The corporatism of Fascist Italy between words and reality

O corporativismo da Itália fascista entre palavras e realidade

El corporativismo de la Italia fascista entre las palabras y la realidad

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Abstract: It is common knowledge that State intervention in Italy in the Twenties and the Thirties developed outside of corporative institutions. The history of Fascist corporatism, however, is not only an unsuccessful story. Despite the failure of the “corporatist revolution” and “Fascist third way”, Fascist corporatism since the mid-Twenties helped the progressive development of a new political system to regulate relationship between State and private interests. The paper examines not only the institutional framework (the systems of formal laws, regulations, and procedures, and informal norms) but also their acts and real activities. It dwells upon internal debates, political and institutional importance acquired by corporative institutions in Fascist regime and behaviours of entrepreneurial organizations and labour unions. In this way, the paper aims to point out the “real” consequences of Fascist corporatism, different from the ideological ones.

Keywords: corporatism; Fascism; Italy

Resumo: É de conhecimento geral que intervenções estatais na Itália nas décadas de 1920 e 1930 se desenvolveram fora de instituições corporativas. A história do corporativismo fascista, no entanto, não é totalmente sem sucessos. Apesar da falha da “revolução corporativista” e da “terceira via fascista”, o corporativismo fascista, desde meados dos anos 1920, ajudou no desenvolvimento progressivo de um novo sistema político para regular a relação entre o Estado e interesses privados. O presente artigo examina não apenas a arcabouço institucional (os sistemas de leis formais,
regulamentações, procedimentos e normas informais), mas também suas atividades reais e atos. Esse trabalho aborda debates internos, importância política e institucional adquirida por instituições corporativas em regimes fascistas e comportamentos de organizações empreendedoras e sindicatos trabalhistas. Dessa forma, este artigo visa ressaltar as consequências “reais” do corporativismo fascista, diferente das ideológicas.

Palavras-chave: corporativismo; fascismo; Itália

Resumen: Es de conocimiento común que la intervención del Estado en Italia en los años 1920 y 1930 se desarrolló a partir de las instituciones corporativas. La historia del corporativismo fascista, sin embargo, no es del todo sin éxito. A pesar del fracaso de la “revolución corporativista” y de la “tercera vía fascista”, el corporativismo fascista desde mediados de la década de 1920 ayudó al desarrollo progresivo de un nuevo sistema político para regular la relación entre los intereses públicos y privados. En este artículo se examina no sólo el marco institucional (los sistemas de derecho formales, reglamentos, procedimientos y reglas informales), sino también a sus actividades y acciones reales. Este trabajo se ocupa de debates internos, importancia política e institucional adquiridos por las entidades corporativas en los regímenes y el comportamiento de las organizaciones empresariales y de los sindicatos fascistas. Por lo tanto, este artículo pretende poner de manifiesto las consecuencias “reales” del corporativismo fascista, a diferencia de las consecuencias ideológicas.

Palabras clave: corporativismo; fascismo; Italia

Between myth and reality

With the creation of corporatism, Fascism promised to bring about a profound transformation of the economy and the state: on the one hand, it sought to subject the market and private enterprises to political control; on the other, it aimed to establish a new system of representation, completely different from the liberal one, and a new relationship between rulers and ruled. Not much of this project was actually implemented. Antifascists in the 1930s emphasised the great gulf between theories, programmes and ideological interventions on the one hand, and practical accomplishments, legislative and institutional solutions and political initiatives on the other. This is most notably the case of Carlo Rosselli Gaetano Salvemini and Angelo Tasca (ROSSELLI, 1934; SALVEMINI, 1948; TASCA, 1935), who used definitions such as “great swindle”, “bureaucratization” and “bluff”. A different approach was followed by leading communist intellectuals, such as Antonio Gramsci and Palmiro Togliatti, who argued that corporatism was not a bluff or a failure, but the shell of the transformation of Italian capitalism (GRAMSCI, 1975; TOGLIATTI, 2010). The strong association of this last interpretation and Marxism condemned it to marginalization in the post-war years.
For this reason, for decades the “failure paradigm” has been the main, if not only, way of interpreting Fascist corporatism.

The most important studies of those years, the ones by Alberto Aquarone and Sabino Cassese, examined new topics and sources, but essentially built upon the ideas of Salvemini, Rosselli, and Rossi (AQUARONE, 1965; CASSESE, 1974).

