketeering in recent decades. This finding is confirmed both if i) we consider the effect of the program in the full sample of Italian municipalities using OLS (+5% news items related to labor racketeering); and ii) if we restrict our analyses to RDD estimates comparing municipalities across the borders of *bonìfica* areas (+16%); and iii) if we consider the differential effect of the *bonìfica* in places exposed to unexpected immigration shocks (+6%). The OLS and RDD results underscore how political ideology can lead to exploitative labor practices. The DDD result underscores how a positive

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

shock to the supply of migrants has a larger positive effect on labor racketeering inside the *bonìfica* areas than outside them, ultimately supporting our demand-driven interpretation.

In line with the greater prevalence of exploitation in reclaimed areas, we also find that migrants experience worse living conditions in those places: they are more likely to live in shacks and work without a legal contract. While reclaimed lands could be more likely to specialize in agriculture, in turn inducing higher returns to labor racketeering, we find little evidence of agricultural specialization inside the border. As mentioned, also do not observe unbalance in socioeconomic characteristics and in the types of migrants settling in treated and control locations.

Instead, several pieces of evidence are consistent with the proposed ideological mechanism: (1) municipalities exposed to the *bonìfica* consistently vote more for neo-Fascist parties in all national election years from after WWII to today, and are more likely to elect far-right mayors, supporting the idea of the persistence of a political environment that is conducive to forced labor; (2) treated municipalities exhibit attitudes and behaviors hostile to migrants, as evidenced by both surveys and episodes of mistreatment of migrants; (3) the effects in our analyses are larger when considering labor racketeering news items mentioning nationalities with dark skin color; (4) the link between the *bonìfica* and labor racketeering is larger in places where Fascist ideology was most emphasized – where there were Fascist radio, Fascist movies screenings, and Mussolini visits; (5) we find evidence for the intergenerational transmission of Fascist values through surveys that queried individuals regarding their political preferences. We find little support for alternative explanations related to agricultural specialization, migrant selection, other economic effects of land reclamations, and effects related to organized crime. Overall, while the *bonìfica* treatment clearly 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 and 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 also 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 (Foged et al., 2022), as well as on the effects of legalization (Pinotti, 2017), we know very little about what causes variation in the employment of undocumented migrants. We add to this literature by underscoring the ideological and political determinants 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; 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) and having a comparative advantage in labor-intensive sectors (Engerman and Sokoloff, 2002; Masera and Rosenberg, 2021) have been highlighted as crucial to explain coercive labor. Studies of contemporary forced labor are much fewer, but they also highlight the economic drivers of this phenomenon, including an increase in the supply of available migrant workers (Seifert and Valente, 2018), a decrease in the supply of native workers (Mares and Ardanaz, 2013),

and the prevalence of unskilled-intensive sectors (ILO, 2017).

While economic 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. Firstly, an ideology may emerge opportunistically to justify the use of exploitative labor practices whenever it is economically advantageous. Secondly, 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 Suppression of People of Color

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

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

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 said:"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 on anti-Semitism, and nationalism (Demos, 2012).[3] Today, far-right elites in Italy systematically leverage negative perceptions of immigrants (particularly those of color) for 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 to observe episodes of mistreatment of migrants (Romarri, 2020; Dipoppa et al., 2021).

2.2 Demand for 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. The implication is that labor coercion of ethnic minorities should have a high propensity to be observed in places that

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

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 *bonìfica*) 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 Treatment: The Fascist "bonìfica"

In 1922, the year in which Mussolini was appointed prime minister, large portions of rural areas were characterized by swamps. For centuries the Roman Empire had sought unsuccessfully to drain the swamplands. These inhospitable territories provided a unique 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 *bonìfica 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. (Note that these settlers were all of Italian ethnicity at the time.) 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 *bonìfica* 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 *bonìfica* is clearly a bundled treatment involving economic and ideological inputs, our mechanism regressions are only able to find strong support 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, Cor-

riere, La Stampa, il Giornale, il Fatto Quotidiano, il Manifesto, Libero) searching the word "caporalato", which is the major labor racketeering institution in the Italian context. In this institution middlemen recruit and then control the compensation of 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 is 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 *bonìfica* 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 *bonìfica* 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 police 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 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 concentrated in the center of Italy, particularly in the regions of Tuscany and Emilia Romagna. About half of these municipalities were also included in *bonìfica* 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 concern is that reporting of labor racketeering is lower in places with far-right governments or ideology, where this practice is less likely to be prosecuted and considered worthy of media attention. Notice that this would reduce our likelihood of finding effects, given that our hypothesis is tied to far-right ideology. One might also worry that the liberal press singles out such areas for negative press coverage, which would lead to an upward bias. However, we do not find empirical support for either concern: we observe no differential increase in news items on labor racketeering in municipalities that elect a far-right municipal government (Table B.3) or in municipalities that start voting for far-right parties in national

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

[5]This 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.

elections at higher rates (Table B.4).

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 *bonìfica* 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   The *bonìfica* and labor racketeering: cross-sectional analysis

We explore the long-lasting footprint of the Fascist *bonìfica* by using three complementary approaches. The first two explore cross-sectional variation and are presented in this section. The third one explores variation over time and space and is presented in Section 6.

First, we estimate basic correlations between the *bonìfica* program in the 1930s and current outcomes for the entire sample of Italian municipalities and taking into account a set of controls. Second, to advance a causal interpretation, we use a spatial Regression Discontinuity (RD) approach and compare units at plausibly exogenous boundaries of the program. Third, to corroborate our demand-side causal interpretation, we use a triple differences (DDD) specification that explores the exposure to the *bonìfica* with the exogenous shock in the supply of migrants.

5.1 Basic Correlations

To explore the consequences of the *bonìfica* on the full sample of Italian municipalities, we estimate the following model:

$$Y_i = \alpha + \beta \ bonifica_{29-39;i} + \mathbf{X}'_i\gamma + \delta_c + \epsilon_i \tag{1}$$

were Y_i is an outcome variable of interest of observation i, and $bonifica_{29-39;i}$ is an indicator taking value 1 if municipality i was part of the reclamation project (*bonìfica*) 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 *bonìfica* 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 *bonìfica* 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, and population. This effect is larger in Southern Italy, but present across all regions (Table C.2)

We substantiate our findings based on labor racketeering news by using an alternative measure: a survey of migrants living and working conditions. While the limited coverage

of these data (234 municipalities) does not allow us to use a spatial RDD presented in the following, we are still able to explore this source with the OLS model. The results are shown in Table C.3. We find that in municipalities exposed to the Fascist *bonìfica*, 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. Instead, we do not observe a positive probability of migrants working in the agricultural sector — suggesting that our effect is not simply the result of reclaimed lands being more likely to be destined for agriculture.

5.2   Spatial Regression Discontinuity Design

Our second empirical approach leverages some of the key technical novelties that were introduced by the *bonìfica*. The works were carried in areas "delimited by a borderline, which encompassed all the territories involved in the *bonìfica*" (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.[6] 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 *bonìfica* areas (*comprensori*), 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

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[6]We also test and reject this possibility empirically.

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 *bonìfica* areas that do not intersect with administrative borders and are located at least 20 km away from other *bonìfica* 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 *bonìfica* 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 *bonìfica' comprensori* in Figure B.2. 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 *bonìfica* 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 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.

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 *bonìfica* 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.3). 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

$$Y_i = \zeta \, bonifica_{29-39,i} + f(D_i) + \eta_j + \theta_i \tag{2}$$

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

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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.2 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.1, 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 *bonifica*. 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 *bonifica*, 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.1 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.

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This finding is in line with qualitative evidence that the reclamation works went beyond the original swamplands.

