The Long History of Corporatism in Italy: A Question of Culture or Economics?

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Abstract

This article engages with the innovatory methodological approaches within political economics that no longer seek to establish a set of universal laws applicable to a variety of cases, but to provide a convincing explanation of certain individual, exemplary cases. Recent research into public administration in twentieth-century Italy is one case that supports the theories because it postulates that what Italy is today can in part be explained by the exceptional continuity of the enti pubblici (public or government agencies) whose fortunes have been largely determined by Italy's peculiar institutional and cultural milieux. The article examines (i) the proliferation of the enti pubblici as an administrative formula in response to the economic crisis after the First World War; (ii) the periods of growth and decline in the use of this formula and its connection with politics; and (iii) the ways in which the existence of a solid and widespread corporatist culture enabled the enti to survive the fall of Fascism. It concludes that the persistence of the ente pubblico is attributable to a specific culture which is an integral part of Italy's historical identity.

Twenty years after the first appearance of Schmitter and Lehmbruch's important study of neo-corporatism, which had a seminal influence on political economy in the 1980s,[1] recent new theories have arisen to infuse new blood into the theme of 'varieties' of capitalism.[2] These theories postulate at least two new models for the relationship between economy and society in industrialised countries over the last fifty years: 'liberal market economies' (e.g. the United States and Britain) and 'co-ordinated market economies' (e.g. Germany and Japan).[3] The most significant

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1 P. Schmitter and G. Lehmbruch, *Trends Toward Corporatist Intermediation* (London: Sage, 1979); S. Berger, ed., *Organizing Interests in Western Europe* (New York: Cambridge University Press, 1981); M. Maraffi, ed., *La società neocorporativa* (Bologna: Il Mulino, 1981).

2 These models are examined in P. Hall and D. Soskice, eds., *Varieties of Capitalism* (Oxford University Press, 2000); see also the associated discussion on 'Capitalismi', *Stato and mercato*, 3 (2003).

3 On which see also R. Dore, *Bisogna prendere il Giappone sul serio. Saggio sulla varietà dei capitalismi* (Bologna: Il Mulino, 1990).

Contemporary European History, **15**, 2 (2006), pp. 223–244 © 2006 Cambridge University Press
doi:10.1017/S0960777306003213 Printed in the United Kingdom

aspect of these models for historians is that both of them take account of cultural and institutional variables.

This directs our attention to the current rediscovery of 'history' from outside the historian's domain: in the social sciences generally, but also on the more battle-hardened terrain of economic theory. Here I will mention just two converging approaches, which are vaguely familiar even to us historians: the theory of path dependence, which challenges neoclassical economics in that it rejects the idea that 'relational' social actors follow their own paths without being conditioned by their own local histories;[4] and the theory of institutional economics,[5] which focuses on the institutional milieu (industrial relations, education, associations) in which the market economy operates, once again challenging the idea that individuals are actuated by mere cost–benefit analysis. Even more recently, the debate among European economists seeking to explain 'industrial decline' has directed their attention to socio-cultural factors over and above purely economic ones: the results of research, whether in Italy, France or Britain, seem to point to a collapse of cultural identities or legitimised elites, rather than a failure of entrepreneurial strategy.[6]

All these innovatory approaches to political economy have one thing in common: they require the validation of history, meaning the kind of history which is being written about societies and institutions: a long-term perspective, an analysis of the social implications of decision-making, the study of *mentalité*. This involves a substantial methodological shift: the aim of political economy is no longer to establish a set of universal laws applicable to a variety of cases, but to provide a convincing explanation of certain *individual*, exemplary cases.

Paradoxically, it appears that these theories confer additional meaning and relevance on what historians were doing already. Recent research into public administration in twentieth-century Italy is one case that supports the theories, because it postulates that what Italy is today can in part be explained by the exceptional continuity of the *enti pubblici* (public-sector agencies) which were the keystone of its regulated economic system both before and after the Second World War; their long evolution, and their decline from their immediate postwar heyday, were largely determined by Italy's peculiar institutional and cultural milieu. If it can be proved, this line of reasoning may serve to underline the importance of taking cultural and institutional variables into account when shaping economic theory.

To show how the Italian case stands out from general economic and institutional trends in Europe, I shall be examining three themes:

4 For an attempt to apply path dependence to Italy see Robert D. Putnam (with Robert Leopardi and Raffaella Y. Nanetti), *Making Democracy Work. Civic Tradition in Modern Italy* (Princeton: Princeton University Press, 1993). Putnam openly acknowledges his debt to Douglas North, *Institutions, Institutional Change and Economic Performance* (New York: Cambridge University Press, 1990).

5 This is very similar to 'institutional economics' and 'historical institutionalism', on which see P. Pierson and T. Skocpol, 'Historical Institutionalism in Contemporary Political Science', in I. Katznelson and H. V. Milner, eds., *Political Science: State of the Discipline* (New York and London: Norton, 2002).

6 See Giulio Sapelli, 'Il declino non basta', *Italianieuropei*, 4 (2004), 263–74; Aldo Bonomi, Massimo Cacciari and Giuseppe De Rita, *Che fine ha fatto la borghesia? Dialogo sulla nuova classe dirigente in Italia* (Bologna: Il Mulino, 2004).

1. the proliferation of the *enti pubblici* as an administrative formula in response to the economic crisis after the First World War;
2. periods of growth and decline in the use of this formula and its connection with politics; and
3. how the existence of a solid and widespread corporatist culture enabled the *enti* to survive the fall of Fascism.

My conclusion is that the persistence of the *ente pubblico* is attributable to a specific culture which is an integral part of Italy's historical identity.

State bureaucracy and economic intervention: the European context

In all the bureaucracies of continental western Europe – particularly of Germany, France and Italy – we can see a steady increase in government intervention in social and economic fields over the twentieth century in response to the birth of the mass society.[7] Centralisation, the need for rapid decision-making and government involvement in large-scale industrial production were the changes that pushed all European countries, even Britain, towards what has been called 'corporatist re-foundation'. The tendency was even more visible in countries with centralised administrative systems, where ministers whose political lifetime depended on the electorate headed ministries whose operation depended on the goodwill of civil servants. Alongside this trend went another: the increasing centralisation, and top-down organisation, of bodies purporting to represent collectivities, professions,[8] political parties and trade unions.[9] C. S. Maier has described this as 'representative pyramids', singling out a trend which, already perceptible by the first decade of the century, was strengthened by the First World War and took hold in all nations, both liberal and totalitarian.[10] As social entities became better organised, they demanded recognition by, and representation in, governments; governments granted them legitimacy, but in return demanded political consensus. In the 1920s, after the defeat of the widely predicted and much-dreaded social 'revolution', many intellectuals enrolled under another banner, that of the elites. The banner was different on the left and on the right but was always profoundly anti-democratic; *elite* became the new semantic and political buzz word, perfectly suited to mass society. The leaders of this trend – José Ortega y Gasset, Gaetano Mosca, Robert Michels, Vilfredo Pareto – are

7 See P. Ciocca, *L'economia mondiale nel Novecento. Una sintesi, un dibattito* (Bologna: Il Mulino,1998); on the proliferation of state-owned industries see Franco Amatori, 'Una comparazione internazionale', in Fondazione IRI, *L'IRI nella storia d'Italia. Problemi and prospettive di ricerca* (Rome: Edindustria, 2003), 51–7.

8 R. Romanelli, *Sulle carte interminate. Un ceto di impiegati fra privato and pubblico. I segretari comunali in Italia 1860–1915* (Bologna: Il Mulino,1989); M. Malatesta, ed., *I professionisti, Storia d'Italia, Annali 10* (Turin: Einaudi, 1996); Luc Boltanski, *Les cadres. La formation d'un groupe social* (Paris: Ed. Minuit, 1982).

9 A. Kriegel, *Aux origines du communisme français, 1914–1920. Contribution à l'etude du mouvement ouvrier français*, 2 vols. (Paris: Mouton, 1964); M. Ridolfi, *Il PSI e la nascita del partito di massa, 1892–1922* (Rome and Bari: Laterza, 1992); more generally, M. Duverger, *I partiti politici* (Milan: Comunità, 1961) is a classic text.