Only in the last decade some historians followed a different approach, which aims to transcend the “failure paradigm” and develop an in-depth analysis both of ideology of corporatism and of its institutional functioning (SANTOMASSIMO, 2006; CASSESE, 2010; GAGLIARDI, 2010a).

However, as shown by Phillip Schmitter with reference to political science (SCHMITTER 1974; 1982), an acknowledgement of the discrepancy between plans and achievements ought not, in itself, entail a reductive assessment of corporatism. Viewing the phenomenon as a failure does not so much provide a conclusive answer to the question of what corporatism amounted to, as raise a problem that is worth investigating and which in turn requires some explanation – particularly given the considerable doctrinal and propagandistic efforts made by leading Fascists and their outspokenness on the matter (CASSESE, 1974, p. 88). Moreover, while no “corporative revolution” ever took place, as the promises made by Fascist leaders largely remained mere talk, this does not mean that the creation of corporative institutions and their work had no significant consequences.

The present article aims to offer a brief overview of the experience of corporatism in Fascist Italy, starting precisely from the question of the relation between words and reality.

Discourses and ideas

Corporatism was the most widely debated issue in Fascist Italy, and a vast range of different views were held on the subject (CHABOD, 1961, p. 87; ZUNINO, 1995, p. 246). Between the mid-1920s and the late 1930s, thousands of volumes, articles, popular booklets and magazines were specifically devoted to the topic; conferences and countless propaganda meetings were organised; specific cultural institutions were established; and even the university courses in Economics and Law were modified in order to officially take the corporatist ideal into account. The impressive number of publications is perfectly reflected by the Bibliografia sindacale-corporativa published by Alfredo Gradilone.
in 1942: over 1,200 pages long, this bibliography lists approximately 12,000 titles (GRADILONE, 1942). Within this vast intellectual production, very different approaches emerged right from the start. This led to a relatively open debate, which in certain cases reached a polemical pitch quite unusual for the illiberal and conformist climate of the period.

Already in the previous years and decades several cultural and political currents had expressed and variously developed the idea of transcending the liberal-democratic state, by upholding corporatist models. The aspiration to reform the state by introducing representatives of productive categories into parliament and the aspiration towards institutional forms of cooperation and reconciliation between different social interests cut across the political spectrum. As a bulwark against class war as well as state interference, corporatism had been one of the constitutive aspects of the social doctrine of the Church and of the programme of the Catholic movement ever since the two final decades of the 19th century. In the aftermath of World War I, in the wake of the industrial mobilisation brought about by the conflict, the question of inter-class collaboration had exercised considerable allure on the entrepreneurial world, the reformist minority of the Socialist Party, and certain sectors of the trade-union world (LAY, PESANTE, 1981; BERTA, 1996). Most notably, corporatism was a key element in the ideology and political programme of the nationalists – chiefly thanks to Alfredo Rocco, who gave the idea a more statist twist – and of that current of revolutionary syndicalism which through the adoption of an interventionist stance had led to the development of “national syndicalism” with the Unione Italiana del Lavoro, headed by Alceste De Ambris and Edmondo Rossoni (UNGARI, 1963; PASETTI, 2008).

These political and ideological precedents provided the cornerstones for the Fascist idea of corporatism. The first cornerstone was productivism, which replaced the struggle over the distribution of wealth among social classes with the aim of increasing, as far as possible, the productive capacity of the country's economy. The figure of reference here was that of the “producer”, which encompassed all those contributing to the production process, from workers to technicians and entrepreneurs. The second cornerstone, closely connected to these productivist assumptions, was the rejection of the liberal system of representation, centred on the electoral process and individual atomism, and hence on the promotion of a new system of representation based on productive categories. What stood at the centre of the corporative
system, therefore, was not the individual citizen but the producer. Individuals were confined to a single role, strictly identified with their professional status as workers (SANTOMASSIMO, 2006, p. 252).

The liveliest and open stage of the debate on corporatism occurred in the first half of the 1930s – the years of the economic crisis and the establishment of corporative institutions. It started setting the pace with the Italo-Ethiopian War and the imperialist turn of Fascism, which found a political and economic counterpart in the adoption of the ideology of autarchy (ZAGARI, 1982). In this period corporatism provided an avenue for economists and jurists to discuss – even in the absence of democratic institutions and freedom of speech – issues such as the crisis of the self-regulating market and the liberal state, and the need to update existing interpretative theories and paradigms (GAGLIARDI, 2013). What further contributed to the development of the theoretical foundations of corporatism were ideas, analyses and suggestions strictly pertaining to the attempt to identify the crucial constitutive elements of Fascism as an ideology and political project.