We investigate further the possibility that the *bonìfica* is associated with higher rates of agricultural work and that this explains our findings on exploitation. In line with our identification assumption, Table D.1 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 *bonìfica* 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 B.5 and presented in Table D.2. Figure B.5 depicts that, right at the cutoff, there is a discrete change in our outcomes, which we estimate in Table D.2. 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.2 show that municipalities targeted by the *bonìfica* a century 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 *bonìfica* 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.

5.3   Robustness

We show that RD results are robust to a variety of specifications. Table D.2 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.1, 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 B.6 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.

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

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 *bonìfica* given their hypothesized greater propensity to perpetuate exploitation towards migrants. We test this hypothesis by combining spatial variation from the Fascist *bonìfica* 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.[7] 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:

$$DID: \qquad Y_{it} = \iota_i + \kappa_{p \times t} + \lambda X_{it} + \mu\ bonifica_{29-39,i} \times Post_t + \nu_{it} \qquad (3)$$

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

$$DDD: \quad Y_{it} = \iota_i + \kappa_{p \times t} + \lambda X_{it} + \pi_1 bonifica_{29-39,i} \times Post_t + \pi_2 Post_t \times Exposure_i+$$

$$+ \pi_3 \, bonifica_{29-39,i} \times Post_t \times Exposure_i + \xi_{it}$$

$$(4)$$

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 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 E.3. 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 E.2 and E.3 we show results with our alternative transformations of the dependent variable.

6.3 DID and DDD Results

Tables E.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 *bonìfica* 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.2).

7 Mechanism: Relevance and Persistence of Fascist Ideology

7.1 Voting for Neo-Fascist Parties

If Fascist ideology is the reason for the greater prevalence of labor racketeering in *bonifica* areas, we should observe other indicators of ideology moving in a similar direction in those areas. 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 C.1 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.

7.2 Electing Far-Right Mayors

If local institutions align with a far-right ideology, then employers may anticipate a lower likelihood of persecution and higher expected profits from exploiting migrants. In line with this hypothesis, we find that municipalities exposed to the Fascist *bonifica* are more likely to elect far-right mayors in the years for which we have data, from 2000 to 2020. 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.[8]

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[8]Coding 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.

7.3 Attitudes and Behaviors towards Migrants

Fascist ideology promoted the belief in the superiority of Italian culture over other ethnic groups. If this view still exists in the *bonìfica* 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/identity. Table D.6 explores the spatial RD specification using as outcome answers to ITANES survey question that indicates negative attitudes towards migrants.[9] 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.

In keeping with the fascist principles of subjugating other ethnic groups, Italian fascism even condoned the mistreatment of those groups. It is possible, then, that we may observe a greater prevalence of mistreatment of migrants in *bonìfica* areas. We investigate it by analyzing the OLS specification and using the number of episodes of mistreatment of migrants as the outcome variable.[10] Our findings provide evidence in support of this hypothesis. Specifically, as shown in Table C.6, places subject to the *bonìfica* program are 2% more likely to witness at least one episode of mistreatment of migrants on average (Column 1), and they also have more episodes than other municipalities (Column 2).

7.4 The Racial Dimension of Labor Racketeering

If the subjugation of other ethnicities (especially of color) advocated by the fascist ideology drives labor racketeering, then areas exposed to the *bonìfica* should exhibit greater labor

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

[10]The total number of episodes is too low to run this analysis using the RDD specification.

exploitation practices for migrants of color. To investigate this possibility, we refined our news-based measure of labor racketeering by searching for the ethnicity of the victims using country names and references to skin color in the articles. We coded news that include African and Middle Eastern countries and nationalities as "Of Color" labor racketeering and news mentioning Eastern European countries as "Eastern European" labor racketeering. We use these two outcomes to run our RD analysis. Table D.4 shows that while the coefficient for non-white labor-racketeering news (Column 1) is statistically significant with robust standard errors, the estimated coefficient for Eastern European racketeering news (Column 2) is insignificant in all inference adjustment procedures. Achieving precision in these cases, where we split news-based data on an additional dimension, is difficult. Nevertheless, this finding is in line with the ideological mechanisms we hypothesize.

7.5   The Amplifying Effect of the Historical Fascist Propaganda

In Fascist Italy, propaganda played a crucial role in spreading fascist ideology (Cannistraro, 1975). Therefore, if the fascist ideology is a factor in explaining our findings, then the propaganda advanced by the dictatorship at that time may have enhanced the effect of the *bonìfica* on labor racketeering. We thus explore different measures of propaganda interacted with the *bonìfica*. Results are shown in Table C.4.

In columns 1 and 2 we explore the number of propaganda visits undertaken by Mussolini during the dictatorship. The interaction terms are positive and statistically significant both using as an outcome the extensive and the intensive margin (columns 1 and 2, respectively).

We also use as a measure of propaganda the number of cinema screening days, which were heavily employed by the regime for propaganda. Unfortunately, these data are only available at the provincial level. Nevertheless, despite our use of provincial fixed effects, remarkably the estimated coefficients are positive yet not very precisely estimated (columns 3 and 4).

We then employ data from (Gagliarducci et al., 2020) on the EIAR (*Ente Italiano per le Audizioni Radiofoniche*) radio signal strength, which was heavily used by the Fascist for

propaganda in the last period of the dictatorship. We interact the *bonìfica* indicator with the EIAR signal strength and, in line with the literature, control for the theoretical signal strength — the signal that a municipality would have received in the absence of geographic obstacles. As shown in columns 5 and 6, the interaction with the radio signal is positive and significant. A result that further supports the hypothesized mechanism.

7.6   The Intergenerational Transmission of Fascist Values

If the link between the *bonìfica* program and labor racketeering can be attributed to ideology, then the intergenerational transmission of fascist ideology should play a crucial role. In post-war Italy, explicitly advocating for fascist principles was deemed illegal, making vertical (within the family) transmission of those values particularly important. We thus investigate whether a significant portion of the relationship between present-day Fascist ideology and the *bonìfica* can be mediated by the influence of the program on the ideology of older generations, which would then be transmitted within families from one generation to the next.

We explore this possibility empirically by using a mediation analysis and provide the results in Table C.5. We explore the OLS specification and outcomes from individual-level survey data from ITANES. All regressions include the same set of individual controls listed in the table notes. Panel A displays the results using as outcomes a survey question that asks whether the respondent's mother (column 1) or father (column 2) has ever voted for the Neo-fascist Party (MSI). We aggregate the answer to these two questions and create two other outcomes indicating whether either (column 3) or both (column 4) parents have ever voted for the neo-fascist party. Column 5 uses as an outcome whether the respondent herself has ever voted for the party. In line with the hypothesis, the *bonìfica* is highly correlated with the respondent's answer related to her mother, father, either, or both. And it is also related to the respondent's answer regarding her own self-reported voting.

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 *bonìfica* 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 *bonìfica* 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 *bonìfica*, an indicator of agricultural employment pre-shock in 1991 (Table E.3). 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 *bonìfica* 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 *bonìfica* 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 *bonìfica* on agricultural specialization, the positive effect we observe on some of the typical labor-racketeering crops indicates the potential indirect effect of the *bonìfica* 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 *bonìfica* 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 *bonìfica* areas differs

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

in any observable way. Using data on the number and nationality of migrants, we find no meaningful difference in the population living inside the *bonìfica* borders, suggesting that this channel is unlikely to explain our results.

8.3   A "Placebo" Bonìfica: the Cavour Canal

The *bonìfica* 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.

This intervention resembled the Fascist *bonìfica*, 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.4 shows the location of the Canal and municipality-level distance to it at different cutoffs.

