

# [Was mussolini’s economic policies a complete failure? essay](https://assignbuster.com/was-mussolinis-economic-policies-a-complete-failure-essay/)

Fascist Economic failure can be seen from Mussolini’s entry to power in 1922 as the economy was in a dire state and to rectify the situation would have been problematic. Italy had very few raw materials; also it was divided culturally, between the modernising North and the backward South.

Mussolini aimed to create autarky in Italy, in order to become self-sufficient to provide the economic base for his great militaristic ideas. The failures in Mussolini’s economy can be seen from this stage as in order to establish autarky he would have need land, a large population and support of the elites, hence all culminating in his economic battles; for the lira, for grain and of the marshes, which all have their failures. On the one hand, the largest economic failure is the corporative state due to the fact it failed to meet the needs of the people also seen by the 1927 Charter of Labour; however, its successes can be seen in the long run, in modern day corporatism. Although Fascist Italy is shrouded in failure, there are some successes in his economic policy and these include the role of De Stefani, who reduced unemployment by 75% to 122, 000 and created Italy’s first ever budget surplus since 1918. Yet, the biggest economic success by far is Mussolini’s ability to help after the 1929 Wall Street Crash, through the IRI (The Institute for Industrial Reconstruction) to help Italy’s industries by buying shares previously held by banks.

Despites these successes historian Robson suggest; the fascist were lucky enough to come to office just when the economy was on the turn- and they could claim all the credit. The ‘ Battle for Land’ was one of the most iconic battles by Mussolini which paved the way for the ‘ Battle for Grain’. The ‘ Battle for Land’ was aimed to show a new government and to impress foreign countries; it was also used in order to make land available for grain and cereal production, to provide jobs, and to improve health care by reducing malaria. Although, this battle sounded a success, this was all just part of a propaganda scheme, just like many of the other battles.

In effect, between 1928 and 1938 only 80000 hectares of land were reclaimed, one-twentieth of propaganda claims. In addition, despite the North reclaiming much of the land, the south was neglected heavily, much due to the southern landowners, whom Mussolini did not want to upset. Overall, the battle for land was a failure as it failed to help the people who most needed it, the south, as they were the ones who were most influential in the battle for grain. The ‘ Battle for Grain’ was aimed to boost cereal production to make Italy self sufficient.

Mussolini claimed it was aimed to free Italy ‘ from the slavery of foreign bread’ and to make them less dependent on imports when war came, and more importantly to show Italy as a major international power. The battle was put into action by raising grain tariffs on imports and by providing grants to farmers to purchase machinery. The effect was yet another disillusioned one, as despite cereal production increasing, other agricultural industries like animal rearing suffered, causing the government to import meat an eggs. Also, despite Italy become self sufficient in grain, fertiliser imports increased, and this all raised the cost of bread in Italy. Thus, the increased cost of grain meant the Italian people had a lower income to spend on other foods, hence reducing the quality of their diets.

Overall, this was another lost battle, as the Italian population gained nothing except for higher prices and despite grain production doubling between 1922 and 1939, imports also increased significantly. In Denis Mack Smith’s ‘ Mussolini’ he states ‘ success in this battle was another illusory propaganda victory won at the expense of the Italian economy in general and consumers in particular.’The final and most important economic battle was the ‘ Battle for the Lira’ with its slogan being ‘ Buy Italian’, Mussolini prophesised in a speech in 1926 that he would ‘ defend the Lira to the last breath’. He aimed to fix the lira at 90 to one pound also known as ‘ Quota 90’; this was to reduce inflation, as seen between 1922 (when it was 90 lira to the pound) and 1927 (at 150 to the pound).

More importantly Mussolini wanted to confirm the image of fascism as one that brought stability to Italy; also he believed that this would show Italy as a world power. Again, the effect differed greatly from the aims, as this battle caused major deflation in Italy, it made Italian goods more expensive abroad and it forced the government to devalue the lira in 1936. In addition it caused more hard than good to the Italian people as, in order to increase the value of the lira the government had to impose a 20% wage cut, thus reducing the price level and minimising inflation. Overall the ‘ Battle for the Lira’ had some success in boosting nationalism and patriotism but ultimately failed as it lira was artificially kept high resulting in higher inflation and taxation for the average Italian. Overall the battles for grain, land and lira were all ultimately failures and highlight the weaknesses in Mussolini’s economic policy, these include the false premise which all of these battles lie on, as they were all used as propaganda for the fascist party and to portray the image that the fascist party were helping the nation.

In addition they all created far worse problems that they originally sought to solve, such as the high taxation and inflation from the ‘ Battle of the Lira’. Finally these battles can in some ways be seen as a success by boosting public morale and belief in the fascist regime and the fact that some aspects of every battle did help the economy. Yet this is over-shadowed by the strain on the Italian people to meet these targets. The failure of these economic battles cannot surmount to the failures that occurred in the process of the creation of an Italian corporate state” Fascism should more appropriately be called Corporatism because it is a merger of state and corporate power”. Mussolini believed strongly in the idea of the corporative state calling this idea the ‘ third way’, a system in which federations and syndicates were represented equally.

Yet despite this the majority of historians see Corporatism as an elaborate fraud and one of its sole uses was for propaganda purposes. Corporatism was one of Fascisms largest economic policies and in some ways can be seen as a failure.