Taking part in the debate were not just intellectual and ideologists, but also leading politicians, directly engaged in the drafting of the fundamental laws of the corporatist state. A particularly important contribution was provided by Alfredo Rocco, the chief architect of Fascist legislation and the promoter of a form of ‘authoritarian corporatism’ based on the complete primacy of the state over society and individuals (BATTENTE, 2005; SIMONE, 2007); the Minister of Corporations Giuseppe Bottai, who theorised a ‘totalitarian corporatism’ as the foundations of a 'participatory' Fascism resting on popular support (GENTILE, 1982, p. 205-230; SANTOMASSIMO, 2006, p. 56); and union leaders, starting from Edmondo Rossoni, who endorsed the idea of a corporative system centred on trade unions and capable of lending concrete form to the revolutionary and anti-bourgeois ambitions of Fascism (PARLATO, 1989; 2000).

The popularity of corporatism cannot simply be explained on the grounds of the regime's capacity for intellectual mobilisation from above, of the effectiveness of propaganda both in Italy and abroad, of the pre-existence of certain cultural inclinations or traditions, or of the conceptual and semantic ambiguity of the doctrine, which made it open to different interpretations and hence compatible with different cultural and ideological frameworks. What especially accounts for the national and international appeal of the corporatist ideal is the circulation, in Italy and Europe during the war years, of reflections concerning the
problems caused by social rifts, the crisis of individualistic pluralism and the collapse of the myth of a self-regulating market. In the immediate aftermath of the conflict, Western societies – especially those of continental Europe – had already witnessed the emergence of new institutional systems and forms of political decision-making. Following the rise of large private organisations (trade-union confederations, business associations, and large industrial and financial conglomerates), consensus was sought not only from elected parliaments but also, increasingly, through a constant negotiation with organised interest groups. A switch of power occurred from elected representatives and career bureaucrats to the main organised forces within society and the economy, which directly negotiated with one another or exercised some influence through a weakened parliament (MAIER, 1975). Parliament, therefore, was no longer the only venue for mediation. Associations representing the interests of given economic classes acquired the capacity to negotiate with governments and steer their decisions.

The issue of the crisis of the liberal state became strongly intertwined with that of the crisis of the market and of the range of phenomena falling under the label of “organised capitalism”, which was coined and widely employed in Germany at the time. The power acquired by large industrial and financial groups, the restructuring of the market according to cartels, industrial mobilisation during World War I and the challenge launched to capitalism by Soviet planning made the idea of a market based on “perfect competition” seem glaringly inadequate and outdated.

The ideological operation undertaken by Fascism, in other words, consisted in promoting corporatism as the best answer to the historical problems caused by the failure of liberalism and the crisis of Western civilisation. Intellectuals at the time gave much credit to this operation – and this is not just true of Fascist intellectuals or Italian ones. Corporatist ideas were circulating on a European level and also involved intellectuals and political forces that were quite foreign to Fascism. Let us just think here of the great attention and interest with which such ideas were received and followed in many European, as well as non-European, countries (PASETTI, forthcoming).

Indeed, it was chiefly through the idea of corporatism that an attempt was made to promote Fascism, both among the Italians and in the world at large, as a “third way” between capitalism and socialism, as a revolutionary experiment to create a “new state” and a different model of society. The fact that today the corporatist idea may seem like a
mystifying and culturally weak attempt to forcefully simplify a complex reality, in contrast with the formation of a modern mass society, does not change the fact that the corporatist perspective was a convincing one for many people at the time. Corporatism provided an avenue through which the Italian debate could be brought in line with the considerations made in inter-war Europe on the problems, changes and underlying contradictions of modern industrial societies.

No more than a failure?

The outcome was far removed from the promises made, as the actual reality of corporatism had little to do with the river of words concerning the “corporatist revolution”. The bureaucratic framework was set-up very gradually and not without some contradictions: in 1926 the ministero delle Corporazioni (Ministry of Corporations) was established and the corporative trade-union system was launched. The Consiglio nazionale delle corporazioni (National Council of Corporations), however, while already called for by the syndicalist legislation of 1926, was only established in 1930, as a means of coordinating the work of the corporations, which were actually only set up four years later. Even the creation of a Chamber of Corporations, representing the interests of workers and enterprises, proceeded in much the same fashion: it dragged on for almost the entire duration of the regime. The complete transformation of the electoral system accomplished in 1928 included but a handful of corporatist measures (an end to elections, the introduction of plebiscites and the involvement of trade unions and employer's organisations in the appointment of deputies). Only late in 1939 was the Chamber of Deputies turned into the Camera dei fasci e delle corporazioni (Chamber of Fasci and Corporations).