In Table C.7 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 *bonìfica*, 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 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 the developed world. While previous studies have focused on the economic returns of the use of this practice in historical settings, we focus on its current prevalence an political determinants. We hypothesize that places, where individuals have been relatively exposed to Fascist ideology in the past, are more likely to display the practice of forced labor today. We leverage a historical shock to ideology, the Fascist *bonìfica* program, to address this hypothesis.

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

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

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

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.

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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	0.579***	0.214***
(Asinh)	(0.087)	(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.

Table B.3: Reporting bias, Electing a Far-right Municipal Government

	(1) Any news	(2) Asinh news
Far-right mayor	-0.002	-0.000
	(0.002)	(0.003)
Observations	131,056	131,056
City Fe	Y	Y
Year Fe	Y	Y
Province x Year Fe	Y	Y

Notes: Panel regression in which far-right mayor is a dummy taking value 1 in municipality-years in which a far-right government is elected into office. Our DV is a dummy for whether any labor-racketeering news is reported in that municipality-year or the hyperbolic sine transformation of the number of news. Regressions include municipality, year, and province times year fixed effects, and are clustered at the municipal level.

Table B.4: Reporting bias, Growth in Far-right National Voting

	(1) Any news	(2) Asinh News	(3) Any news	(4) Asinh News
Mean growth far-right vote	-0.049	-0.018		
	(0.106)	(0.194)		
Max growth far-right vote			-0.009	-0.000
			(0.025)	(0.045)
Observations	8,004	8,004	8,004	8,004
Province Fe	Y	Y	Y	Y

Notes: Cross-sectional regression in which the independent variables are the mean and maximum number of votes for far-right parties received in a municipality from 1994 onwards. Regressions include province fixed effects and standard errors are clustered at the municipal level.

Figure B.1: News related to labor racketeering
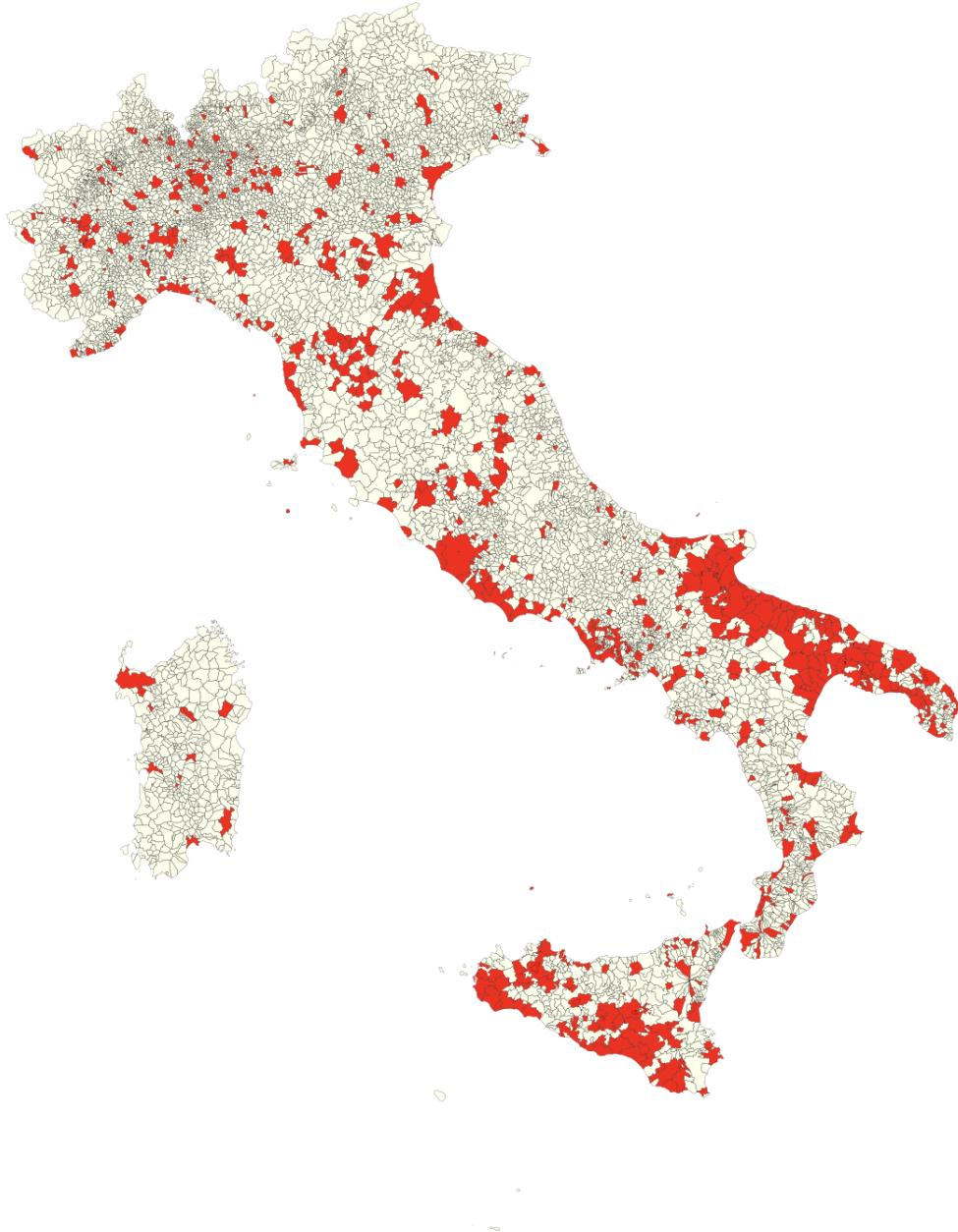
Figure B.2: Study Areas for RDD
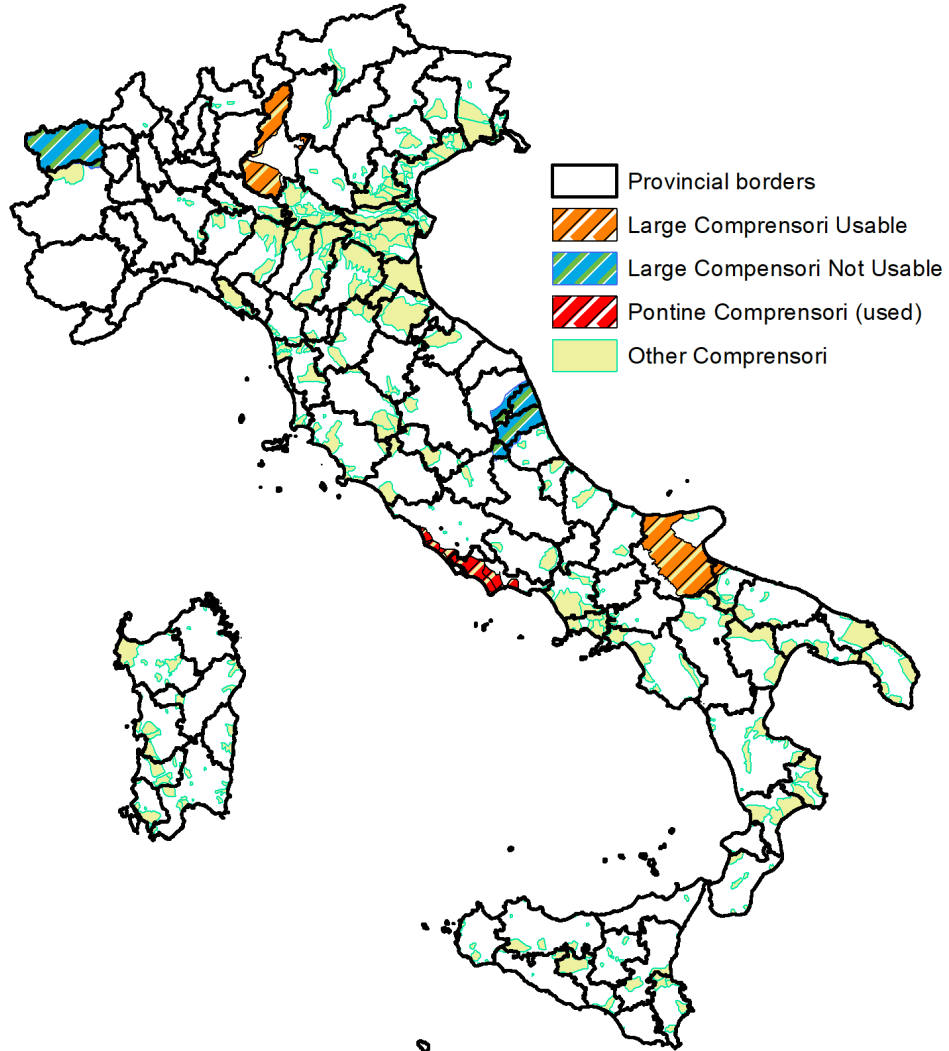
Notes: The figure depicts a map of the *bonìfica* areas (*comprensori*) distinguishing between those that can be used for the analyses and those that cannot be used. Borders in black represent Provincial boundaries.