10 Charles S. Maier, *Recasting Bourgeois Europe* (Princeton: Princeton University Press, 1975) and *In Search of Stability. Explorations in Historical Political Economy* (Cambridge: Cambridge University Press, 1987).

familiar names whose works were required reading for interwar European intellectuals. The term has now come back into fashion, but with a different meaning, more technical than political: we hear of 'non-representative elites'.[11]

In recently 'mobilised' societies with huge national debts, like the European countries in the aftermath of the First World War, some increase in government intervention was inevitable, both to foster social control or consensus (class relationships, distribution, welfare, leisure) and to promote modernisation and industrialisation (to accelerate growth, control debt and money supply and mitigate the impact of a crisis). The same period saw a transformation and redistribution of bureaucratic power. Significantly, everywhere, especially in France – Italy's traditional institutional model – the fulcrum of public administration shifted from the ministry of the interior (one of the twin pillars of the nineteenth-century state, the other being the ministry of war) to the treasury or finance ministry, and new ministries appeared such as public health, labour, and so on.[12] The consequence was a growth in bureaucracy, which was not merely, in constitutional terms, the executive arm of government, but also, in social terms, an organised grouping of men and women which served as a catalyst for the middle classes during the perilous institutional journey towards mass democracy. In Italy, Germany and Spain that journey was halted by insuperable obstacles, as Juan Linz has explained.[13]

Here we shall focus on what happened *after* the seizure of power by the fascist regimes that posed as defenders of a threatened social order. What institutional and social changes were brought about by that 'deviation' from democracy, and what were its long-term consequences? More generally, what, if anything, distinguishes a fascist state from a non-fascist one in terms of the relationship between government and bureaucracy? What parameters apply? The question might be put even more starkly: were fascist governments invariably reactionary and conservative, or do we have to distinguish on a case-by-case, moment-by-moment basis? What is it that determines any particular combination of variants such as social reaction and economic innovation?

As we have seen, economically speaking the outstanding trend in the twentieth century was towards state intervention, with two aims: social control/consensus and industrialisation/modernisation. These could operate together or singly, but we find them everywhere in the course of the century, in various combinations. What differed was the timing: but, in history, timing is important.

The historian Richard Bosworth[14] has argued that students of Italian Fascism have two alternative approaches to this phenomenon, one social and the other cultural.

11 See 'Les élites de la République sur la sellette', *Esprit*, 236 (October 1997), esp. the introduction by Olivier Mongin and Lucile Schmid, 'La haute fonction publique au coeur de la crise du gouvernement rationnel"', 5–11; also the interview with P. Rosanvallon, who talks of an end to the classic French model of government that assumes the centrality of technical and 'rational' expertise ('Les élites francaises, la démocratie et l'Etat. Entretien avec Pierre Rosanvallon', ibid., 60–72).

12 E. Friedberg, *L'Etat et l'industrie en France* (Paris: CNRS-CSO, 1976).

13 Juan Linz (with Paolo Farneti and M. Rainer Lepsius), *La caduta dei regimi democratici* (Bologna: Il Mulino, 1981).

14 R. J. B. Bosworth, 'Tourist Planning in Fascist Italy and the Limits of a Totalitarian Culture', *Contemporary European History*, 6, 1 (1997), 1–25.

The first – to borrow the terminology of Nazism studies – is 'functionalist' and the second 'intentionalist'. In other words, the new social history maps the peculiarities and varieties of the Fascist experience on to Italian history by focusing on different regions and social groups, whereas cultural history stresses that the language of fascism must be taken seriously, which means that its intelligentsia, so bent on penetrating every corner of the mind, must be taken seriously also. The first kind of history focuses on the persistence of Italy's recurrent economic, social and institutional problems, such as the Mezzogiorno, bureaucracy or modernisation, while the second concentrates on the genesis of new, particular political myths that were totally opposed to liberalism.

For the sake of convenience I shall maintain the distinction between these two schools, since it highlights what is different about the approach of institutional historians: it is wholeheartedly functionalist in its concentration on long-term trends and especially in its determination to distinguish, so to speak, between the day-to-day life of institutions (what German historians call *Alltagsgeschichte*) and the political doctrine of fascism.

With such premises, the stress on duration and culture makes it more difficult to bring out *similarities* through comparison; nonetheless, comparison (meaning comparison à la Marc Bloch) certainly facilitates the detection of differences between countries, and their respective *peculiarities*. It is that sort of comparison which encourages us along a road which may link the social content with the cultural. The political and legal aspects of the history of administrative bodies has already received a good deal of attention, whereas the social aspects – civil servants, living conditions, gender relationships, centre versus periphery, the internal dynamics of local elites – are now being researched by a new generation of historians. It is this latter approach that I now propose to take.[15]

Fascism and the *enti pubblici*

One fundamental characteristic of the Italian public administration, in comparison with other continental European countries, is that although its structure is formally based on the ministries, since the early twentieth century it has also possessed an additional, parallel, system of institutions, the *enti pubblici* – roughly comparable to Britain's 'agencies' – which mushroomed most notably in the Fascist period. This does not mean that the ministries became less important in the twentieth century, even in the economic sphere – indeed, their grip was formally tightened through the centralising role of the Ragioneria Generale dello Stato (State Accounting Agency) which was strongly supported by the finance minister Alberto De Stefani – but the *enti* profited greatly from the growth in state economic intervention.

As already mentioned, the Italian administration, modelled on the French, is ministry-based. Ministers are answerable to parliament for the functioning of their departments, run by the respective general directorates. The *enti* work rather differently: though established by statute (published in the *Gazzetta Ufficiale*) , they are

15 For further discussion of both approaches see M. Salvati, 'L'istituzionalizzazione del Fascismo', *Italia contemporanea*, 225 (2001), 605–14, and 'Gli Enti pubblici nel contesto dell'Italia Fascista', *Le carte e la storia*, 2 (2002), 28–41.

structured like partnerships, with administrative boards recruited from outside the civil service on the basis of technical expertise. Most of the earliest *enti* were financial. The first, the INA (Istituto Nazionale per le Assicurazioni – national insurance institute) was set up by Francesco Nitti in 1912 to look after insurance investments and ensure that this industry's substantial profits were not exported abroad;[16] the money was channelled into the Italian financial market to compensate for the scarcity of private capital invested in Italian, and particularly southern Italian, industry.[17] During and after the First World War, state intervention increased in all the belligerent states, and the civil service grew along with it. As the trade unions strengthened their grip on public employment in the 1920s, the *ente pubblico* model, which had its own rules for recruitment and terms of employment and was therefore more flexible, began to seem particularly attractive and acquired a highly trained elite which, even if influenced by Nitti's liberal views, saw Fascism as a political regime favourable to the reforms necessary for the modernisation of Italy. In Italy the *enti* are referred to as the 'second bureaucracy', the ministries being the first, and these so-called 'parallel bureaucracies' are also 'parallel philosophies': in the 1920s Nitti and Alberto De Stefani – the latter from within government, the former from opposition and in exile, speaking through his disciples – both worked to revive the figure of the 'grand commis d'état', which had been somewhat tarnished through its association with state syndicalism under the Giolitti government.[18]

The statistical archives, only now being published, have demonstrated that the first upsurge in the establishment of agencies based on this innovative bureaucratic concept occurred between the wars, in 1927–8, and the second in the 1950s.[19] For now I shall concentrate on the first phase of expansion, postponing consideration of why this administrative mode, once the very symbol of Fascism corporatism, was able to survive undisturbed right up to 1978, when a law was passed cutting off state finance from most of the *enti pubblici* – or, as they were now labelled, *enti inutili*, 'useless' or 'unnecessary' entities.

How, to begin with, are we to explain the expansion in 1928? Very simply, we could offer three reasons. The first is that the earliest supporters of the Fascist government included a large number of technocrats, trained under Nitti, who firmly believed that the *enti* were better at administration than the ministries.[20] The second

16 This is noted by L. De Rosa in IRI, *Alberto Beneduce e i problemi dell'economia italiana del suo tempo, Atti della giornata di studio per la celebrazione del 50 anniversario dell'istituzione dell'Iri (Caserta, 11 novembre 1983)* (Rome: Edindustria, 1985); see also S. Cassese, *L'INA (1913–33)* (Rome: INA, 1983).