Moreover, the institutions progressively established were weak and enjoyed little autonomy. Both the National Council of Corporations and the corporations themselves were caught within a dense network of public powers that were at the same time interdependent and all subject to Mussolini's authority. From the very start, this dependence upon the head of the government was regarded by many anti-Fascists as the main sign of the closed and bureaucratic nature of the corporative system, which appeared to have no real autonomy and no connection with the various social groups, and hence to be incapable of changing the country's social structure in any essential way. While the degree of dependence on the head of the government no doubt reflects the lack of
autonomy of corporative bodies and their other-directed character, it is just as clear that this dependence constituted an unavoidable feature of the Fascist regime. The dictatorship of the head of the government and of the single party framed each segment of the institutional system and of society within a hierarchical order that had Mussolini as its apex. In other words, to emphasise the dependence of the corporations on the head of the government is to acknowledge the fact that they were part of the Fascist state.

The more general evidence concerning the functioning of corporative institutions would nonetheless appear to confirm the disparaging judgements made by anti-Fascists. The power of corporative bodies to issue legally binding regulations on economic matters was very seldom applied, and only on matters of little relevance. The National Council of Corporations issued merely two regulations, on the sale of milk in Rome and on the juridical nature of the relationship between insurance companies and insurance agents (hardly issues of the utmost importance). The corporations focused on highly specific matters related to their production sectors (MINISTERO DELLE CORPORAZIONI, 1931, p. 11-6 and 17-25).

Most significantly, state intervention in the economic field bypassed the corporative systems and its procedures. For the bailouts and nationalisation of industrial enterprises and banks carried out as a response to the great crisis of the 1930s, the Mussolini government created new technocratic bodies – such as the *Istituto Mobiliare Italiano* (Italian Industrial Finance Institute, IMI) and *Istituto per la Ricostruzione Industriale* (Institute for Industrial Reconstruction, IRI) – that were completely independent of the corporative system. Likewise, to carry out a reform of the financial system, the government reformed the country's central bank, the Bank of Italy. At the same time, the management and control of major private industrial groups remained firmly in the hands of proprietors, shareholders and managers, and free from any interference on the part of corporative bodies. The corporations thus found themselves sidelined by both old and new institutions in the exercising of highly important duties and functions, as was even noted by some of the political and intellectual leaders most vocal in their support of the “corporatist revolution” (CASSESE, 1974, p. 65; AQUARONE, 1965; ROSENSTOCK FRANCK, 1934; 1939).

It is an indisputable fact, therefore, that the actual implementation of the corporative system fell considerably short of the aims set by Fascist propaganda and intellectuals. However, it would be simplistic
to dismiss the corporatist experience as nothing but a failure. And this, first of all, because many leading politicians and intellectuals indeed voiced their disappointment and clamoured for change. A primary role was played, in this respect, by the journal “Critica fascista”, edited by Bottai (PACCES, 1937, p. 67). The original myth of corporatism was especially invoked, in the second half of the 1930s, by different sectors of the “Fascist Left”. These regarded corporatism not as a system in the making, as an already partly accomplished system to be taken stock of, fine-tuned and interpreted; rather, they regarded it as a still distant goal, the pursuit of which meant revamping the dormant revolutionary spirit of Fascism and opposing the “conservative” and “bourgeois” aspects of the regime. The radicalising of certain stances and their increasing remoteness from the approach upheld by Mussolini and the other leaders of the regime lie at the origin of the Fascist internal opposition. This took shape in the second half of the decade and was chiefly driven by young members of the Fascist Party, as well as by certain sectors of the trade-union world that sought not to make a break with Fascist but to establish a different kind of Fascism, with more markedly social, Mussolinian and dictatorial features: in other words, a brand of Fascism expressing a totalitarian turn (ZANGRANDI, 1962; PANUNZIO, 1988). The same “disappointed” Fascists drafted some projects to reform the institutional order of corporative structures and the distribution of power. The most noteworthy among these projects are those developed by Ferruccio Lantini – Undersecretary (from January 1935) and then Minister (from June 1936) of Corporations – and Tullio Cianetti, President of the Confederation of Industrial Workers (GAGLIARDI, 2010a, p. 150-156). As late as the second half of the 1930s, the corporatist system was still pervaded by an enduring tension, which bears witness to the fact that the balance attained was neither stable nor enduring.