Figure B.3: Spatial RDD Study Segment Borders
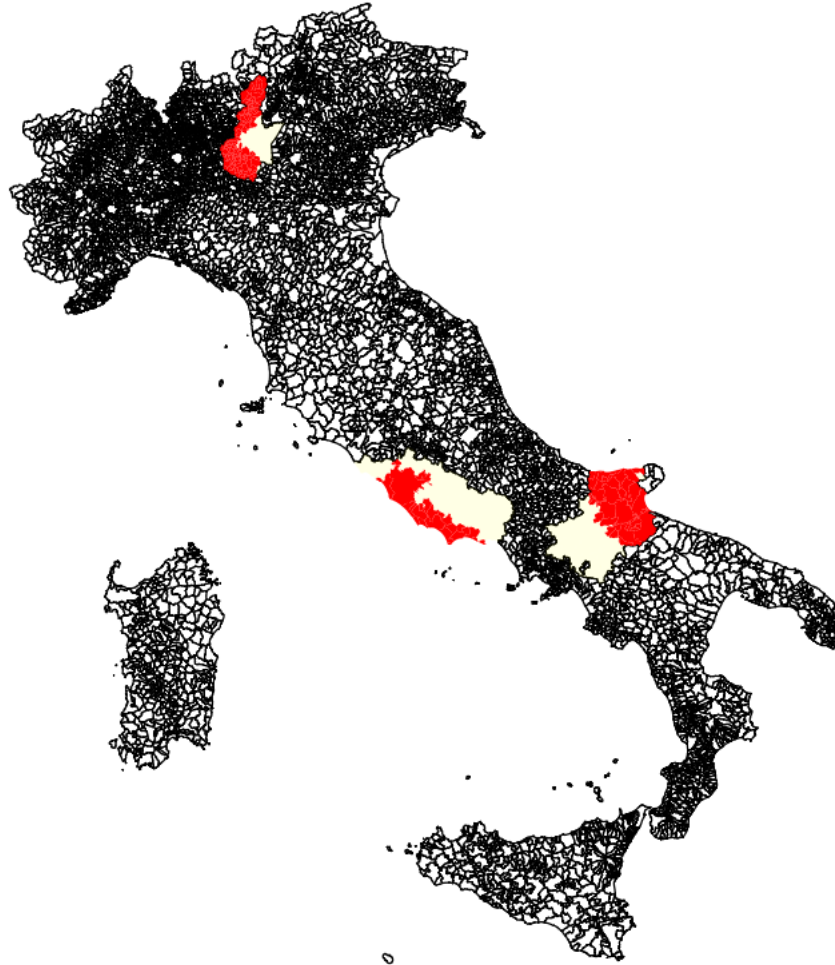
Notes: The figure depicts a map of the segment borders employed in the spatial RDD. The areas in red are treated by the bonìfica, and those in yellow are the control group.

Figure B.4: A Placebo *Bonifica Integrale*: the Cavour Canal

(35,50]
(20,35]
(5,20]
[0,5]
No data
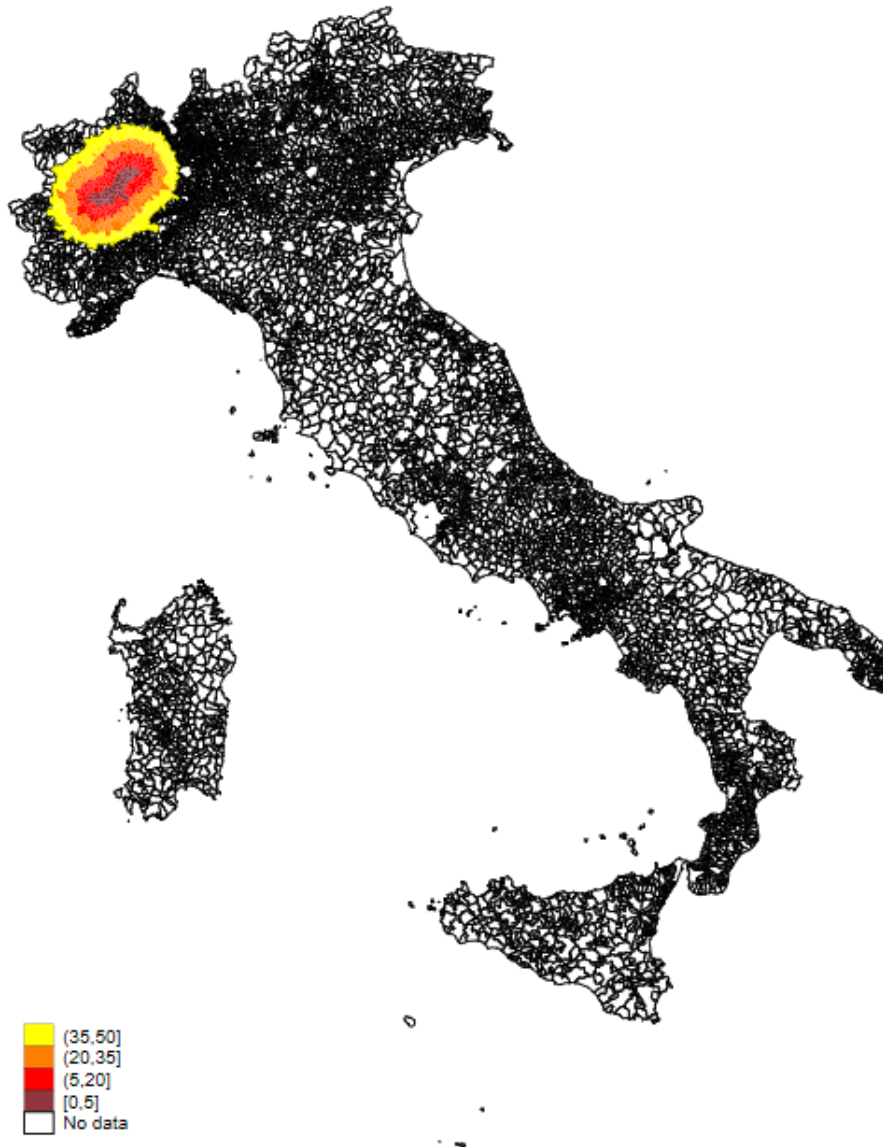
Notes: The figure depicts a map of the distance to the Cavour Canal (which we use as placebo *bonifica*, receiving land reclamation interventions without ideological content) at different distance cutoffs.

