Chapter 6: Mussolini and the Economy 1922-1940

1: Mussolini’s Aims

- Mussolini, like Hitler, was no economist.
- Mussolini became more ambitious and increasingly attracted to the idea of an economic transformation of Italy.
- His war in Ethiopia and association with Nazi Germany convinced him that a new type of economic transformation was vital.
- Mussolini declared autarky - economic self-sufficiency

2: The Impact of Fascist Policies on Italian Industry

- Mussolini was lucky enough to come to power just as Italian industry was at “boom” period

—Policies 1922-7:
- The new political regime claimed the credit for increasing company profits and attempted to win over the support of industrialists by appointing an economics professor, Alberto de Stefani as Treasury Minister.

—Battle for the lira:
- After 1925, Mussolini began to take less notice of business interest
- the dismissal of Stefani and the revaluation (Fascist government tried to increase the value of the lira against other countries’ currencies), for example
- Announcing the battle for the lira he declared: ‘The Fascist regime is ready to make the sacrifices needed, so that our lira is and will be defended’
- new rate of exchange of 90 lira to the pound in December 1927
- Duce’s main aim had been achieved
- far from beneficial for economy
- placed high tariffs on many foreign imports

—Corporate State:
- Mussolini claimed to be about to transform the Italian economy
- He would create a corporate state (every industry would be part of a Fascist-led corporation that would sort out disputes between workers and management, and help organise production, pay and conditions)
- no bitter industrial disputes, and a role for businessmen

—Corporate State - the reality:
- rivalries within the Fascist party, and Mussolini’s reluctance to alienate big business interests, soon destroyed any such hopes
- all sides looked to the Duce to clarify his vision of corporate state
- he came down on the side of Bottai and Confindustria: in charge of writing a ‘Labour Charter’ setting out the rights of workers
- 3 years after, Ministry of Corporations claimed success.
- Truth = ‘corporative revolution’ never materialised.