Most significantly, the thesis of the utter failure of corporatism underestimates some important aspects of the work accomplished by the corporations. On the interpretative level, measuring the correspondence between theory and its implementation is a necessary yet only partial step. What is just as important is analysing the actual work performed by corporative institutions: the composition of these bodies, the issues they addressed, the way in which they conducted debates, the conclusions they reached, and their relations with other institutions. If one examines the functioning of the corporative system close-up and from within, what emerges is a more complex picture, which cannot be reduced to the discrepancy between words and facts.
Labour relations

The attempt made by the Fascist regime to develop the corporative system took two different forms: the governing of labour relations and the regulating and management of the economy. The former strategy was fully implemented. The complete corporative governing of labour relations was achieved in the mid-1920s with the approval of the syndicalist regulations drafted by Alfredo Rocco.

The law of 3 April 1926 established the fundamental principles of the Fascist syndicalist system. The overall pursuit of socio-economic interests was subordinated to the principles and goals of Fascism. The principle was introduced of the legal recognition of employers' and employees' associations, which was only to be granted to those associations that could give “proof of their competence, good moral behaviour, and sound national loyalty.” This recognition could only be granted to one association per category and invariably worked to the benefit of Fascist trade unions, which ultimately monopolised representation. The aim of these associations was not just to safeguard the economic interests of their members but also to provide assistance, training and “moral and national education” – meaning, to ensure their adherence to the principles and goals of Fascism.

In addition to suppressing the freedom and pluralism of trade unions, the law banned strikes and lockouts, the main and most effective means of struggle. A whole series of rights hard-won by the workers over the past decades were simply scrapped. The aim was to quash the class struggle and establish an orderly, harmonious society. In practice, the suppression of the freedom of association especially affected trade unions close to the Socialist and Communist parties, those which in the past had boasted the highest number of adherents. Employees' organisations were not affected as much, as there already only existed one per sector. The syndicalist reform, therefore, favoured industrialists and landowners, to the detriment of workers, farmhands and other hired labour.

The 1926 measure represents the coherent transposition of the dictatorial system on the syndicalist level. Moreover, it fully accomplished the corporatist model endorsed by Rocco. Indeed, the latter envisaged the law in question as the cornerstone of the Fascist state. He clearly stated as much in one of his most important political texts, observing that “the reform [...] which has most contributed to shaping the form of the Fascist state and the concrete social content of
its measures” is the law governing collective labour relations (ROCCO, 1938, p. 782).

The apparatus developed by Rocco did not merely issue a highly authoritarian set of regulations concerning labour relations and trade unions, but gave rise to a genuine system for controlling and governing relations between social classes. This rigid yet at the same time extremely “modern” system was founded on the complete “harnessing” of society through a rigid classification of the various social groups and the setting of each individual within a specific social category. Each category was organised into a syndicate. In turn, the syndicates were required to receive recognition from the state, and this entailed their subordination to the government. The elimination of social conflict – which is what marks the modernity of the system – was therefore accomplished not by denying the division of society into classes and the legitimacy of organisations representing their interests, but rather by bringing all syndicates under the influence of the state. In other words, “private” interest groups, represented by legally recognised Fascist syndicates, acquired the status of “public” institutions. The corporative syndicalist system sought precisely to frame – and subordinate – the partial and particularistic interests represented by the syndicates within the totality embodied by the state. Syndicalist organisations thereby became fully and officially part of the increasingly broad range of powers wielded by the new state, with significant – if ambiguous – repercussions: while on the one hand the new system stripped trade unions of their power of representation and limited their operational sphere, on the other hand it lent them complete and unprecedented institutional legitimation. This ambiguity was already noted by Antonio Gramsci, the Marxist theorist and Secretary of the Italian Communist Party who was arrested a few months after the issuing of the new law: in what is probably the most lucid and sharp analysis of corporatism stemming from the anti-Fascist ranks, Gramsci speaks of the state’s “incorporation” of subjects external, if not opposed, to it (GAGLIARDI, 2010b). The presence of a complex organisational network was therefore accepted as an unavoidable aspect of modern mass society. Besides, in Fascism the phase of destruction, violence and repression was always inextricably bound with – and superimposed upon – that of the development of new laws, procedures and apparatuses. This is especially true in the case of labour unions.

