

# Corporate State: Mussolini

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## What Is The Corporate State

- Corporatism is the theory of organizing society into corporations subordinate to the state.
- The fascist theory includes the management of sectors of the economy by private and government controlled corporations.
- Employers and workers are placed into professional and industrial corporations which serves as an organ of political representation.
- Most of the person's activities within their jurisdiction is controlled.

## Corporate State

- Fascists were in control and gave orders to negotiating sides.
- Trade unions and strikes were banned.
- Every industry and profession had its own corporation.
- Problems were solved through negotiation.
- Main goal was to stop the conflict between the workers and employers.
- Living standards remained low.



## What Mussolini Was Trying to Achieve Through a Corporate State



- Economy, or the production of goods, would be organized by corporations in which both worker and owner would be represented
- Industrial sectors were to form worker and owner syndicates, coordinated by the government
- The corporations were to be state bodies to ensure that the interests of the state were prioritized
- The corporations would set plans for production, stimulate enterprise, encourage the production of wealth, get rid of the conflict between the working and the management and stimulate enterprise
- This was exactly what Italy needed after WWI

## What Mussolini Was Trying to Achieve Through a Corporate State



- Corporate state was also a great use of propaganda for the Fascist Regime in the eyes of Mussolini
  - ◆ Presented the perfect middle between the failure of capitalism and the strict economy of communism
- Wanted to give Fascist ideology a way to stand out in the crowd
- Mussolini continued wanting a favorable image of him and the Fascist party to stay in circulation
- Wanted a vibrant and model state of Italy



Fascism should more appropriately be called Corporatism because it is a merger of state and corporate power.

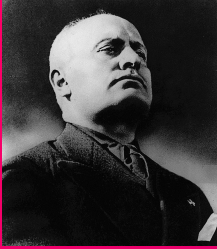
(Benito Mussolini)



## What Really Happened



- It ended up never being a partnership between the worker and the owners
  - ◆ Most important economic decisions were made without even contact to these two parties
- Fascist syndicates broke the power of the catholic and socialist trade unions; leaving the syndicates as the protector of the workers
- 1926 Alfredo Rocco provides the sole ideology for the laws regulating labor relations
  - ◆ Declared only state recognized bodies could negotiate labor relations and in each area of production there would be 1 body recognized
  - ◆ Regulated the power of the worker syndicates
  - ◆ Did not require the owners to form their own corporations
- Only role of the corporate states for 8 years was to discuss labor rights and payments
  - ◆ Did not involve the corporation of the workers, only state appointed officers



## —\*— What Really Happened

- Worker syndicates ended up being extremely separated into 6 different district parts instead of one large group
- Which proved to be incapable of defending the interests of the members
  - ◆ Especially during hard economic times
- Bottai, the minister of the Ministry of Corporations, scared the employers by implementing the Charter of Labour, which defended workers rights
  - ◆ But this was only on paper it never did anything
- 1930 the National Council of Corporations was set up with 7 sections across the economy
  - ◆ Seemed it was intended to have national planning role
- 1934 final structure of 22 corporations was in existence
- Mussolini speaks proudly of it all





## For the corporate state

- Mussolini - was the one to implement it, believed it would eliminate labour problems and would create an efficiently functioning economy
- Employers - it reassured those who feared they were about to lose control of their factories
- Government - since they were allowed to intervene in the economy much more than other (democratic) countries during this time

## Against the corporate state

- **Syndicalist fascists (Edmondo Rossoni) - people like him believed the new corporations would control the factories and define economic policy**
- **Many industrialist were unsure of the corporate state and they were given no assurance**

## Debate

The corporate state was created with the intentions that the economy (the production of goods and services) would be organized by corporations in which both employers and workers are represented. These corporations would bring about good labor relations, provide rational plans for production, stimulate enterprise and generally encourage the production of wealth in a setting free from traditional class conflicts between labor and management.

To some people the corporate state was very successful. Such as small businesses (little shops). Small peasants were also unaffected by state planning.

However this corporate system worked ineffectively and often stifled economic activity. Hence why many were not fond of it.



## “Incoherent in concept and unworkable in practice”

*It failed to fully stimulate the Italian economy which was the model's main goal*

- The corporate state stifled economic activity, as it protected large existing firms, but because of licenses and investment controls, it prevented the expansion of smaller firms.

*It also failed to follow one of the model's basic guidelines*

- There was never a partnership between the worker and the owners, as most important economic decisions were made without even contact to these two parties.

*Workers found themselves unrepresented and unsupported*

- Worker syndicates ended up being separated into 6 different parts instead of one large group, which proved to be incapable of defending the interests of the members.
  - Workers rights were also unsupported with the Charter of Labour, as it didn't really do anything at all

## Mussolini's failed corporate state, cont'd



*Mussolini had created this model in part to settle social differences and eliminate civil unrest, as he believed that both capitalist and communist approaches to economic strategy caused it. This clearly did not work:*

- Too many Italians were bitterly opposed to Mussolini, and were not going to work hard to ensure him success.
- Italians had not forgotten about Matteotti, the socialist leader kidnapped and murdered by the Blackshirts, or the beatings-up so many of them had received on the street. Socialists bitterly resented losing their trade unions; the south of Italy still resented the wealth concentrated in the North; in short - Mussolini was not popular enough in Italy, and this was one reason his scheme collapsed.