17 F. S. Nitti, then the minister for agriculture, industry and trade, had a clear idea of the kind of 'reformism' which ought to inspire the Italian political elite in promoting social legislation and opposing the Socialist Party's collectivism. This programme (inspired by the English example and by Gustav Schmoller's brand of state socialism) was developed through many decades in his journal *La Riforma sociale*, founded in 1894. The INA project, and the associated state monopoly on life assurance, were fiercely opposed by conservatives, liberals and Catholics in parliament.

18 Guido Melis, *Burocrazia e socialismo nell'Italia liberale* (Bologna: Il Mulino, 1980).

19 Francesca Sofia, *Anagrafe degli enti pubblici and degli organismi di interesse pubblico, 1861–1978*, in press, and 'Enti pubblici e storie d'Italia: riflessioni e pertine de due *case studies* regionali', *Mondo contemporaneo,* 4, 2 (2006), 126–54.

20 It is worth observing here that the support of these technocrats contributed to the unexpected success of Mussolini's first government: the *gruppi di competenza*, electoral, administrative and administrative

is that in the 1920s the Fascists attempted, not altogether successfully, to reform the 'first' bureaucracy and draw all civil servants into the Fascist orbit.[21] The third is that in 1926, the introduction of the Carta del Lavoro (labour charter) launched a complex corporative machine (which in turn generated more *enti pubblici*) through which the regime could put its politically committed supporters into new and influential positions[22] without having to dismiss any of the civil servants in the 'first' bureaucracy, except the most resolute trade unionists; the rest could be left where they were, but with severe curbs on their power and influence.

Historians agree that this mass of public agencies can and should be divided into two main groups:[23] those concerned with insurance and welfare, and those concerned with finance and industry (the last two tended to be further differentiated in practice).[24] However, there were many resemblances between these groups, particularly in the early stages, not surprisingly since they all had a common ancestor in the INA. Based on studies of the *enti* as a group, and of the first monographs devoted to individual *enti*, it is possible to discern two phases in their existence under Fascism.

Phase 1 (the 1920s) is when the Fascist leadership decided that the *ente pubblico* was the best solution to all the problems that had dogged the civil service in the democratic state. Accordingly they created, or adapted, a vast number of *enti* in the 1920s, with most input coming from the centre. In this early stage of Fascism, the ruling idea behind the growing number of *enti pubblici* (which now included new, or revamped, agencies devoted to statistics, agrarian research, the scientific organisation of labour, public housing projects and the protection of mothers and children, plus the 'nationalisation' of some existing locally or municipally based agencies)[25] was that

reform, the emergence of the first *enti pubblici*, were all decisions taken before 1923 and inspired by nationalist thinking and the influence of Nitti. On the idea of administration 'per enti' see D. Serrani, *Il potere per enti. Enti pubblici e sistema politico in Italia*, ISVI papers (Bologna: Il Mulino, 1978).

21 See my *Il regime e gli impiegati. La nazionalizzazione piccolo-borghese nel ventennio Fascista* (Rome and Bari: Laterza, 1991).

22 A large number of trade unions was founded at this time: see Sofia, *Anagrafe* and F. Cordova, *Le origini dei sindacati Fascisti. 1918–1926* (Rome and Bari: Laterza 1974). The Corporazione was intended to bring together the trade unions and the employers' organisations in particular industries or professions. A huge body of law and regulation was produced in association with the Carta del Lavoro, set up in 1926 as a basis for national labour legislation and to ensure national validity of contracts, etc. The issue of corporatism was also much debated in philosophical circles and was first introduced in the 1930s under the control of the Party. In theory, by this system, the state would regulate the all industrial activity and control the relation between state and industry; ultimately it would create the constituency for a parliamentary chamber, the Camera dei Fasci e delle Corporazioni, founded in 1938.

23 Massimo Severo Giannini, review of Giampaolo Rossi, *Gli enti pubblici* (Bologna: Il Mulino, 1991), in *Rivista trimestrale di diritto pubblico*, 1 (1993), 222–5; S. Sepe, *Amministrazione e storia* (Rimini: Maggioli, 1995).

24 S. Cassese, 'Gli aspetti unitari degli statuti degli enti di Beneduce', in IRI, *Alberto Beneduce e i problemi dell'economia italiana del suo tempo*, 105–10.

25 On the national insurance agency (INPS) see G. Melis, 'L'organizzazione della gestione: l'Inps nel sistema amministrativo italiano (1923–1943)', in INPS, *Novant'anni di previdenza in Italia: culture, politiche, strutture, Atti del convegno, Roma 9/10 dicembre 1988* (Rome: Supplemento al n.1, gennaio-febbraio 1989, di *previdenza Sociale*, 1989), 99–129; Chiara Giorgi, *La previdenza del regime. Storia dell'Inps durante il Fascismo* (Bologna: Il Mulino, 2004); on the civil service accommodation agency (IACP) see my *L'inutile salotto. L'abitazione piccolo-borghese nell'Italia Fascista* (Turin: Bollati Boringhieri,

all decisions had to be referred to the centre and power was concentrated at the top. The culture underlying this range of initiatives was, it was said, one of 'innovation' – in comparison with the 'old' ministerial structure – and 'efficiency' – unlike the traditional bureaucracy.[26]

What innovation actually existed lay in the tripartite structure (board – executive committee – chairman), which tended to discourage collective responsibility and encourage the assumption of managerial responsibility, central control, and the importance of tried and tested 'experts' who could be moved from one agency to another or from agencies to ministries or vice versa. The second consequence was that the public administration developed twin financial and managerial circuits. Because the *enti* could receive investment not only from the Treasury but also from private sources (banks, industries, companies) which were then entitled to be represented on the board, they were automatically removed from the control of the Government Accounting Agency (Ragioneria Generale dello Stato).[27] From this we can conclude that in the 1930s the word 'public' actually cloaked a twin financial circuit which survived beyond the Second World War.[28]

From the 1920s, in accordance with Nitti's thinking, the real 'experts' were no longer the bureaucratic jacks-of-all-trades who inhabited the ministries, or even, necessarily, the technical specialists. The notion of the 'expert' did of course change with time, and his exact role depended on the remit of the *ente* concerned: a director in a financial agency had more autonomy than one in a welfare agency, who was more subject to political pressure. What is striking at this stage, which saw the development of the 'second bureaucracy', is the emergence at national level of the 'management expert', a figure who has been with us ever since, in both the public and the private sphere. Thus in Italy, unlike other countries (France, for instance) it was above all the new economic role of the state – a purely twentieth-century concept – that encouraged the extension of the culture of efficiency into public administration; and yet these 'experts' – *grands commis*, technicians outside the ministries, university

1993); on the statistical institute (ISTAT), M. L. D'Autilia, *L'amministrazione della statistica nell'Italia Fascista* (Rome: Gangemi, 1992), and M. L. D'Autilia with G. Melis, 'L'amministrazione della statistica ufficiale', *Statistica ufficiale and storia d'Italia: gli 'annali di statistica' dal 1871 al 1997*, special issue of *Annali di statistica* cxxix serie x, 21 2000), 17 et seq.; on the Poligrafico, F. Piva, *Azienda and partito. Gli operai del Poligrafico dello Stato nel periodo Fascista* (Rome: Edizioni Lavoro, 1998); on the institute for agriculture (INEA), S. Salvatici, 'L'Istituto Nazionale di Economia Agraria: l'istituzione, gli uomini, le ricerche', *Le carte e la storia*, 1 (1999), 204–17; on the institute for the organisation of labour (ENIOS), Giulio Sapelli, *Organizzazione del lavoro e innovazione industriale nell'Italia tra le due guerre* (Turin: Rosenberg & Sellier, 1978); on the institute for the water supply in Apulia (EAAP), Luigi Musella, *Acquedotto pugliese. Intervento pubblico and modernizzazione nel Mezzogiorno* (Milan: Ciriec, Angeli 1995); on the national organisation for women and children (ONMI), Victoria De Grazia, *How Fascism Ruled Women, Italy: 1922–1945* (Berkeley and Los Angeles: University of California Press, 1992), and Maria S. Quine, *Italy's Social Revolution. Charity and Welfare from Liberalism to Fascism* (London: Palgrave, 2002).

26 On this 'culture' see in particular Guido Melis, *Due modelli di amministrazione tra liberalismo and Fascismo* (Rome: Pubblicazioni degli Archivi di Stato, 1988), and *Storia dell'amministrazione italiana, 1861–1993* (Bologna: Il Mulino, 1996).