The new set of regulations also changed the source of legitimation for syndicalist organisations: workers no longer played this role,
if not at a subordinate level, but were replaced by the state, which was responsible for granting all legal recognition and was crucially responsible for regulating social dialectics. This profound transformation revolutionised the relations between the leaders of workers' organisations and their social base. Still, this is not to say that Fascist syndicalism may be reduced to the mere function of controlling and regimenting the workers – however crucial this may have been. The fact of being mass organisations – as witnessed by their hundreds of thousands of members –¹ made Fascist syndicates an extremely complex body: on the one hand, they served as “a means of social control and a conveyor belt through which to accomplish the 'mobilisation from above' of the masses of workers”; on the other, they provided an avenue for voicing workers' needs and demands, particularly via organisers operating at a lower level (DE BERNARDI, 1993, p. 17).

In the light of these considerations, what emerges is a rather different picture of Fascist corporatism: its history is not that of a deep and unavoidable rift between projects and accomplishments, of an unquestionable failure; rather, it is the history of the full and concrete implementation of one possible version of corporatism. At any rate with reference to Rocco's interpretation of corporatism, “one may speak of a congruence between stated goals, legally formalised intentions and outcomes reached” (STOLZI, 2007, p. 25).

The Fascist welfare state

Far less satisfying results were achieved in the field of economic management. On paper, the corporative system ought to have actively regulated production and restricted private enterprise. To pursue this goal, over the course of the 1930s the regime established a complex institutional apparatus, comprising the National Council of Corporations, the Central Corporate Committee, and twenty-two corporations. All these bodies were formed by joint delegations of employers and employees: the first, consisting of over 130 members, was conceived as a sort of parliament for socio-economic interests; the second, far smaller body, was entrusted with promoting debate and mediation between employers and employees, and with ensuring regular management; finally, the corporations each referred to a specific productive sector.

¹ We have no certain data concerning the number of syndicate members. According to official figures, Fascist labour unions had over 2 million members, but this is not a reliable estimate: see CORDOVA, 2005, p. 76-77.
To these one should add the Provincial Councils of the Corporative Economy, also organised on a joint basis, to represent the interests of individual provinces. A notable contribution to the composition of national corporative bodies came from the leaders of labour unions and employers' organisations, including some of the most important Italian financiers and industrialist, such as Gino Olivetti, Arturo Bocciardo, Agostino Rocca, Guido Donegani, Achille Gaggia, Giacinto Motta and Giuseppe Cenzato, Vincenzo Azzolini, Alberto Beneduce, Alberto Pirelli and Arturo Osio.

Contrary to official expectations and pronouncements, these corporative bodies failed to establish a model for economic organisation, to impose a public investment programme and to establish full state control over private enterprise. Nonetheless, the corporate institutions still proved very influential, as they provided an avenue to discuss economic and industrial policies, as well as labour and welfare issues.

Particularly relevant was the debate on labour law and social security conducted within the National Council of Corporations in the early 1930s, which is to say the years in which the regime was most involved in social politics, with the aim of countering the effects of the crisis and at the same time of broadening public consensus and loyalty to Fascism. On many occasions, the National Council of Corporations stood as an institutional platform for negotiation between the representatives of different groups: this process anticipated and de facto replaced parliamentary debate, which had grown increasingly vapid. This was the case with the reform of labour laws (with the approval of new ones, including a law concerning the work “of women and children”, and of a Labour Charter), with the establishment of a modern insurance system for work-related injuries, and with the renovation of employment agencies.

The debate conducted within the new corporative institutions witnessed a convergence between the less conservative sectors of the Fascist Party – in this case, embodied by the Minister of the Corporations Bottai – which were eager to extend state intervention and affirm the “revolutionary” and anti-bourgeois spirit of the dictatorship, and labour unions, which sought to limit the power of entrepreneurs and gain favour among the workers by presenting themselves as the champions of their interests. While in some cases this convergence succeeded in curbing the influence of business organisations and undermining consolidated interests, such as those of private insurances, it never had a profound impact on the balance between social groups which had emerged with
the dictatorship, and which ultimately weighed in favour of the major industrial and financial groups.