Figure B.5: RDD at the border of the *bonìfica*, effect on labor racketeering news

(a) *Log Number of Racketeering News*

(b) *Asinh Number of Racketeering News*

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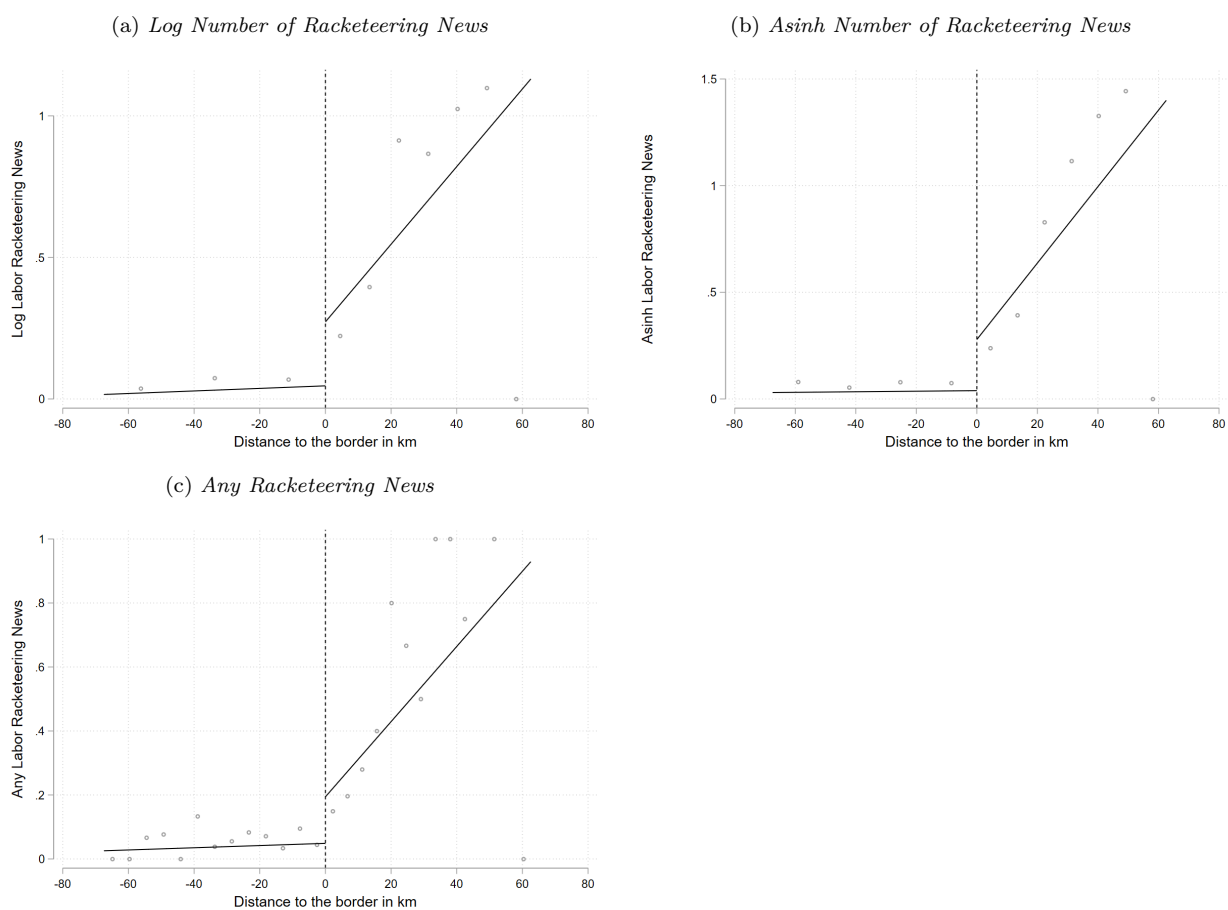
Notes: The figures show the discontinuity in labor racketeering news at the border of the reclamation areas. The x-axis depicts the distance to the cutoff in kilometers (positive within the area and negative outside it).

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Figure B.6: Placebo and Actual Spatial Discontinuities
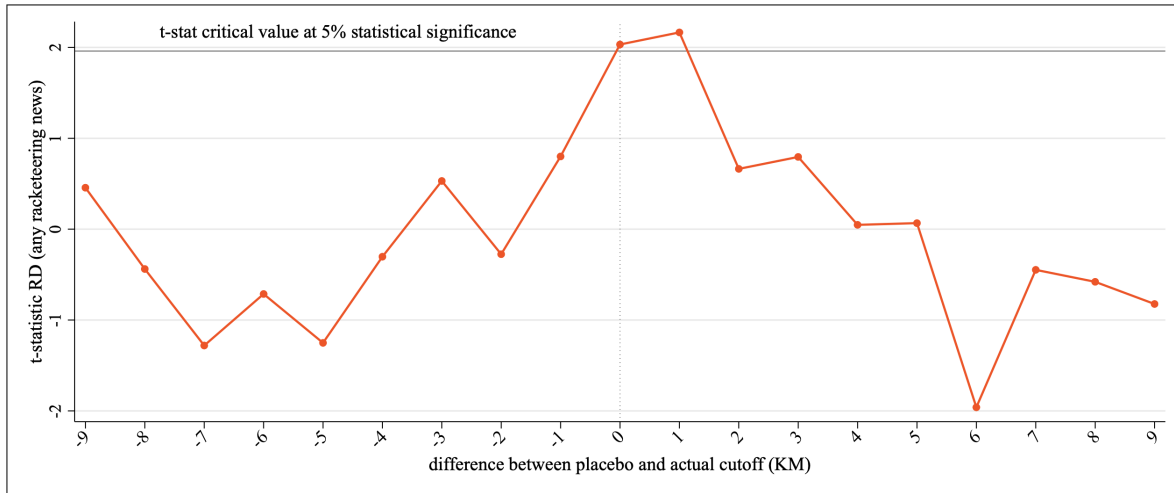
Notes: The figure depicts a series of t-statistics of the spatial regression discontinuity estimates using as an outcome a dummy that equals one for any racketeering news at different cutoffs. Strikingly, the estimated t-statistic above the 5% critical value is in the proximity of the actual cutoff.

C OLS analyses

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

	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: **At least 1 labor racketeering news**				
$bonifica_{1929-39}$	0.0678***	0.0545***	0.0541***	0.0461***	0.0207**
	(0.0148)	(0.0128)	(0.0127)	(0.0122)	(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**				
$bonifica_{1929-39}$	0.1394***	0.1208***	0.1201***	0.1044***	0.0522**
	(0.0303)	(0.0286)	(0.0283)	(0.0269)	(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 *bonìfica* 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.