27 Cassese, 'Gli aspetti unitari'.

28 S. Cassese, 'La lunga durata delle istituzioni finanziarie degli anni Trenta', in *Le istituzioni finanziarie degli anni Trenta nell'Europa continentale* (Bologna: Il Mulino, 1982), 197–218.

graduates – made their way not in the ministerial *haute administration* but in the directorships of the *enti*. Their politico-cultural background was primarily nationalist and/or syndicalist (for example, Felice Guarneri, later the minister for foreign trade) and often Masonic (Salvatore Gatti, chairman of INA), but some of them were veterans of liberal Italian agrarian reform: Arrigo Serpieri and other agrarian economists were veterans of the Società Umanitaria (Humanitarian Society).[29] Thus the *enti pubblici* nurtured the figure of the professional who 'governed' a particular sector, replacing the local technical 'expert' with his multifaceted background of experience.[30]

Phase 2 (the 1930s). From the end of the 1920s, the much-vaunted efficacy of public action and of the selected elites had to adapt to the peculiarities of Fascism, which established and consolidated itself in Italy in response to the political crisis sapping the liberal democratic system.[31] This was particularly important because the world economic crisis which followed in the 1930s did something to consolidate the existing shift towards political interventionism and reinforced the personal leadership of the Duce. The growth of the *enti pubblici* became part of a strategy for achieving consensus throughout the political system – with decidedly autarchic and militaristic overtones. It was within this redesigned institutional framework that the country headed for a modernisation which, in its turn, was to expose the innate contradictions of the very design which had largely determined its nature.

Recent studies of the political penetration of Fascism in Italy have revealed the 'innovatory' nature of Fascist centralisation, which had at its command not only the hereditary hierarchy of the nineteenth-century administration, but also two new types of institution, 'two other vertically structured and entirely hierarchical machines, the union and the party', in a system in which 'any counter-current flowing from the periphery to the centre was deemed harmful'.[32] Thus Fascism promoted a process of administrative centralisation alongside a 'nationalisation' of the middle classes, a process that was interconnected with the expansion of the public service network

29 On Guarneri see L. Zani, *Fascismo, autarchia, commercio estero. Felice Guarneri, un tecnocrate al servizio dello 'Stato nuovo'* (Bologna: Il Mulino, 1988); on Gatti, Jean-Yves Dormagen, 'Salvatore Gatti (1879–1951). Un haut fonctionnaire italien entre libéralisme, Fascisme et république', *Mélanges de l'Ecole française de Rome (MEFRIM)* 1 (1999), 149–99; on Serpieri, Aldino Monti, 'Le retrovie dell'industrializzazione: agricoltura e sviluppo in Arrigo Serpieri', in Giancarlo Di Sandro and Aldino Monti, eds., *Competenza e politica. Economisti e tecnici agrari in Italia tra Otto e Novecento* (Bologna: Il Mulino, 2003), 103–48.

30 The best account of how these local 'technical experts' were replaced by national 'professionals' in the field of architecture and town planning over the first thirty years of the twentieth century is by Guido Zucconi: *La città contesa. Dagli ingegneri sanitari agli urbanisti, 1885–1942* (Milan: Jaca Book, 1989).

31 On the Fascist Party see E. Gentile, *La via italiana al totalitarismo. Il partito and lo Stato nel regime Fascista* (Rome: NIS, 1996); on the Party as a response to the crisis of liberalism cf. P. Pombeni, *La politica nell'Europa del '900* (Rome and Bari: Laterza, 1998).

32 Salvatore Lupo, Introduction to *Il Fascismo. La politica in un regime totalitario* (Rome: Donzelli, 2000), 23. Lupo continues: 'In these pages, alongside the traditional functionaries of the prefecture, we find new actors sent from the heart of national politics into the unruly provinces: Fascist party inspectors, special commissars for the Federations, union representatives, swarms of government inspectors worthy of Gogol, appeared out of nowhere in towns all over Italy. We shall see with what fear – or hope – these representatives of authority were received on the periphery as they came bearing the good news of Fascist centralism and homogenisation' (my translation).

(and its employees) that was spreading over the country, controlling everything from money lending to telephones and from land reclamation to motorways.[33] At local level a good deal of research is still needed to clarify the process of resistance, or adaptation, to these parallel pressures towards centralisation, uniformity and standardisation.

The whole process could be visualised as a network spreading outwards from Rome over the whole of Italy, with the dual purpose of policing the country and modernising it. At the heart of it was the Party (which could itself be described as another legally constituted *ente*): as well as its purely political work, it organised and controlled the masses in every town in Italy, where its offices would be found alongside those of other administrative and financial agencies such as Fascist trade union offices and welfare agencies – as well as banks, telephone exchanges, newspaper offices, and so on. The various functionaries travelled along this network, outwards from the centre, introducing new officials and dismissing old ones; but there was also a counter-flow, from places where autonomous or local agencies had been set up in the years of municipal socialism (the first decade of the century) towards the corresponding, new, national – and inevitably Fascist – *ente*. The result was to strengthen central political control over the boards of the *enti* and their local agencies; jobs and contracts, particularly vital in these years of collapsing private initiatives, were distributed as political favours.

All this means that the actual work of administration, particularly in the 'second' bureaucracy, became a battlefield for brokers. But it also established a sort of dialectic between centre and periphery, which was geographical rather than political or sociological. Getting to Rome, being close to the Duce, became more and more of an imperative for any would-be politician, but some practical advantage could be gained even from attending local meetings of professional groups. *Localismo* is and always has been important in Italian politics; paradoxically, it can be a way of combining active participation in local politics – a genuine civic spirit – with an overall attitude that can only be described as 'anti-political'.[34]

As a consequence of both the economic crisis and political demands (chiefly financial and industrial, with the emphasis on the military aspect), all the *enti* saw an increase in the power of the party representative who was always present alongside the agency and ministerial representatives. The strictness of this control depended on the *ente*'s 'spending power' in the political arena: on its distribution of resources, social visibility, remit, geographical spread and so on. It was at this stage that the two types of *ente* began to diverge, although some originally financial *enti* went over to the 'welfare' camp. The differentiation, especially where the latter were concerned, depended chiefly on their territorial dissemination. Having a presence in a provincial centre meant involving the local elites in the decision-making process. Not only were those elites constantly striving with the centre over the acquisition of a political consensus, but they also bore witness to the territorial fragmentation of

33 See my *Il regime e gli impiegati*.

34 S. Lupo, 'AntiFascismo, anticomunismo e anti-antiFascismo nell'Italia repubblicana', in Alberto De Bernardi and Paolo Ferrari, eds., *AntiFascismo e identità europea* (Rome: Carocci, 2004).

Italian society[35] which had to be constantly borne in mind by the central authority, leading it to adhere less to the principles of uniformity and efficiency which had inspired the innovation a decade earlier. There are numerous examples, beginning with the *enti* mentioned above (INCIS, IACP, INPS, INEA, ISTAT, ENIOS, EAPP, ONMI). It would be a legitimate generalisation to say that in *enti* of that kind, with territorial ramifications, the 1930s saw the prestige of the technician and the expert overshadowed by that of the political functionary.

The failure of the original attempt to centralise and redesign the public administration gave the Fascist periphery a greater say in both forward planning and current events. This periphery exploited the Party's bureaucratic network to oppose decisions made at the centre. In fact, it could be said that the quintessential relationship between the *enti* and Fascism in the 1930s consisted, first, in the way that Party practices removed the meaning from the statutory safeguards of uniformity that had traditionally guaranteed the independence of the civil service and, second, in how the regime managed to mobilise new elements in society which, feeling that they had no representation in the ministries, preferred to attach themselves to the extensive and powerful network of the Party's own administration.[36]

The financial *enti*: the exception that proves the rule?

As previously suggested, the fate of the financial *enti* was somewhat different. Here there was some continuity between the 1920s and the 1930s, between Alberto Beneduce[37] and Donato Menichella (whose careers in various financial agencies culminated in their becoming president and director general respectively of IRI), following in the wake of Nitti's ambition to create public, or quasi-public, agencies to discharge the financial responsibilities necessary to the modernisation of the country. This spirit lived on in the 1930s in the founding of the IMI, the banking reforms and the foreign exchange monopoly which was, once again, intended to stem the outflow of Italian capital.[38] Both Beneduce and Menichella infused a strong element of autonomy into the link between technical expertise and politics, especially in 1933–6,

35 This is certainly true of the varied degrees of territorial distribution of the welfare-based *enti*, e.g. the Casse Scolastiche, which can be discerned from the data in Sofia, *Anagrafe*.