For trade unions, the social security policies adopted by the Ministry of Corporations in the early 1930s constituted partial but nonetheless significant compensation for their ousting from the workplace, as well as for the wage cuts introduced. The critical level of unemployment produced by the economic crisis led Fascist trade unions to strive to improve the welfare system rather than economic conditions. This strategy succeeded in instilling confidence in syndicalist leaders at a time of profound crisis for the labour world, by suggesting that they had a degree of leverage in negotiations with industrialists (CILONA, 1988, p. 274). In the early 1930s, welfare issues came to the forefront of the strategic horizon of Fascist syndicalism (LANDI, 1931). It was precisely at this time that a tendency emerged which later became fully entrenched with the launching of corporations, namely: compensating on the political and legislative level for the unavoidable loss in terms of negotiating power. With wages being set from above and trade union leaders barred from the workplace, workers' representatives found a new raison d'être in the establishment of a more advanced social security system. Besides, this fully reflects the political nature of Fascist syndicalism, as a political subject as well as a means to represent social interests. Indeed, the renewed interest in welfare issues was partly justified by invoking the idea of a “Fascist revolution” and of a strong state as the ultimate settler of social contrasts.

**Economic management**

The impact of corporative bodies from the early 1930 onwards becomes even more evident when one considers the role played by corporations with regard to industrial policies and state intervention in the economic field. On the one hand, the authority of corporations was restricted by the major public policies that were carried out as a response to the crisis – and which reached their culmination with the nationalisation of a whole range of industrial companies and banks, and the establishment of a large public holding (the Istituto per la Ricostruzione Industriale). On the other hand, on several occasions Fascist corporations succeeded in carving out a role for themselves within the complex machine of economic policy.

Corporations played a central role in the autarchic policy designed to limit the dependence of the Italian economy on the international one
and to subordinate production to the dictates of political power. Each corporation was entrusted with drafting an autarchic plan for its specific sector of competence; the various plans were then to be coordinated by the Central Corporative Committee, newly established as the Supreme Commission for Autarchy (ZANI, 1988; GAGLIARDI, 2006).

Corporations played an equally relevant role in regulating production levels and competition policies. In the early 1930s, as a response to the economic crisis, the government adopted a new and distinctive industrial policy, with the aim of promoting concentration, limiting market fluctuations and dealing with the drop in demand. Simply put, those enterprises already on the market, including the least efficient ones, were safeguarded against the entrance of any new businesses (CIOCCA, 2007, p. 204-218). Business cartels, consortia and agreements were promoted, entrance barriers were introduced (with a special authorisation required in order to open a new industry), and a protectionist tariff system was adopted, which also entailed the imposition of a system of import quotas. Many of these measures – particularly the introduction of consortia and protectionism – were common to most countries with an advanced capitalist economy. What distinguished the Italian situation was the peculiar interplay between economic and political power and the important role played, through the corporations, by employers' representatives and labour unions. Corporative principles underlay the implementation of the laws on consortia, industrial plants and import licenses, even in those cases in which any intervention on the part of corporations was ruled out. Each of these measures required that the state administration and public bodies be supported or replaced by trade associations. These corporative bodies were entrusted with examining – and approving or rejecting – all requests submitted for the opening of new industrial plants, with managing the establishment of consortia, and evaluating all requests to import raw materials. In other words, the corporative system played a primary role in orienting individual production sectors as well as enterprises (SANTARELLI, 1941; GUALERNI, 1976; STRINATI, 2001).

Finally, corporations played a part in the procedure for the development of some important economic measures. This was most notably the case with the 1936 banking law, through which the government completely reformed the credit and financial system and redefined the role of the central bank. Although this reform was planned by the IRI management team, the credit corporation also played a significant role: it offered the various parties the possibility to officially
voice their claims and suggestions, thereby enabling the government to
gauge the different aspects of the reform in relation to the forces at play.
It was precisely on the basis of the debate held within the corporation and
the settlement reached through it that the law was defined (SANTORO,

All these examples show that the role played by corporations
with respect to the economic policies of Fascism, while not living up
to the initial proclamations and promises, was neither marginal nor
merely celebratory. Not only that, but in the implementation of these
policies corporations provided an original avenue for communication
and negotiation between the political will of the government and the
demands and interests of the various social actors.