Figure C.1: Spatial RD Estimates: Neo-fascist Votes

(a) *MSI Votes 1948-92*
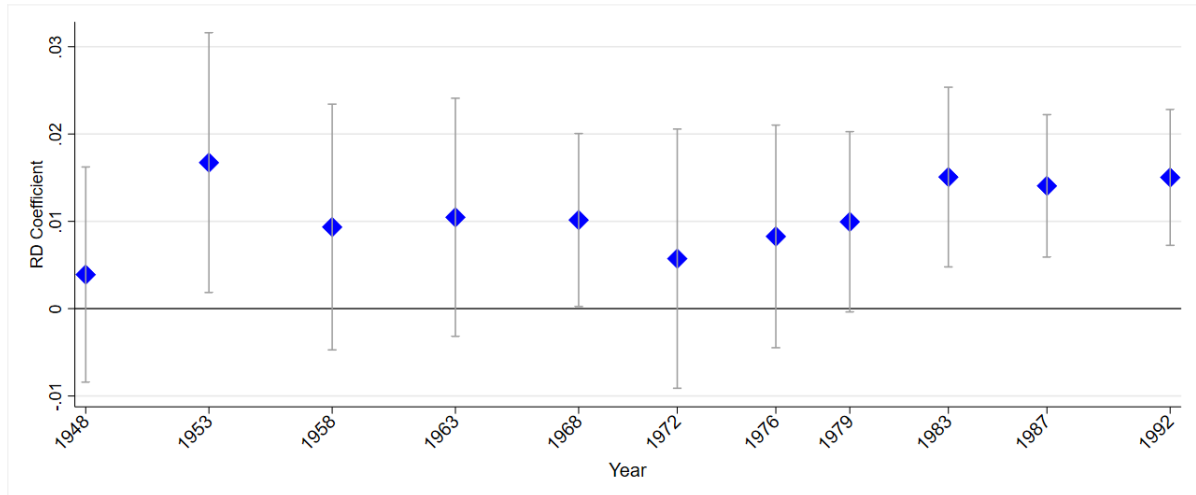
(b) *MSI Votes 1948-92, excluding outliers above 98th percentile*
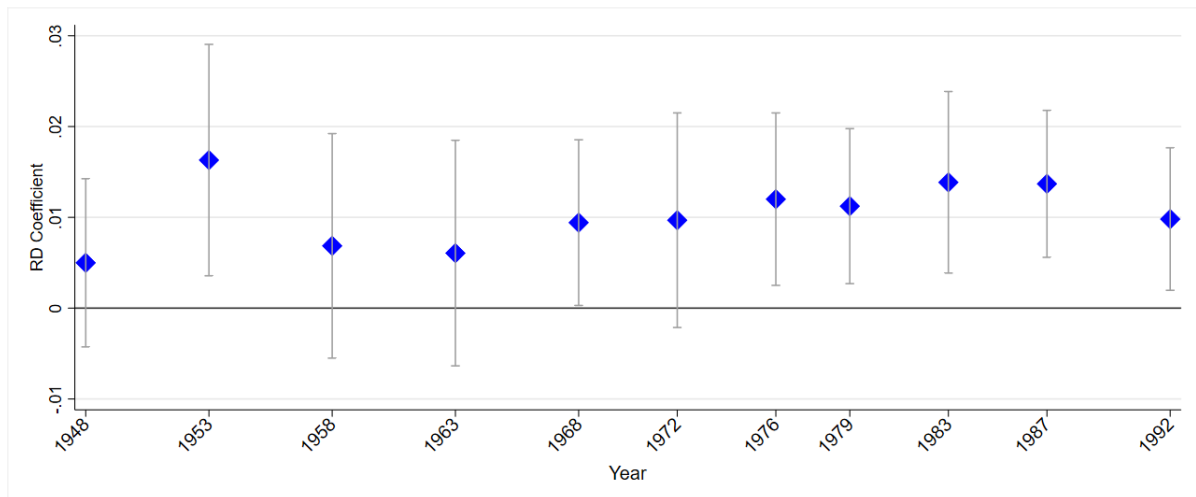
Notes: The figures show the estimated coefficients and 90% confidence intervals of a set of spatial regression discontinuity regression that employ as an outcome the share of votes for the neo-fascist party across the study border in each election and with different samples. Panel (a) employs the whole 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 C.2: Fascist land reclamation and labor racketeering news today, by south and north of Italy

	(1) All Regions	(2) Southern Italy and Islands	(3) Center Italy and North
$bonifica_{1929-39}$	0.0585***	0.0854***	0.0326***
	(0.0128)	(0.0226)	(0.0113)
Observations	8,084	2,554	5,530
R-squared	0.0105	0.0161	0.0042

Notes: The table presents results from the OLS regression of a dummy equal to 1 for cities subject to Fascist land Reclamation on whether any city had news related to labor racketeering in the period 1984-2020. Column 1 explores the whole sample of Italian municipalities. Column 2 restricts to municipalities in the South of Italy and Islands, Column 3 restricts to the Center and North of Italy. Robust standard errors are clustered at the provincial level.

Table C.3: Fascist *bonìfica* and migrants conditions

|	(1) Live in Shacks	(2) Without permit	(3) Work illegally	(4) Work in Agriculture
$bonifica_{1929-39}$	0.0472***	0.0325	0.0834**	-0.0102
	(0.0140)	(0.0297)	(0.0309)	(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 *bonìfica* 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.4: Heterogeneous Effects by presence of fascist propaganda

	(1) Any News	(2) Asinh News	(3) Any News	(4) Asinh News	(5) Any News	(6) Asinh News
$bonifica_{29-39}$	0.0316***	0.0578***	0.0424***	0.1036***	0.0314***	0.0743***
	(0.0103)	(0.0176)	(0.0115)	(0.0250)	(0.0081)	(0.0182)
$bonifica_{29-39} \times$ Visits	0.0834***	0.3459***				
	(0.0313)	(0.0841)				
Visits	0.0423***	0.0744***				
	(0.0134)	(0.0229)				
$bonifica_{29-39} \times$ Cinema			0.0201	0.0531		
			(0.0155)	(0.0321)		
$bonifica_{29-39} \times$ EIAR					0.0383***	0.0815**
					(0.0142)	(0.0329)
EIAR radio signal					-0.0046	-0.0214
					(0.0072)	(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 *bonifica* indicator.

Table C.5: The *bonifica* and Inter-generational Transmission of Political Ideology

Ever voted for the Neo Fascist Party

	(1) Pr(Father=Yes)	(2) Pr(Mother=Yes)	(3) Pr(Either=Yes)	(4) Pr(Both=Yes)	(5) Pr(Respondent=Yes)
bonifica$_{1929-39}$	0.2157**	0.3098**	0.2311**	0.2959**	0.1829*
	[0.107]	[0.133]	[0.110]	[0.131]	[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***	1.4287***	1.3847***	1.4946***	
	[0.130]	[0.182]	[0.139]	[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.

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Table C.6: Fascist *bonìfica* and episodes of mistreatment of migrants (OLS)

	(1) Any hate crime	(2) Asinh hate crimes
$bonifica_{1929-39}$	0.1020***	0.2119***
	(0.0183)	(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 *bonìfica* 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.7: 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	0.0045		
	(0.0282)	(0.0274)		
Cavour Canal $\leq 10km$			-0.0210	-0.0025
			(0.0186)	(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
	(1)	(2)	(3)	(4)
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	-0.0108		
	(0.0267)	(0.0270)		
Cavour Canal $\leq 10km$			-0.0395*	-0.0082
			(0.0224)	(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

Table D.1: RDD at the border of *bonìfica*, 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.2: RDD at the border of *bonìfica*, effect on labor racketeering news

	(1) Any News	(2) Any News	(3) Asinh News	(4) Asinh News	(5) Log News	(6) Log News
$bonifica_{1929-39}$	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.

Table D.3: RDD at the border of *bonìfica*, 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 *bonìfica*, effect on labor-racketeering news by skin color

	(1) Of Color	(2) Eastern
$bonifica_{1929-39}$	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 *bonìfica* increased mafia presence

	(1) Mafia dummy	(2) Goods seized dummy	(3) Firms seized dummy
$bonifica_{1929-39}$	0.0313	0.0817	-0.0425
	(0.115)	(0.116)	(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.