36 Musella, commenting on the EAAP decree of 1931 which abolished rules and mechanisms laid down in 1919 (including elections to the permanent governing body), observes, for example, that 'the redimensioning of the remit of this *ente* in the early 1930s, meant, even as far away as Apulia, an end to the dream of a technocratic reform of the economy and of society which since the beginning of the nineteenth century had nourished the thoughts and deeds of southern Italian intellectuals, many of whom had seen the early manifestation of Fascism as the best way of modernising the Mezzogiorno from the top down' (*Acquedotto pugliese*, 106 – my translation).

37 See IRI, *Alberto Beneduce and i problemi dell'economia italiana del suo tempo*; M. De Cecco, 'Splendore e crisi del sistema Beneduce', in F. Barca, ed., *Storia del capitalismo italiano* (Rome: Donzelli, 1997), 389–404; C. Spagnolo, 'Tecnica e politica in Italia tra anni '30 e '40', in *Scritti in onore di Alberto Mortara* (Milan: Angeli, 1990), 861–910.

38 F. Cesarini, *Alle origini del credito industriale. L'Imi negli anni trenta* (Bologna: Il Mulino, 1982); see also studies of various *enti* in P. F. Asso and M. De Cecco, *Storia del Crediop tra credito speciale e finanza pubblica* (Rome and Bari: Laterza, 1994) and M. De Cecco and C. Toniolo, eds., *Storia della Cassa Depositi e Prestiti* (Rome and Bari: Laterza, 2000).

being 'convinced that Italy needed a strong infrastructure – road, rail, electricity'.[39] Government intervention in the 1930s, chiefly via the IRI, was not rooted in the concept of a civil service as the executive arm of a political system that drew its legitimacy from the nineteenth-century representative model. Both the IMI and the Bank of Italy served private interests in public guise, but, as the legal historian Sabino Cassese has observed, by so doing they changed the whole conceptual base.[40] Beneduce, and even more Menichella and Raffaele Mattioli after him, were from the private sector, representing an economic world which had lost its sense of balance and was trying to regain it by self-organisation supplemented by state support. The IRI was not created by a deliberate governmental decision: it was a reform proposed by the technical experts and adopted by a Fascist government urgently seeking solutions to a dangerous nexus of crises.[41] As for the elites, the IRI always talked in (rather involved) terms of supporting a new generation of leaders

> focused on efficiency and the needs of the country as a whole. Bound together by their nationalistic and interventionist creed, formed in the Nitti school and veterans of the First World War, the men of the IRI felt that they had a mission to raise Italy to the status of a great power.[42]

The concept of the civil servant, which these men endowed with new dignity, marks the originality of their project: he was at the heart of both the private and the public sector, since the difference between them ceased to have any meaning as soon as the interests of the state and those of the economy were perceived to coincide, drowning individual interests in the collective pool.

The ideas of the 1930s were revived after the war by the same people, but in a different way. If the public and private sectors were conflated, it was in the sphere of credit; but it has been said that at that stage

> The Bank of Italy proved more successful at maintaining its position than the IRI, and indeed strengthened it, since the banking system was not directly involved in problems of social welfare – essential to the parties – whereas the IRI was far too deeply involved in such problems for the comfort of many of its members.[43]

The idea that the paths of the Bank of Italy and the IRI diverged after the war seems to be supported by what was said above about the possible dualism in the model of the Fascist public *ente* which hinges on the impact of *external* factors. The latter have usually been defined as merely 'political', but recent research has made it possible to nuance that definition. The effects of the periphery on the centre – defence of provincial interests, sensitivity to social moods, importance of local elites – can be defined as external without being specifically political. Equally 'external', in the relationship between institutions and society, were the voices which, particularly

39 M. De Cecco in 'Splendore e crisi del sistema Beneduce', 393.

40 S. Cassese, *La formazione dello Stato amministrativo* (Milan: Giuffrè, 1974).

41 L. 'Cafagna, L'Iri nella storia d'Italia: riflessioni e suggerimenti', in Fondazione IRI, *L'Iri nella storia d'Italia. Problemi and prospettive di ricerca* (Rome: Edindustria, 2003), 25–42.

42 C. Spagnolo, 'Tecnica e politica in Italia tra anni '30 and '40', in *Scritti in onore di Alberto Mortara* (Milan: Angeli, 1990), 894 (my translation).

43 Ibid., 902.

from the late 1930s onwards, were expressing marked disappointment and an evident desire to explore other routes; dissenting voices were also raised in the ministries and the *enti pubblici*, often belonging to those who had most enthusiastically supported the Fascist administrative reforms. If these voices were political, does that mean that they were anti-Fascist? Probably not; for as long as the Fascist regime endured, voices opposed to it were apolitical by definition. And if they were apolitical, they were also 'technical', and as such, had no problems in contributing to post-Fascist economic reconstruction.

The *enti* after the Second World War: transition and development

To sum up, the fortunes of the *enti* under Fascism were marked by three factors: (i) a would-be innovatory approach in the 1920s, hinging on the importance of the 'experts'; (ii) subsequent subordination to the Party and use of internal resources in the cause of consensus; and (iii) the power of the periphery in opposing or modifying decisions made at the centre.

But how was it that the structures of this 'second bureaucracy' emerged almost unscathed from the ruins of Fascism?

Let us look first at the transition from Fascism to post-Fascism and how it affected the apparatus and staff of the *enti*. Some starting points are provided by researchers who have documented, in ever-increasing and often prosopographical detail, the well-defined path followed by members of these unelected elites, from political engagement in the anti-Fascist parties (chiefly the Christian Democrats) in and after the war to directorships in the *enti*. Rather like the elites of the 1930s, the new elites that penetrated the *enti* from 1944 onwards had certain things in common: a law degree (and quite a number were university lecturers), precocious (anti-Fascist) political involvement and appointment to the *enti* thanks to political influence.[44]

From these studies we can distil some preliminary notions of the continuing postwar importance of factors which we have described as 'external' in the administration of the financial *enti*: the same factors (political appointment, and pressure from society and from the margins) which we saw at work between the wars. The increasing social importance of state intervention during the period of postwar reconstruction and the 'economic miracle' does much to explain why the new political classes had recourse to administration via the *enti*. Here is one reason why the transition was so successful: it was a functional imperative.

The second starting point is close to the first, but lies within the cultural ambit. Even before the final Fascist collapse there was a resurgence of explicitly Catholic influence. Secure in its own cohesive tradition, Catholicism offered large numbers of those who had been 'disappointed' by Fascist attempts to resolve the crisis of liberal capitalism (including many bureaucrats in the Nitti tradition) a way of managing state

44 See Jean-Yves Dormagen, 'De l'engagement politique au Conseil d'administration de la finance publique. La formation des dirigeants des administrations parallèles italiennes: 1944–1956', in Fabio Rugge, ed., *L'administration et la gestion de crise : le cas de la guerre*, Cahiers d'histoire de l'administration 6 (2000), 753–79 ; Dormagen, 'Salvatore Gatti'.

financial intervention by combining competent public management with a social conscience. There are many examples, and some are particularly significant: Alberto De Stefani and Felice Guarneri offered an amalgam of Fascism and Catholicism, modernity and social conservatism. Both were leading figures in their own fields (De Stefani in the civil service, Guarneri in private and subsequently state capitalism); they both started as nationalists with a penchant for state intervention and strong hierarchical and technocratic leanings. Their adherence to Catholicism sprang from the same roots insofar as it called for a hierarchic moral order governed by an elite with a strong sense of responsibility.[45]

With so much by way of introduction, we may now see how, while the *enti* (and their machinery) remained formally unchanged in their transition from Fascist to postwar Italy, their ideals and culture underwent a radical change, a change that placed the *ente pubblico* model at the heart of democratic politics: at this point ex-Fascists and anti-Fascists might find themselves working side by side under the banner of Christian community and resolve to act once again for the 'public good'. Many ex-1930s *grands commis* not only kept their positions but were invited to apply their managerial skills within the new institutional framework, in terms not dissimilar to those used in the 1930s: efficient, technically expert, neutral in management and sensitive to the structural differences within Italy. There could be no doubt about their legitimacy: in the cultural sphere it was backed by a general feeling of solidarity (substantially, but not exclusively, Catholic), and in politics by the presence of Christian Democrats in the front ranks of anti-Fascism. All this is confirmed by the life histories of numerous technocrats who, in the paroxysms of the war and thanks to their skills and their kinship with a by now openly a-Fascist, or anti-Fascist, Church, expressed their willingness to pursue their career under the new democracy.