Through their formally equitable mediation between different
classes and categories, corporations also came to voice remonstrations
and demands that would otherwise have been suppressed as illegitimate.
Corporative debate gave rise to a non-democratic mode of mediation and
negotiation between individual interest groups and the state. Fascism,
therefore, did not fully succeed in suppressing the conflicts inherited
from the mass society of the years leading up to the march on Rome,
but rather internalised them. This apparent contradiction represents the
specifically Italian version of the new social and corporatist dimension
of political power with which all industrialised countries (be they
democratic, authoritarian or totalitarian) were experimenting at the time,
each in its own way (MAIER, 1975).

Trade unionists and entrepreneurs came to adopt new procedures to
make their arguments heard against their counterparts or competitors,
but also to make new demands on the government. Generally speaking,
this was not an entirely new phenomenon. The principle that economic
or welfare measures could be developed and discussed through the
direct engagement of organisations representing entrepreneurs, workers
and – in several cases – the middle-classes (professionals, civil servants
and small business owners) had already progressively taken root during
World War I and in its aftermath. The corporatist experiment, however,
is marked by two peculiar and highly innovative aspects: on the one
hand, the institutional character of this involvement, the fact that it
took place in official venues and in a legally defined way; on the other,
the participation of trade organisations in the actual decision-making
process, which is to say in the formulation of laws and policies.

Those who benefited the most from this process were entrepreneurs'
organisations which, unlike labour unions, succeeded in preserving
their negotiating power and organisational autonomy. Corporations offered them privileged access to the mechanism governing state power, enabling them to engage in the process of political decision-making and administration (GAGLIARDI, 2012). However, the establishment of the corporative system also brought about significant changes for labour unions – despite the fact that they were less independent of Mussolini’s will and represented a social sector that had received a considerable blow from the rise of Fascism. The new corporative bodies exemplify “the first comprehensive attempt ever made by a trade union in Italy – albeit within a totalitarian regime – to take part in and to some extent steer the main economic policies of the government” (CILONA, 1992, p. 355).

Naturally enough, labour unions did not abandon their efforts to negotiate working conditions. However, in the second half of the 1930s, economic policy became the linchpin of the trade unionist strategy within corporations. The idea that the latter should constitute the driving force behind all policies of economic planning shaped the action of Fascist labour organisations. By engaging in corporative debate and economic politics, trade union leaders sought to introduce laws that would ensure a fair balance between production, consumption and general wage levels.79 Workers' unions, in other words, progressively encroached upon a sphere that was not their own, acting as “guardians of the revolution” in the economic field. In practice, they almost invariably met with failure and never succeeded to seriously challenge the internal balance of the system or limit the excessive power of the entrepreneurial front. This transformation of the role and function of labour unions was nonetheless destined to have an enduring influence even beyond the fall of the dictatorship.

Conclusions

A more multifaceted picture of Fascist corporatism emerges from a closer analysis, focusing less on the dynamics of the system and more on the actual functioning of its apparatuses, their daily operations, individual debates and the relations between the various subjects involved. From this point of view, the corporatist system – formed by the National Council of Corporations, the twenty-two corporations, and the Provincial Councils of the Corporatist Economy – played a significant role. As is often noted, the corporatist institutions ultimately failed to become a consistent and viable instrument for public intervention in the economy,
much less the foundation of a new political and economic model – the much-discussed "third way" between capitalism and communism. However, they offered an alternative to more traditional bodies in terms of mediation: they represented an institutional network in which the triangular system of mediation between the industrial interests of the state, business organizations, and the trade unions – which was of course highly asymmetric and worked to the disadvantage of the workers – sought to maintain control over the work-force and the development and orientation of economic policies. Business organizations were thus part of a much broader mechanism. An original system of mediation emerged between the political authorities and social groups, which in many cases directly influenced the functioning of state institutions and economic, social and labour policies.

In other words, if instead of making the application of Fascist ideology our interpretative key we focus on the actual accomplishments of Fascist corporatism, its history comes across as possibly incomplete and fragile, but still far from irrelevant or amounting to utter failure. This may be described as “real corporatism”, in the same sense in which – without wishing to draw any unlikely comparisons – the expression “real socialism” was coined to define the political-economic systems of eastern Europe, so remote from their ideal premises. It is worth studying this phenomenon in itself and the particular shape it took, because of the way it contributed to stabilising the dictatorship and of the changes it introduced in the state and society. While profoundly different from the “ideal corporatism” outlined by the theorists of the “third way” and the discourses of many Fascist leaders, this “real corporatism” is no less relevant.

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