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

|	(1)	(2)
$bonifica_{1929-39}$	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.

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

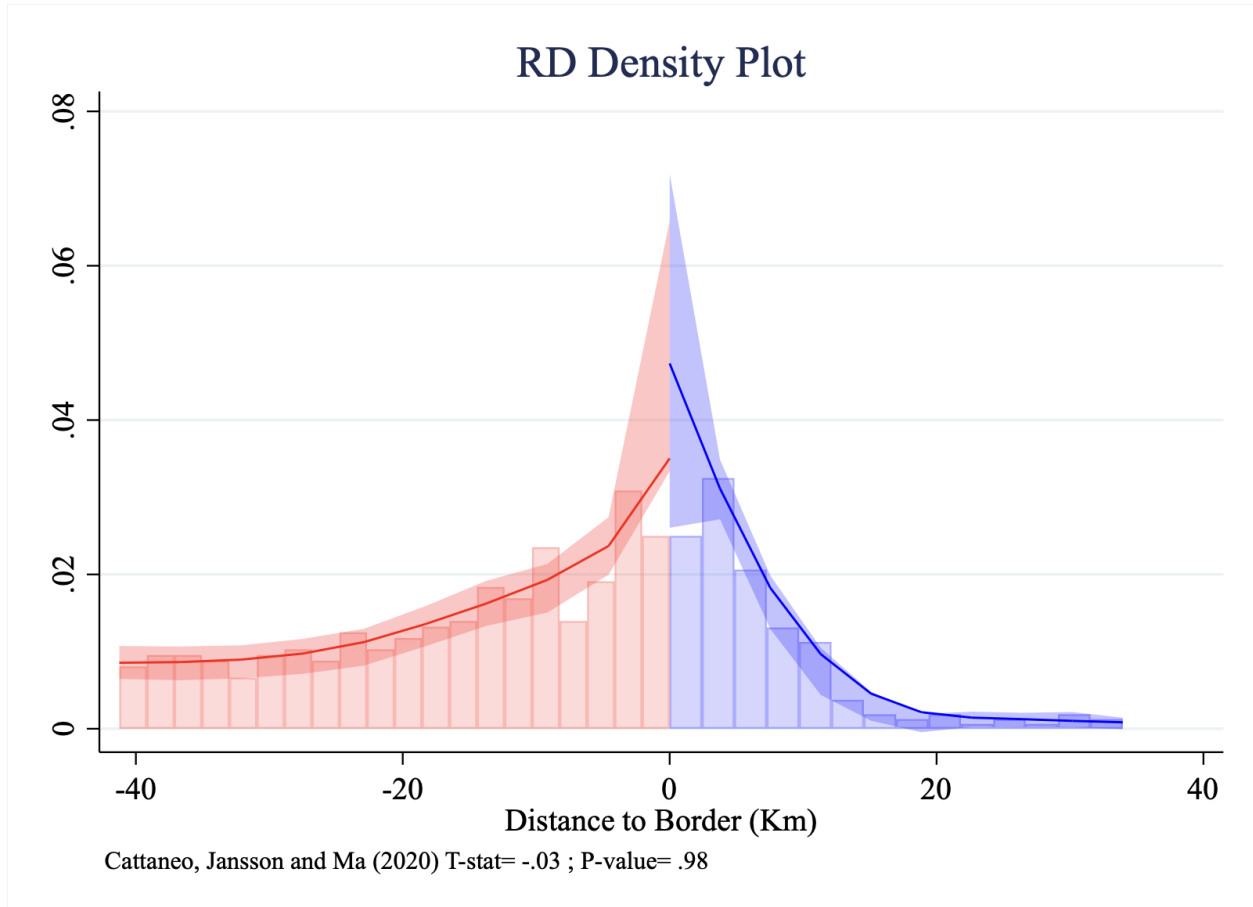|	(1) Any Far-Right Mayor	(2) Asinh Far-Right Mayor	(3) Log Far-Right Mayor
$bonifica_{1929-39}$	0.211**	0.441*	0.340*
Observations	660	660	660
Province FE	Y	Y	Y
Polyn	1	1	1
Effective obs	301	301	301
Conventional Std. Error	0.105	0.257	0.203
Conventional p-value	0.0442	0.0868	0.0943
Robust p-value	0.101	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.1: Effect of *bonifica* on any labor racketeering news, robustness to varying the bandwidth
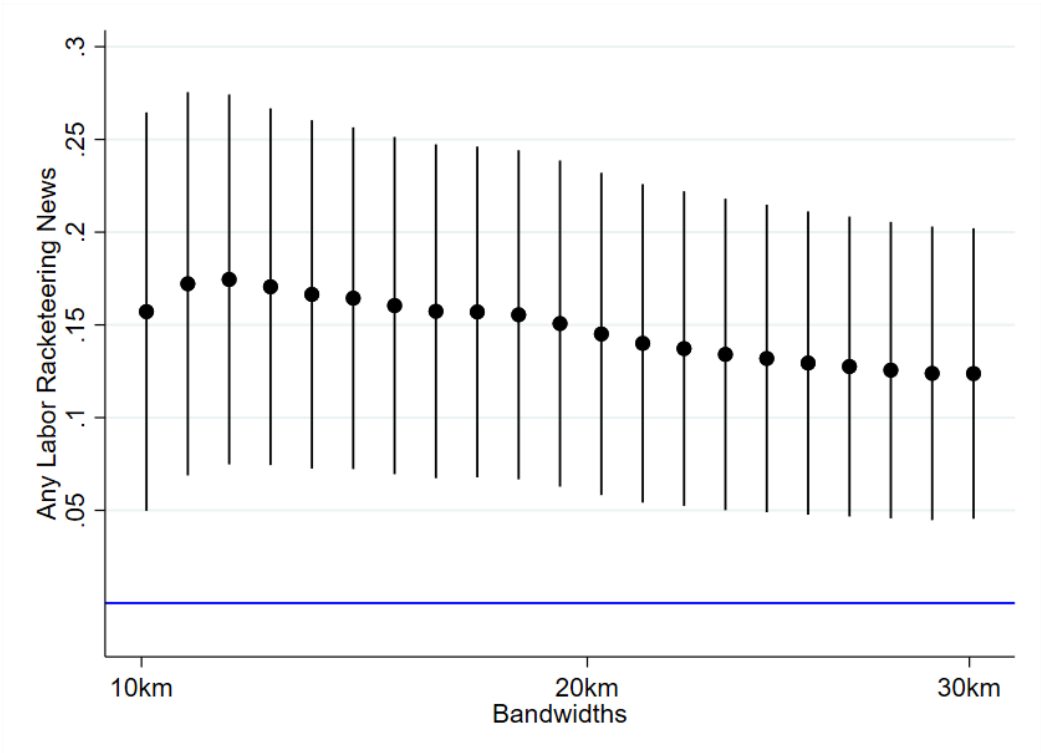
Notes: The figure plots the coefficient of our main RDD specification expanding the bandwidth beyond that selected by the optimal selection method by (Calonico et al., 2014) (10.22 km).