There is one exception to this overview of the *enti pubblici*: the Bank of Italy, whose culture remained predominantly liberal and close to the Partito d'Azione, with a few brief flirtations with 'anti-monopolist' liberalism attributable to individuals of a different temper, such as Ernesto Rossi, Luigi Einaudi and Luigi Sturzo. What is certain is that behind their continuity of form, the *enti* were hosting cultures, life

45 On De Stefani see F. Marcoaldi, *Vent'anni di economia politica. Le carte di De' Stefani (1922–1941)* (Milan: Angeli, 1986). After years as a Fascist, favouring administrative reform in response to the crisis in the liberal public administration, he became a convert to corporatism, into which he infused the economic solidarity of Catholicism and some Keynesian overtones. When Italy entered the Second World War his expressions of disappointment took on an anti-capitalist and Catholic ring which is clearly heard in his *Confidenze e convinzioni* (1941). His criticisms of Fascist corporatism aroused a lively debate and won the support of a large number of Fascist technocrats (see letters from Arrigo Serpieri and Paolo Luzzatto-Fegiz in Marcoaldi, 249–53).

Felice Guarneri has been rightly described as a technocrat in the service of the new State (Zani, *Fascismo, autarchia*); he embodies one vision of the task confronting managers or directors in any 'new state'. His interlocutors during the construction of the 'autarchy' were the bearers of this vision: Beneduce, Sinigaglia, Valletta, Pirelli, Cenzato, Giordani, all of whom were later at the helm of economic reconstruction and all of whom found in the Christian Democratic party, with its 'bevy of little professors' (the Catholic University), the ideal political terrain on which to build the alliances they needed in the new postwar climate.

histories and interests that were to be continually redefined against the background of these crucial decades in the political and spiritual history of Italy.

The miracle years: an Italian model?[46]

The problem becomes more extensive if we go on to consider not only the numerical expansion of the *enti* in the 1930s and their survival into the 1940s, but also the new peak of expansion in the succeeding two decades and above all their centrality to the economic policies of reconstruction and the 'Italian miracle'. These questions are highly relevant today, especially in relation to how we view countries newly emerging from totalitarianism. On their arrival in Italy the Allies repeatedly promised to purge the administration, and the strictest measures were imposed during the liberation of the south (1943–4).[47] But it was after the liberation of Rome in 1944, and even more after that of the north in 1945, that the demands of justice clashed with those of efficiency and economic and industrial reconstruction. The receipt of international aid had to be organised, scarce resources and important raw materials distributed, roads and railways repaired, the credit system restored and so on, and this could only be done by using the existing administrative machinery,[48] of which the most modern element was the *enti pubblici*:[49] thus it was the *enti* that were the first to be handed over to the control of the Italian government and the Christian Democrats when De Gasperi became president in January 1946 – with the full approval of the Allies.[50]

46 The phrase 'Italian model' is used by J. Tomlinson in 'Learning from Italy? The British Public Sector and IRI', *European Yearbook of Business History*, 2 (1999), 109–24; but see also P. A. Toninelli, ed., *The Rise and Fall of State-Owned Enterprise in the Western World* (Cambridge and New York: Cambridge University Press, 2000).

47 H. Woller, *I conti con il Fascismo. L'epurazione in Italia 1943–48* (Bologna: Il Mulino, 1997); Melis, *Storia dell'amministrazione italiana*, and 'Percorsi di continuità: l'epurazione nei ministeri', in N. Gallerano, ed., *La Resistenza tra storia e memoria* (Milan: Mursia, 1999), 298–329; 'Note sull'epurazione nei ministeri, 1944–1946', in *Ventunesimo secolo. Rivista di studi sulle transizioni*, 4 (October 2003), 17–52; Marina Giannetto, 'DeFascistizzazione: legislazione e prassi della liquidazione del sistema Fascista e dei suoi responsabili (1943–1945)', ibid., 53–90; Daniela Felisini, 'Uno sguardo al passato e uno al futuro. Imprese e banche pubbliche in Italia dal 1943 al 1946 fra epurazione e occupazione', ibid., 91–120; Giovanna Tosatti, 'Viminale, la rivincita della continuità. Il ministero dell'Interno tra il 1943 e il 1948', ibid., 121–48.

48 Dormagen, 'De l'engagement politique' and *Salvatore Gatti*. At the same time the central apparatus of the financial ministries was resuming its traditional role as a channel of communication with private interests: see J. La Palombara, *Clientela e parentela* (Milan: Comunità, 1967); M. Salvati, 'La dirigenza dei ministeri economici, 1945–50', *Italia contemporanea*, 153 (1983), 183–207; Felisini, 'Uno sguardo al passato'.

49 S. Cassese, 'The Long Life of the Financial Institutions Set Up in the Thirties', *Journal of European Economic History*, 13/2 (Fall 1984), 273–94; M. Salvati, 'Amministrazione pubblica e partiti di fronte alla politica industriale', in *Storia dell'Italia repubblicana*, I (Turin: Einaudi, 1994), 413–534; Melis, *Storia dell'amministrazione italiana*.

50 It was not just in relation to the credit and industrial agencies, but also the welfare-based *enti* that 'the Americans expressed astonishment at how well the *ente* worked and were generous with assistance', as demonstrated by the references (relating in this case to the ONMI) in Maddalena Tirabassi, 'La nascita del servizio sociale in Italia: modelli statunitensi, radici italiane (1920–1950)', in D. Marucco, ed., *Istituzioni e politiche sociali a Torino negli ultimi cinquant'anni. La cultura del servizio sociale* (Turin: Celid., 2004), 20.

Moreover, many of the internal pressures that had produced the INA in 1912 were still active, from economic dualism to the risk-averse approach of private investors, which had been reinforced by autarchy and corporatism between the wars. Thus, paradoxically, for both internal and international reasons (this was during the Cold War), the apparently archaic and corporatist structure of the *enti pubblici* turned out to be the ideal machinery for a new generation of managers determined to relaunch Italy on the market, and the perfect tool for an 'independent' Italian economic policy. Indeed, these managers, far from blindly following the recommendations of their American advisors, aimed to increase investment in infrastructure and in the three great industries of the 1930s: electricity, chemicals and road building.[51] This started a trend that would eventually accomplish the 'Italian miracle' of the 1950s,[52] but fell out of favour in the late 1960s.

While these external factors – the Allies, the urgency of reconstruction, government pressure[53] – help to explain the continuity, it is still hard to explain the impressive degree of approval that the *enti* enjoyed throughout Italy, even after the 'miracle' years. Not only the Christian Democrats, who were soon occupying the key posts in their management, but also the Left, whose economic policy retained a post-war flavour right up to the 1970s, with its insistence on central planning, saw the *enti* as the best instrument to achieve their ends. Here again, the reasons were both cultural and functional.

The 'functional' reasons, as I said at the beginning, related to a European economic cycle which turned on heavy industry and on ever more centralised employers' and workers' federations, while public and governmental agencies attempted to mediate between capital and labour, something which required concerted action. The nature and duration of this phase, from the 1930s to the 1970s, are now rather better known.[54] In the 1980s the term 'neo-corporatism' was coined for this new type of institutional relationships, to distinguish it from Fascist corporatism, but the resemblances are striking, even if in the former the freedom to negotiate contracts with the state is guaranteed.[55]

51 The best-known example is Enrico Mattei and the ENI: see the recent work by F. Briatico, *Ascesa e declino del capitale pubblico in Italia* (Bologna: Il Mulino, 2004). On public enterprise see also M. V. Posner and S. J. Woolf, *Italian Public Enterprise* (Cambridge, MA: Harvard University Press, 1967).