Figure D.2: Absence of Discrete Changes in the Density of Observations

RD Density Plot

Cattaneo, Jansson and Ma (2020) T-stat= -.03 ; P-value= .98

Distance to Border (Km)

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) Baseline Result	(2) No Latina Prov	(3) No Rome Prov	(4) Study Area Fe	(5) Control D. to Cities	(6) Control Lat-Lon
$bonifica_{1929-39}$	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

Figure E.1: Event study plotting the effect of the Fascist *bonìfica* after an immigration shock (right: DID, left: DDD design)
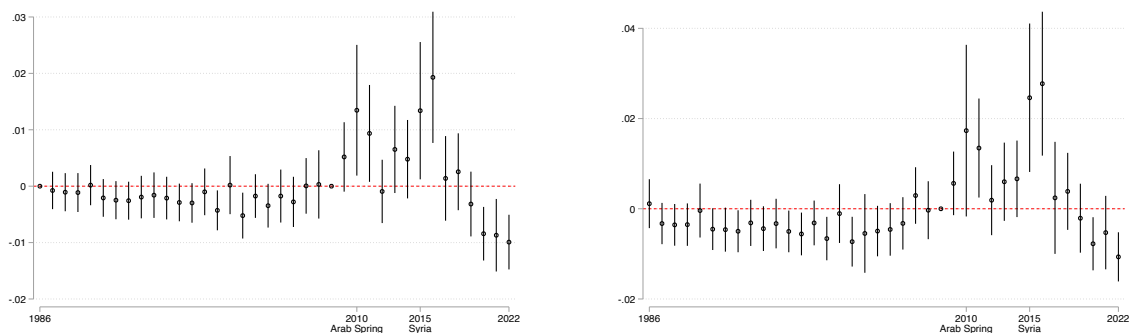
Notes: DID (left) and DDD (right) coefficients capturing the effect of the Fascist program before and after the Arab Spring and the Syrian War shocks (right) and the difference for municipalities with pre-existing migrants from MENA countries, our measure of exposure to the shock (right). In both figures, the dependent variable is the inverse sine hyperbolic transformation of the number of news related to labor racketeering in a municipality and year. 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.

Figure E.2: Event study plotting the effect of the Fascist *bonìfica* after an immigration shock (right: DID, left: DDD design). Dependent variable: dummy for labor racketeering.
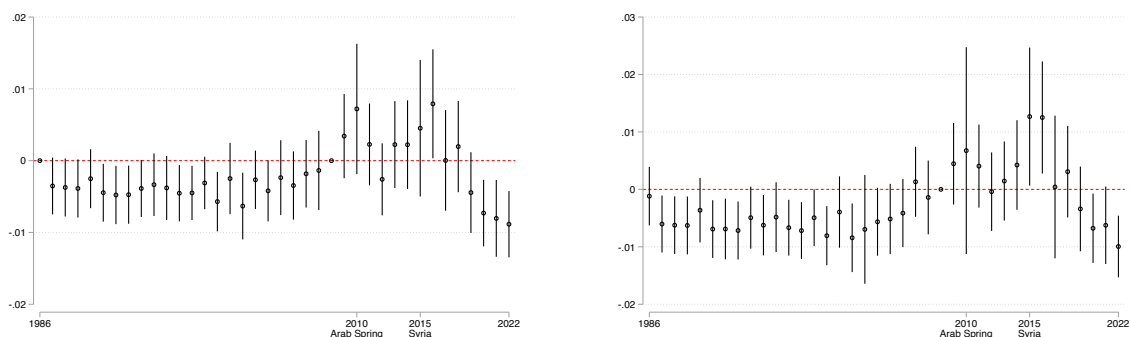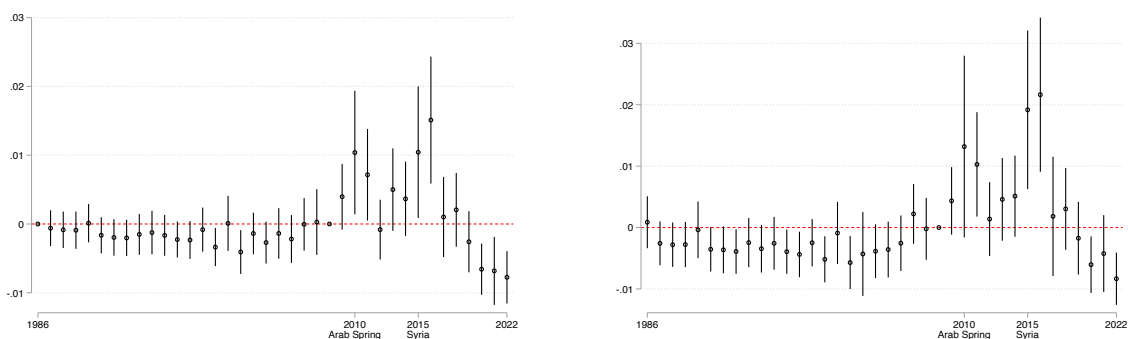

Notes: DID (left) and DDD (right) coefficients capturing the effect of the Fascist program before and after the Arab Spring and the Syrian War shocks (right) and the difference for municipalities with pre-existing migrants from MENA countries, our measure of exposure to the shock (right). In both figures, the dependent variable is a dummy for any news related to labor racketeering in a municipality and year. 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.

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Figure E.3: Event study plotting the effect of the Fascist *bonìfica* after an immigration shock (right: DID, left: DDD design). Dependent variable: log labor racketeering news.

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 (right) and the difference for municipalities with pre-existing migrants from MENA countries, our measure of exposure to the shock (right). In both figures, the dependent variable is the log transformation of the number of news related to labor racketeering in a municipality and year. 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 E.1: Effect of the *bonìfica* after a migration shock: DID and DDD Design

	DID			Triple DDD		
	(1)	(2)	(3)	(4)	(5)	(6)
	Asinh	Log	Dummy	Asinh	Log	Dummy
bonifica×Post2010	0.0046***	0.0035***	0.0030***	-0.0032**	-0.0024**	-0.0022*
	(0.0018)	(0.0014)	(0.0011)	(0.0015)	(0.0012)	(0.0012)
bonifica×MENA				-0.0039*	-0.0030*	-0.0033**
				(0.0021)	(0.0017)	(0.0016)
Post2010×MENA				0.0001	0.0001	0.0001
				(0.0009)	(0.0007)	(0.0007)
bonifica×Post2010×MENA				0.0089***	0.0069***	0.0060***
				(0.0027)	(0.0021)	(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, 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.2: Effect of the *bonìfica* after the Syrian migration shock: DID and DDD Design

	DID			Triple DDD		
	(1)	(2)	(3)	(4)	(5)	(6)
	Asinh	Log	Dummy	Asinh	Log	Dummy
bonifica×Post2014	0.0025	0.0020	0.0014	-0.0034**	-0.0027**	-0.0025**
	(0.0016)	(0.0013)	(0.0011)	(0.0015)	(0.0012)	(0.0012)
bonifica×MENA				-0.0034*	-0.0026*	-0.0027*
				(0.0020)	(0.0016)	(0.0016)
Post2014×MENA				-0.0001	-0.0001	-0.0001
				(0.0009)	(0.0007)	(0.0008)
bonifica×Post2014×MENA				0.0069***	0.0054***	0.0046***
				(0.0025)	(0.0019)	(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, 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: Placebo effect of Agricultural Employment after a migration shock: DID and DDD Design

	DID			Triple DDD		
	(1)	(2)	(3)	(4)	(5)	(6)
	Asinh	Log	Dummy	Asinh	Log	Dummy
Emp Agric×Post2010	-0.0029**	-0.0023**	-0.0018*	-0.0021	-0.0016	-0.0016
	(0.0015)	(0.0011)	(0.0009)	(0.0015)	(0.0011)	(0.0013)
Emp Agric×MENA				-0.0003	-0.0002	-0.0003
				(0.0016)	(0.0012)	(0.0013)
Post2010×MENA				0.0025*	0.0020*	0.0015
				(0.0015)	(0.0012)	(0.0012)
Emp Agric×Post2010×MENA				-0.0010	-0.0008	-0.0002
				(0.0020)	(0.0015)	(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.