52 F. Barca, 'Compromesso senza riforme nel capitalismo italiano', in Barca, ed., *Storia del capitalismo italiano*, 3–115; L. Segreto, 'Americanizzare o modernizzare l'economia? Progetti americani e risposte italiane negli anni Cinquanta and Sessanta', *Passato e presente*, 37 (1996), 55–83.

53 See Dormagen, 'De l'engagement politique'; A. Pizzorno, *Le radici della politica assoluta* (Milan: Feltrinelli, 1993).

54 C. S. Maier, 'Due grandi crisi del XX secolo. Alcuni cenni su anni Trenta and anni Settanta', in L. Baldissara, ed., *Le radici della crisi. L'Italia tra gli anni Sessanta and Settanta* (Rome: Carocci, 2001), 39–55.

55 Devotees of neo-corporatism have always been careful to keep their distance from Fascist corporatism, but the nature of the relationship between the state and civil society in the two concepts is actually quite similar. Both in a way hark back to the organic unity of medieval society as opposed to the individualism and isolation engendered by liberalism (Marino Regini, 'Neo-corporativismo', in N. Bobbio, N. Matteucci and G. Pasquino, eds., *Dizionario di Politica* (Turin: Utet, 1990, 679–81).

The 'cultural' explanation points, in Italy at least, to a growing consensus between the Christian Democrats and the left in favour of maintaining these instruments for the public control of the economy: the Christian Democrats by reason of their roots in social Catholicism, the left harking back to the enthusiasm for 'planning' in the 1930s.[56] Here the corporatist element in Catholicism converged with the solidarity and *dirigisme* of the working-class movement; it is no coincidence that these two traditions exist side by side in the text of the Italian constitution. Such continuity in the system would have been unthinkable without the support of various cultural trends which identified instruments for the public control of the economy as being 'neutral', mere containers for receiving various contents, having become at long last democratic through the entry of representatives of the mass parties (this is what lay behind the approval of the left). Nor could it have been achieved if Italy had not had a long tradition of what can be simply labelled as 'corporatism'. That is why, in the decades after the war, there were so few people who called for Italy to liberate itself from its 1930s institutions (both welfare- and finance-based); rather they became the symbol of a potentially more 'democratic' way of modernising the country and managing its industrial economy. While functional explanations invoke an experience common to all the European economies as they emerged from the Second World War, the cultural explanations testify to the persistence of the neo-corporatist element in Italian economic and trade union policy right up to the 1970s and 1980s, a dominance that was not mirrored in any other European country. It is therefore necessary to devote further attention to this second aspect of the problem.

Corporatist culture and Catholic tradition

In Italy, corporatist structures, particularly the instruments of government control of the economy, have always resulted from a strong element of cultural syncretism. Fascist corporatism was sustained by a convergence of paternalistic tradition, trade unionism and co-operative tradition, technocratic pressure and Catholic social tradition. Some of these elements faded out or changed over the next twenty years, while others remained the same, or were renewed. Thus the modernising strain seen as part of 'corporatism' carried a few will-o'-the-wisps along with it: finding solutions to the problems of a market economy at a time of global crisis, protectionism, the containment of industrial conflict and the re-establishment of authority and hierarchy.

As I said earlier, the corporatist trend in economic organisation goes back to the twofold – Catholic and socialist – tradition of social mobilisation in the early 1900s.[57] The Fascists drew amply on both traditions, and exploited them ideologically, in their attempts to win over the organised masses, but it seems advisable to look separately

56 Mario Telò, *La socialdemocrazia europea nella crisi degli anni Trenta* (Milan: Angeli, 1985).

57 It should be borne in mind that 'white' and 'red' co-operatives, leagues and trade unions were well established in Italy before Fascism: those individuals and organisations among them who adhered to the new regime were absorbed into the corporatist system and even helped to make Fascism acceptable internationally in the early stages.

at these two politico-cultural milieus, which existed before Fascism and survived its demise.

The links between socialism – particularly its syndicalist and co-operativist forms – and the Fascism of Mussolini are well known; they have a French analogue in the somewhat surprising adherence of revolutionary syndicalists to the Vichy government.[58] Equally well known is the interest shown by the Italian Communist Party (PCI), and particularly by Togliatti, in the Fascist mass labour and popular organisations of the 1930s, and in the schemes for planning and economic governance which were developed by the socialists in the wake of the French popular front. It was along these – far from linear – trajectories that Italian communist and socialist parties arrived at their postwar support for the IRI and the other *enti pubblici*, which served as a substitute for their real goal – nationalisation – at least up to the end of the 1970s. Interesting as this aspect continues to be,[59] my approach to the role of the *enti* in twentieth-century history requires me to concentrate primarily on developments in the Catholic sphere and its relations with the Italian government, which are unique and led to outcomes unparalleled in other countries.

Catholic culture is widely believed to have given rise to a traditionalist, anti-liberal, anti-industrial variant of corporatism which led quite naturally to reactionary Fascism. It is in fact possible to trace a continuous thread from the Risorgimento to neo-idealism, from Gioberti to Gentile, from Mazzini to Mussolini, based on the idea of a joint effort by government and integralist Catholics to revive religious feeling in Italy.[60] There can be no doubt that *dirigiste* corporatism (normally identified with Fascist or monist corporatism) was congenial to Catholic thinking.[61] However, if we take a long-term international view, other elements can be seen to complicate this picture and can supply some sort of answer to a more fundamental question relating to Italy's transition from Fascism to democracy: how is it that Catholicism, which during the war became the main spiritual focus of a society that was recoiling from Fascism (after twenty years of supporting it!), was hailed after the war as the best guide for a state which the Church had rejected for the last fifty years and had accepted only when it had reached its nationalist and imperialist apogee?[62]

58 Pietro Neglie, *Fratelli in camicia nera. Comunisti and Fascisti dal corporativismo alla CGIL (1928–1948)* (Bologna: Il Mulino, 1996); Giuseppe Parlato, *La sinistra Fascista. Storia di un progetto mancato* (Bologna: Il Mulino, 2000); Zeev Sternhell, *Ni droite ni gauche. L'idéologie Fasciste en France* (Paris : Seuil, 1983).

59 Here I may perhaps be permitted to refer to my 'The Cold War and the Italian Left', *Journal of Modern Italian Studies*, 8, 4 (2003), 556–77.

60 A. Del Noce, *Giovanni Gentile. Per una interpretazione filosofica della storia contemporanea* (Bologna: Il Mulino, 1990).

61 Ludovico Incisa, 'Corporativismo', in Bobbio, Matteucci and Pasquino, *Dizionario di Politica*, 235–9; on Catholicism and Fascism see P. Scoppola and F. Traniello, eds., *I cattolici tra Fascismo e democrazia* (Bologna: Il Mulino, 1975)

62 Thus assuring the liberal government a measure of consensus which it would never have gained if the Church had been against it: see Roberto Vivarelli, 'Fascismo e storia d'Italia: fra autobiografia intellettuale e riflessione storiografica', *Ricerche di storia politica*, 3 (2003), 347–60.

Without claiming to offer a full solution, I shall limit myself to examining some of the innovative cultural trends in Catholicism which intersect with the history of Italy and which in the 1940s helped to create and legitimate the administrative framework of the *enti pubblici*, particularly of those concerned with social welfare and propaganda.

There are two main trends. The first and more obvious is the historic links between those *enti* and the Catholic welfare network known as the Opere Pie. In the years after the unification of Italy, the distinction between a so-called *paese reale* (real country, Catholic) and a *paese legale* (legal country, nationalist and authoritarian) seems to have fostered a peculiar version of Catholicism which gravitated towards new social openings under the guidance of such figures as Pope Leo XIII and Giuseppe Toniolo. Of course, the Church did look to corporatist society – of a sort – as a way of combating modernity and class conflict, but the Catholic vision of an organic community of labour, predicated on the moral duty of workers and employers to co-operate, also envisaged a third element, on the assumption that civil society could not (as in Protestant countries) bring about that paternalistic ideal unaided.[63] This third institutional partner would be the Church itself, with its charitable network of Opere Pie explicitly devoted to defending the people against liberalism and capitalism. As it turned out, in course of the actual transition to modernity the Church was supplanted by the state, which also inherited a role as economic and social intermediary that was all the more important in countries where the progress of capitalism came up against resistance from landowners and 'notables'. Italy's experience was closely paralleled by that of Catholic Austria, whose leading theoretician, Othmar Spann, had a certain influence on Italian corporatism in the 1930s. The *dirigiste* tendencies of the Italian state quickly emerged in its dealings with the Opere Pie, which, while gaining a degree of public recognition, were, if not annihilated (as in France), certainly subordinated first to the municipal authorities and subsequently, via the *enti*, to the authority of the Fascist state.[64]

Thus the state of corporatism between the wars was influenced not only by integralist, authoritarian Catholic thinking, but also by another Catholic vision, more socially receptive and less traditional. It was against this background, in the 1930s, that the debates over Fascist corporatism and the emergence of important lay Catholic associations such as the ACLI, FUCI and the Movimento dei Laureati Cattolici led through a series of contradictory positions and varying inputs[65] to an intellectual attitude which attained to a noticeably deeper understanding of modern society and took account of the social sciences – a trend already perceptible in some nineteenth-century Catholic thinking. Thus the generation of intellectuals that

63 S. Lanaro, *Nazione e lavoro. Saggio sulla cultura borghese in Italia, 1870–1925* (Venice: Marsilio, 1979); G. Baglioni, *L'ideologia della borghesia industriale nell'Italia liberale* (Turin: Einaudi, 1973).

64 This long progression is clearly explained in Quine, *Italy's Social Revolution*.

65 For a clear overview of the evolution of interwar Catholic culture, with particular attention to the ideas of Alcide De Gasperi, see Agostino Giovagnoli, *La cultura democristiana tra Chiesa cattolica e identità italiana, 1918–1948* (Rome and Bari: Laterza, 1991).

reached maturity in the Second World War inherited two converging approaches: on the one hand, a rejection of totalitarianism and a determination to restrain it by legal means (La Pira, Dossetti); on the other, a deepening theoretical analysis of capitalist society and the ramifications of industrial society, including management and trade unionism (Saraceno).[66]

What does need emphasis is the existence of not one but two Catholic approaches to the relationship between society and institutions: the first was authoritarian, the second, influenced by the experience of direct confrontation with mass industrial society, distanced itself from Fascism and was ready to mend fences with modernity and democracy. Historians have paid considerable attention to the role of Milan's Catholic University in the 1930s as an 'intellectual laboratory' producing the nucleus of what was to become the Christian Democrat ruling class.[67] Less attention has been paid to the fact that at international level the willingness of Italian Catholics to assume direct responsibility for government and the economy was unprecedented: compare the situation in Franco's Spain, for example. Paradoxically, in the 1930s, a period of constant social mobilisation, the finding and fashioning of a national ruling class was a problem for both the Fascists and the Church, though the Church certainly made a better long-term job of it. It could also be argued that the Church in Italy modernised itself not just *under* Fascism, but *because of* Fascism, as soon as the Church set out to produce a new class of executives to engage in the most modern activities of mass society, from industrial management and trade union leadership to welfare and propaganda, from radio to (ten years later) television.

It is these trends in Catholic thinking that explain why Catholicism became a fulcrum not only for the youthful adherents of *Azione Cattolica*,[68] but for anyone – Fascists included – who, having experienced the crisis of the Second World War, had arrived at the conviction that politics and economics could live in symbiosis with the new vision of national and European welfare.

Conclusion

The place of the *enti pubblici* in the history of twentieth-century Italy is an interesting paradigm for a good many reasons. It provides one key to the interaction between bureaucracy and modernity, public intervention and social conditioning, Fascism and democracy. The interaction of cultural milieu and historical tradition makes the *enti* a useful case study in historical institutionalism or institutional economics. For example, we have demonstrated that it is possible to talk of the *enti* in terms of 'modernity' both before and after the Fascist period, precisely because their fortunes paralleled

66 P. Pombeni, *Il gruppo dossettiano e la fondazione della democrazia italiana (1938–1948)* (Bologna: Il Mulino, 1979); Marianna Cavazza Rossi, Pier Luigi Porta and Carlo Spagnolo, eds., 'Biografie parallele. Pasquale Saraceno visto da Angelo Saraceno', *Economia pubblica*, 3 (1994), 83–98.

67 Renato Moro, *La formazione della classe dirigente cattolica (1927–1937)* (Bologna: Il Mulino, 1979); Giovanni Tassani, *La terza generazione. Da Dossetti a De Gasperi, tra stato e rivoluzione* (Rome: Edizioni Lavoro, 1988); Giovagnoli, *La cultura democristiana*.

68 Francesco Piva, *'La Gioventù Cattolica in cammino...'. Memoria e storia del gruppo dirigente (1946–954)* (Milan: Angeli, 2003).

a whole phase in the history of the industrial economy which now seems easier to comprehend. But the course of this 'fordist' modernisation does not match that of European politics; indeed, it straddles the great turning point of the latter in 1945. The interaction between economic trends and political systems both before and after 1945 in the Italian case is particularly complex given that that year was undoubtedly the zero hour[69] for Italian politics, but not for the economy and institutions.

The other point of interest is the distinction between the welfare-based *enti* (INPS, INCIS, OND, the Casse scolastiche, etc.) and the finance or industry-based *enti* (the IRI, the Bank of Italy). The first inherited an existing trend towards state control of charitable work in the faith-based Opere Pie, and, as we have seen, they were subject to strong social pressure at local level and retained strong links with traditional Catholicism. Finance-based *enti* were by comparison nationalist and secular, although they readily used the 'modernising' of Italy as an excuse to collaborate with the Fascists and later with the Christian Democrats. These financial *enti* recruited some of the country's most prestigious technocrats; it was no coincidence that the latter also emerged unscathed from the anti-Fascist purges.

Thus the changing fortunes of the *enti* are symptomatic of the duality and ambiguity of a system which acted both as an agent of rationalisation and as a political mediator bent on consensus, and therefore vulnerable to patronage. All in all they were strongly linked with the centrality of government intervention in the economy aimed at stimulating controlled industrialisation and social mediation. In the long term, two new factors appear to have contributed to the collapse of a substantially autarchic system: new sources of finance, both private and international, and changes to the leadership of the Christian Democrats, who, with the support of other parties in government, turned the management of the *enti* in a direction which made them more susceptible to patronage. Because they endured longer than other national institutions, they more easily attracted direct finance sheltered from the winds of international competition. This meant that the international crisis of the 1970s found Italy burdened with a heavy, highly interventionist government apparatus and a political culture (whether Catholic or communist) quick to defend that apparatus in the name of social cohesion: a huge number of employees producing everything from steel to sugar-cakes, rampant trade unionism in the *enti* (a ministry had been set up in 1957 especially to look after the nationalised industries), a bloated public-sector workforce and so on.

Paradoxically, it could be said that at the time of transition from Fascism to post-Fascism this apparatus was not working too badly – though it had emerged from a context of autarchy and extreme nationalism it had been culturally reinvigorated by drawing on other traditions – but for that very reason it constituted an inheritance which seemed, in the new economic climate of steady disengagement by the state, to have become an obstacle, a brake on progress, and above all a source of political corruption. The result was not just the decline of heavy industry but

69 The expression is used by C. S. Maier, 'I fondamenti politici del dopoguerra', in *L'Europa oggi*, *Storia d'Europa* (Turin: Einaudi, 1993), I, 316.

the scandal of 'kickback city' (Tangentopoli) which undermined the legitimacy of the democratic system in the eyes of its citizens. The great agencies and the great parties, both of them with strong cultural identities, went down side by side, as they had arisen, bound one to the other. In the end, one might say, the *enti pubblici* were judged to be 'useless', but for the wrong reason – corruption – and at the wrong time, when the only way that Italian large-scale industry could have survived was through rational public support.

This was the cultural background to the emergence of a centre-right political current with a strong populist undertow, determined to differentiate itself from all previous political and institutional cultures,[70] while public opinion happily became aware of a plurality of small businesses, the cement that held districts and localities together, ready to pour into the interstices of a market shaking free from the decline of heavy industry. That was all very well until a few years ago, but, today, can it possibly last in the new global world?

70 Ilvo Diamanti, *Bianco, rosso, verde ... e azzurro. Mappe e colori dell'Italia politica* (Bologna: Il Mulino, 2003).